EXECUTIVE SUMMARY

REGULATION AND IMPLEMENTATION OF THE STATE ENVIRONMENTAL SERVICES LAW OF AMAZONAS (LSA)

Enviromental Services
Law of Amazonas

DATASHEET

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Publication date
November 2020

Support
United Nations Development Program (UNDP)
Governors' Climate and Forests Task Force (GCF Task Force)
Norwegian Royal Ministry of Climate and Environment

Dados Internacionais de Catalogação na Publicação (CIP)
(Câmara Brasileira do Livro, SP, Brasil)

Executive summary relugation and implementation of the state environmental services law of Amazonas (LS) [livro eletrônico] : enviromental serviços law of Amazonas. -- 1. ed. -- Manaus : Fundação Amazonas Sustentável, 2020.
PDF

ISBN 978-65-990830-6-8

1. Amazonas 2. Conservação da natureza 3. Ecologia 4. Meio ambiente 5. Preservação ambiental 6. Sustentabilidade ambiental.

20-49982 CDD-304.2

Índices para catálogo sistemático:

1. Sustentabilidade ambiental : Ecologia 304.2

Aline Graziele Benitez - Bibliotecária - CRB-1/3129

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CONTEXT AND SOLUTIONS FOR THE IMPLEMENTATION OF THE ENVIRONMENTAL SERVICES MANAGEMENT SYSTEM OF THE AMAZONAS STATE

The state of Amazonas has in its territory the largest portion of the Brazilian Amazon rainforest, with more than 94% of its area covered by forests[1], of which about 58% corresponds to Conservation Units and Indigenous Lands[2]. The Amazon rainforest is responsible for the provision of various ecosystem services* indispensable for the well-being of humanity and global balance, such as maintaining the water cycle, maintenance and stability of the climate, nutrient cycling, supply of food, fibers, fuels, among others. Because of these ecosystem services, the Amazon rainforest has a very important role in the context of climate change. However, it is necessary to develop effective legal frameworks that allow the structuring of public policies aimed at valuing, maintaining environmental services, conciliated with the generation of socioeconomic benefits.

Given the relevance of forests and their diverse ecosystem services, Amazonas has been a pioneer because of

its public policies aimed at the well-being of the riverside population linked to the conservation of the Amazon rainforest: instituting the State Policy on Climate Change and the State System of Conservation Units, both in June 2007, later, the State Policy on Environmental Services (LSA), in December 2015, the environmental asset transaction platform, in November 2016, the State Fund for Climate Change, Environmental Conservation and Environmental Services (FEMUCS), in June 2019 and recently, in June 2020, institutes the 3rd phase of the Plan for the Prevention and Control of Deforestation and Forest Fires of Amazonas (PPCDQ-AM).

The next step to contribute to the state strategy for sustainable development and enhancement of its environmental assets and their mega animal, plant and ethnic diversity, the State Secretariat for the Environment (SEMA), under coordination of Sustainable Amazonas Foundation (FAS) in co-realization with partners: Institute of Conservation and Sustainable Development of the Amazon (IDESAM), Vitória Amazônica Foundation (FVA) and International Conservation Brazil (CI-Brazil), with support from the Governors' Climate and Forests Task Force (GCF- Task Force) and the United Nations Development Program (UNDP) developed the project "Regulation and Implementation of the State Environmental Services Law of Amazonas". Between 2019 and 2020, this project contributed to the creation of the Jurisdictional REDD+ System (Reducing Emissions from Deforestation and forest Degradation, plus the sustainable management of forests, and the conservation and enhancement of forest carbon stocks) in Amazonas. This System will generate important contributions so that the state can achieve the goals of reductions in greenhouse gases emissions (GHG) arising from deforestation, as agreed in the Rio Branco Declaration[3] and declared in the Brazilian Nationally Determined Contribution (NDC). In addition, the System will promote economic incentives so that traditional populations, indigenous peoples and family farmers can develop sustainable economic activities that also result in improving the quality of life of those who protect forests.

The project was made possible by the notice of the Governors' Climate and Forests Task Force (GCF Task Force), managed by the United Nations Development Program (UNDP) with financial contribution from the Royal Norwegian Ministry of Climate and Environment.

[1] National Institute for Space Research (2020).

[2] Sustainable Amazonas Foundation (2019) - Study for the creation and implementation of Protected Areas in the state of Amazonas, Brazil.

[3] Rio Branco Declaration - commitment between members of the Governors' Climate and Forests Task Force to reduce tropical deforestation, protect the global climate system, improve rural livelihoods, and reduce poverty in their jurisdictions.

