

C-AGG/Brazil Collaboration on Agricultural GHG Mitigation Opportunities Initial Stakeholder Meetings: Introduction, Outreach, and Scoping

Background Information

A 4-person C-AGG delegation traveled to Brazil in April 2014, seeking to establish enhanced collaboration in support of incentivizing agricultural GHG mitigation activities. Beginning with voluntary commitments made by the Brazilian government at the UNFCCC COP15 in Copenhagen in 2009, and with the subsequent passage of legislation mandating emissions reductions within a range of voluntary targets, Brazil has embarked on ambitious sectoral emissions reduction plans. Of particular interest to C-AGG is engagement and collaboration with Brazilian colleagues engaged in the Low Carbon Agriculture Plan (the ABC Plan). Based on our meetings and discussions to date, it is clear that this is an opportune time for engagement, and that our experiences and advances in this area in the US and Canada can be quite advantageous to continued and enhanced implementation of the ABC Plan in Brazil. Particular areas of interest and proposed collaboration identified by C-AGG prior to and during the trip included the following:

- tools and techniques to cost-effectively measure, monitor and verify agricultural GHG emissions reductions and sequestration at an appropriate level of rigor for the chosen programmatic approach(es);
- decision support systems that will enable the agricultural sector to understand potential changes in management practices to reduce GHG emissions and/or increase sequestration, and operational and business impacts of these changes in management systems;
- the importance of appropriate data management systems necessary to facilitate and support effective GHG mitigation activities that can be documented, monitored, and verified, and that reduce the burden on agricultural producers by maintaining data in safe, confidential databases;
- the importance of project developers and aggregators to interpret GHG mitigation opportunities for individual producers and groups of producers, and to aggregate individual farms into single or multiple projects large enough to generate enough tons to attract buyers, and to provide income generation opportunities for individual producers and farms;
- a range of financial mechanisms to support agricultural GHG mitigation activities;
- the development of necessary tools and policies to enable the agricultural sector to cost-effectively reduce GHG emissions and increase carbon sequestration, including market-based mechanisms such as carbon or ecosystem services markets and agricultural offset protocols or methodologies; and
- programmatic approaches and tools (such as regional approaches, infrastructure investments, and decisions support systems for agricultural producers) that can help to

engage the agricultural sector and increase participation at a scale that matters, in a meaningful timeframe.

C-AGG Delegates to Brazil:

- Debbie Reed, Executive Director, C-AGG, USA
- Alastair Handley, President, Carbon Credit Solutions, Canada
- John Kadyszewski, Director, Planning & Strategic Initiatives, & the American Carbon Registry (ACR)
- Bill Salas, President, Applied Geosolutions (AGS)

Executive Summary: Trip Outcomes

During meetings, C-AGG's delegation shared our experience building political and multi-sectoral support for appropriate, cost-effective policies, programs, and tools to incentivize voluntary agricultural GHG mitigation; and, lessons learned implementing actual projects via our work with the USDA GHG Conservation Innovation Grant (CIG) projects, with the 3 voluntary carbon registries (American Carbon Registry; Climate Action Reserve; and the Verified Carbon Standard), as well as engagement with the Alberta Offsets Program. The lessons learned and knowledge gained in the U.S. and in Canada that C-AGG shared during the meetings included technical, substantive, and political knowledge and progress. The reception we received from the organizations and individuals we met with was overwhelmingly positive, and virtually all stakeholders with whom we met sought continued collaboration in the following key areas (most of which are inherently linked):

- developing appropriate demonstration projects with the agricultural sector to pilot test approaches to agricultural sector engagement and to demonstrate successful project development and the generation of carbon credits;
- cost-effective measurement and monitoring technologies, including linking to relevant research underway at Embrapa;
- development or adaptation of existing protocols or methodologies and decision support tools to support performance-based GHG mitigation opportunities and to incentivize participation of the agricultural sector;
- development of agricultural offset carbon credits for potential use in a future Brazilian carbon market, and/or existing voluntary or compliance markets with which linkages are possible;
- assessment of existing credit lines available to the sector (via the ABC Low Carbon Agriculture Plan) in order to improve agricultural sector interest and engagement;
- the potential for compound financing approaches to enhance agricultural sector engagement by combining up-front financing (e.g., low-cost loans) and back-end carbon credit financing (e.g. carbon markets) to agricultural producers. Note that this approach could overcome a significant temporal financing barrier to carbon markets as developed in the US and Canada, which is the need for financing to implement practice changes at the start of projects, which often require new equipment or risk-coverage for yield impacts in the early years. To date, these costs have been borne by any combination of public and private sector financing, since agricultural producers only receive carbon credit payments after undertaking practice changes, which must then be measured, monitored, documented, and verified, and which may only become saleable credits on

market exchanges after verification, a process which may take anywhere from 3-5 years from the project start date;

- collaborative activities with researchers at Embrapa working on measurement and monitoring technologies, and identification of data sets and resources useful for creating data management systems for cost-effective technology development and utilization; and
- high-level policy engagement in Brazil and/or with Brazilian policymakers and legislators to share the value impacts of agricultural sector GHG mitigation opportunities, and to share US and Canadian successes, challenges, and opportunities promoting incentive-based agricultural sector GHG mitigation at a large scale.

We learned a great deal about the state of the Brazilian Government's Low Carbon Program and the Low Carbon Agriculture Plan (aka ABC Plan). We feel there are significant opportunities to collaborate with colleagues in Brazil to help speed implementation of agricultural sector GHG mitigation policies and programs, at a large scale, and in a shortened timeframe based on experiences and lessons learned in the US and Canada.

We are currently prioritizing significant specific activities for continued collaboration in Brazil, and are planning a follow-up delegation to Brazil in late 2014, focused on kicking off appropriate short-term activities, and further laying groundwork for medium- to longer-term collaborative activities.