



C-AGG/Brazil Collaboration on Agricultural GHG Mitigation Opportunities Continued Stakeholder Meetings: Trip Executive Summary

May 2015

Background Information

C-AGG's 5 person Brazil delegation made their third trip to Brazil May 3-8, 2015, to continue strategic discussions regarding a formal collaboration with Brazilian partners, such as Marfrig, ICNA, the Ministry of Agriculture, Livestock and Food Supply (MAPA), and others to reduce greenhouse gases (GHG) from the agricultural sector. On the trip, C-AGG signed a Memorandum of Understanding (MOU) with Marfrig to work together in support of sustainable livestock production activities across their direct and indirect suppliers located in the Cerrado region. Specifically, Marfrig and C-AGG will collaborate to engage producers in a pilot project focused on restoring the productivity of the suppliers' lands in an effort to increase production efficiencies and reduce deforestation pressures, which are currently increasing in the Cerrado. The partnership will also target the development of tools and techniques to measure the GHG fluxes and other environmental impacts from the improvements made on the producers' lands. Coming out of this third round of meetings and discussions, the group agreed that plans to develop a pilot project to show how agricultural sector GHG emissions reductions and reduced deforestation can be symbiotically achieved while also developing a cost-effective measurement and monitoring program remains a high priority.

This trip helped C-AGG develop a clearer vision of the phased project approach needed for implementation of a measurement, reporting, and verification (MRV) data management system that would capture the benefits of Brazil's ABC Low Carbon Agriculture Plan. The meetings also highlighted the priority areas that need to be addressed through the project to meet the needs of key stakeholders (i.e. government, banks, and the private sector). C-AGG viewed this trip as an opportunity to make progress on answering some key questions stemming from the group's feasibility assessment focused on the potential for developing carbon credits from ABC Plan technologies, specifically pasture restoration, and development of a cost-effective MRV system. C-AGG's primary goals and objectives for this trip included:

- establishing more formal roles and responsibilities with project partners including ICNA, Marfrig, MAPA, and LAPIG;
- gathering additional scientific data on the classifications used by the government and other stakeholders when discussing the level of degradation and restoration of pasture lands in the Cerrado;
- gaining a better understanding of the governance structure of the ABC Plan to determine the key ministries that should be involved in a funding proposal to the World Bank and the most appropriate entity to lead a robust environmental monitoring system that quantifies the impacts associated with the ABC technologies;
- understanding the unmet needs of all stakeholders involved in the ABC Plan to build a stronger funding proposal that satisfies multiply priorities for both the private and public sectors;
- improving C-AGG's understanding of the business case for the various ABC Plan technologies to enhance the value proposition for the farmers; and

- understanding the major barriers that still exist to engaging farmers in a pilot project to develop an MRV platform and carbon credits.

C-AGG Delegates to Brazil:

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

Executive Summary: Trip Outcomes

During the trip, C-AGG's delegation formalized an agreement to work with Marfrig by signing an MOU to collaboratively implement projects focused on sustainable beef production, specifically projects that improve productivity of pastures and traceability of cattle with the goal of improving the sustainability and efficiency of beef and leather production (i.e., producing more with fewer impacts). During this visit, C-AGG strengthened relationships with key stakeholders including MAPA, ICNA, Marfrig, and LAPIG. C-AGG also established important connections at additional ministries in Brasilia including the Ministry of the Environment, the Ministry of Strategic Affairs, and the Ministry of Science, Technology, and Innovation. The reception C-AGG received from the organizations and individuals continued to be positive. C-AGG's key partners, including the Bank of Brazil, MAPA, and LAPIG, are eager to review a formal proposal to move conversations from the relationship building stage to one focused on project development and strategic engagement. Moving forward, C-AGG will continue to seek collaboration in the following key areas:

- working to assist MAPA to develop a methane reduction strategy to manage animal waste at dairy and swine operations with a longer term engagement strategy focused on pasture recovery and sustainable integrated forestry, crop, and livestock systems;
- continuing discussions with ICNA regarding the development of appropriate demonstration projects with the agricultural sector to pilot test approaches to agricultural sector engagement in the Low Carbon Agriculture Plan (ABC Plan), to build out its web-based Agrosustenta (sustainable agriculture) Portal as a means of qualifying landowners for ABC-funded projects, and to utilize the portal to capture, store, and track data for project management activities;
- sharing knowledge with Embrapa related to the adaption and use of biogeochemical models, such as DeNitrification-DeComposition (DNDC), to the Brazilian context to estimate the carbon fluxes associated with the ABC Plan technologies; and continuing to seek collaboration with Embrapa on an ABC plan MRV system;
- developing demonstration pilot projects to restore pastures, create permanent conservation reserves, increase farmer revenue that take a more jurisdictional approach to preventing deforestation through recovery of degraded land for use by the agriculture sector;
- engaging in pilot projects at the state level with the state of Goias and the Ministry of Strategic Affairs; and
- working with the largest ABC Program distributor, the Bank of Brazil, to create an effective MRV system that improves the efficiency of reporting the results of ABC technology implementation.

Given the progress made between C-AGG's last two trips and the gaps identified in the feasibility assessment, the meetings during this trip moved from purely knowledge sharing to more focused discussion on the strategies to fill the identified gaps and additional relationships required to implement

a successful pilot project. The meetings were very effective in highlighting some of the known barriers to implementation and to raising some key issues for consideration, such as the importance of long term planning in building a project that is appropriately designed, housed, and maintained to meet requirements for transparency and scalability. Numerous partners noted that some of the current projects on the ground, while successfully meeting their goals, have not considered how to take the next step. These projects risk losing all of the institutional knowledge created throughout the duration of the projects in addition to not achieving the larger goals of increasing the efficiency and GHG impact of cattle production in Brazil to conserve and protect remaining native habitat and forested lands.

C-AGG plans to return to Brazil in July to conduct field visits at potential pilot project sites and to meet with our key strategic partners to seek more concrete resource and funding support. In preparation for these discussions, C-AGG will develop some initial funding proposals for both domestic and international funders that build off of the feasibility assessment created prior to this May trip.