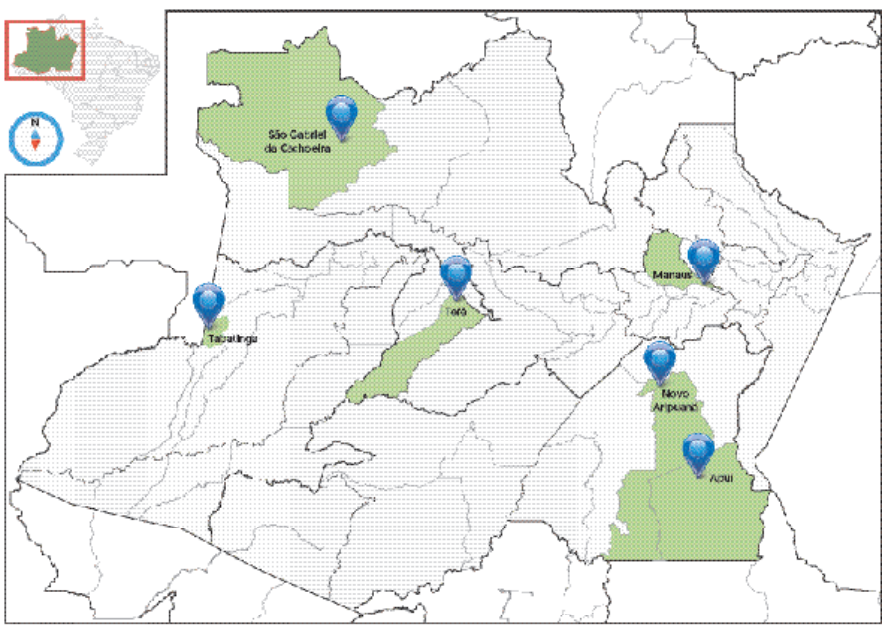
* **Ecosystem services** are the benefits of nature and **environmental services** are human activities that favor the conservation of ecosystems.

COMPONENTS, ADVANCES AND LESSONS LEARNED

The main results and lessons learned in this process are systematized by components to the formulation of the Amazonas State REDD+ System (SiSREDD+ AM) and the stages of the approval process of the legal framework on the regulation of SiSREDD+ AM.

Socio-environmental Safeguards and Gender Inclusion, Young and Vulnerable

In order to promote transparency and participation in the processes, the work focused on regulating the Amazon REDD+ Subprogram was carried out with 6 regional workshops (Figure 1), between October and December 2019, to inform about: (i) the project and the existence of the LSA, (ii) the concept of the program created by the referred law that concerns REDD+ and (iii) the process of building REDD+ socio environmental safeguards in Amazonas, considering the Cancun safeguards and the REDD+ SES standards.



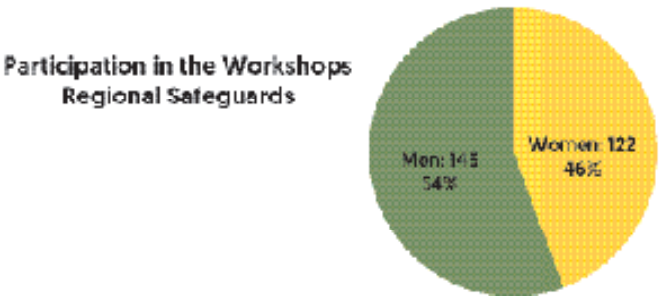


Figure 1. Locations of regional workshops in the process of building REDD+ Social and Environmental Safeguards in Amazonas with 267 participants (54% men, 46% women) in six municipalities.

In the planning phase of the project's implementation, the difficulty and relevance of internalizing the perspective of gender, young and vulnerable inclusion in the process, and in the composition of the beneficiaries of the LSA implementation was diagnosed. Thus, a practical guide was drawn up, with five premises, for orienting gender equality in socio environmental public policy projects:

1. Having an expert on the subject;
2. Including a gender perspective in the planning;
3. Promote socio-territorial diagnostics (dynamics and peculiarities of where potentially affected populations live).
4. Gender mainstreaming strategy.
5. Implementing the gender mainstreaming strategy.

Therefore, this project also contributed to the inclusion of recommendations from Social and Environmental Safeguards in the draft Decree that defines the rules for the implementation of REDD+ projects. These contributions, via a set of recommendations (below), aim to promote guarantees that rights are not violated and that the benefits generated reach those who are directly related to forest conservation.

1. Creation of a Thematic Chamber for the Climate and Carbon Regulation Program, with subdivisions in working groups to address issues such as: Gender; Indigenous People; Family Farmers; and Youth.
2. Creation of management and monitoring mechanisms in a participatory manner just as in the Climate and Carbon Regulation Program.
3. Creation of a Conflict Resolution Instrument.

Resource and Partner Mobilization Strategy

The mobilization of resources and partnerships is a fundamental element to make the operationalization of SiSREDD+ AM viable. (Figure 2).

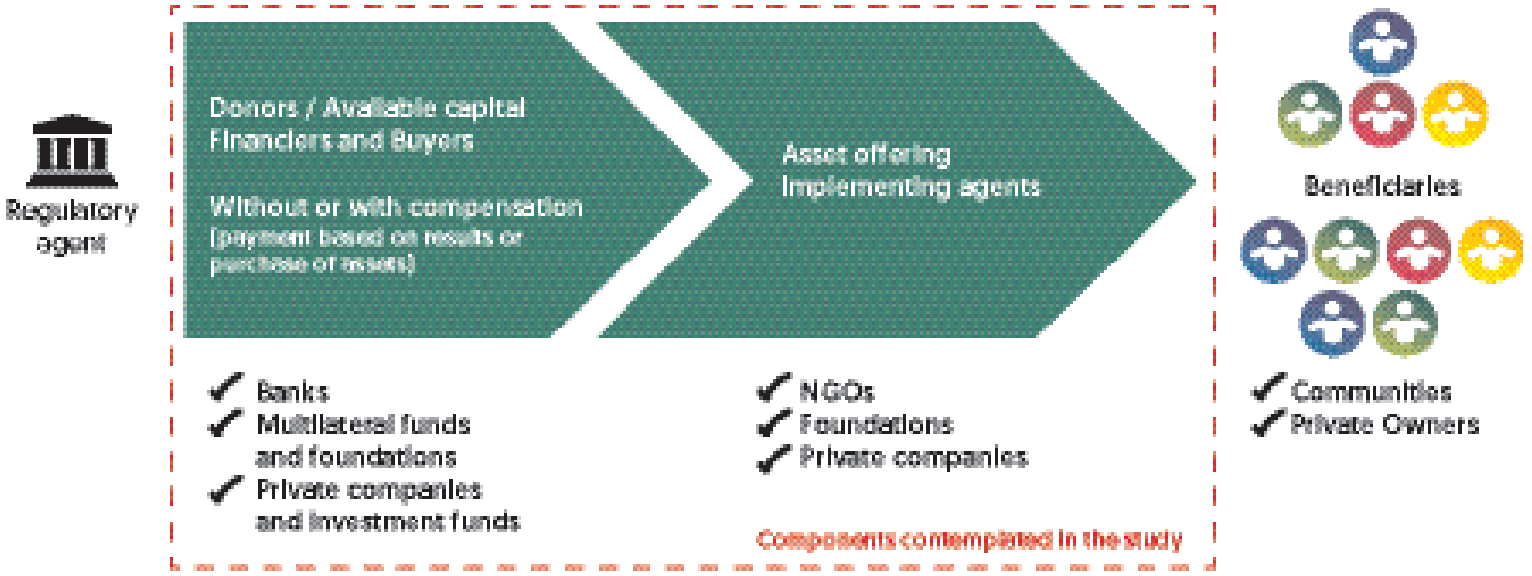


Figure 2. Design of the parties involved in articulating the strategy of resource mobilization and partnerships for REDD+ in Amazonas, via the mechanism of the State REDD+ System for Amazonas.

For the implementation of the REDD+ mechanism, it is necessary to involve different actors and resources from:

- Public Sources: fostering sustainable production chains.
- Private sources: financing sustainable production chains, within a state legal framework and following principles of transparency and compliance.
- Carbon market: fundraising, through the REDD+ mechanism, to support programs and projects to combat illegal deforestation, fires and develop sustainable production chains.
- Hybrid sources: financing via jurisdictional systems.

In addition, it stands out as observations for the construction of this strategy:

1. The possibility of the jurisdictional REDD+ model being an attractive system to subsidize activities to combat illegal deforestation and burning, such as: territorial ordering through ecological-economic zoning, and the fostering sustainable production chains.
2. Improve the integration of REDD+ programs, and projects in a solid state framework to ensure effective emission reduction in a jurisdiction, considering accounting rules and governance structure.
3. Greater political and strategic alignment between public programs and projects to ensure the effectiveness and complementarity of actions, in addition to providing security and reliability to financing actors.

4. Inclusion of all the actors responsible for illegal deforestation and fires to expand the scope and potential for generating results.

Through consultations with several actors, including potential funders, between March and May 2020, it was concluded that the greatest interest identified is the strengthening of the bioeconomy. The resource provided by environmental assets is important because it allows these bioeconomy projects to be financially sustainable.

Therefore, in order to consolidate an inclusive and coherent resource mobilization and partnership strategy for the multiple realities of Amazonas, the diversity of public, private and social actors must be integrated. It is of equal importance that there are also robust and internationally recognized asset certification systems for strategies to be effective.

Productive arrangements

Juma Sustainable Development Reserve (RDS) REDD+ Project

Under the strategy of containing deforestation in the state of Amazonas, the Juma REDD+ project, pioneer in the Amazon, was certified in the VERRA standard (formerly VCS, Voluntary Carbon Standard). This allowed the entire database on vectors and agents of deforestation to be updated, as well as activities to contain and combat illegal deforestation and deforestation projections in the region.

The certification of programs and projects through internationally recognized standards is an indispensable criterion for the emission reduction to generate financial resources to implement activities to reduce illegal deforestation and fires, in addition to encouraging sustainable production chains.

The Juma REDD+ project will generate around 1.3 million tCO_2e, between 2016 and 2025, contributing to the expansion of the socioeconomic benefits that contribute to forest conservation in the region. In the baseline scenario, in a context "without the REDD+ project", the Juma Reserve will lose, by 2025, about 6,376 thousand hectares in native forests (figure 3) - about 2,943,210 tCO_2e (equivalent to 197,796 cars emitted in one year, which emit an average of 14.88 tCO_2e / year).

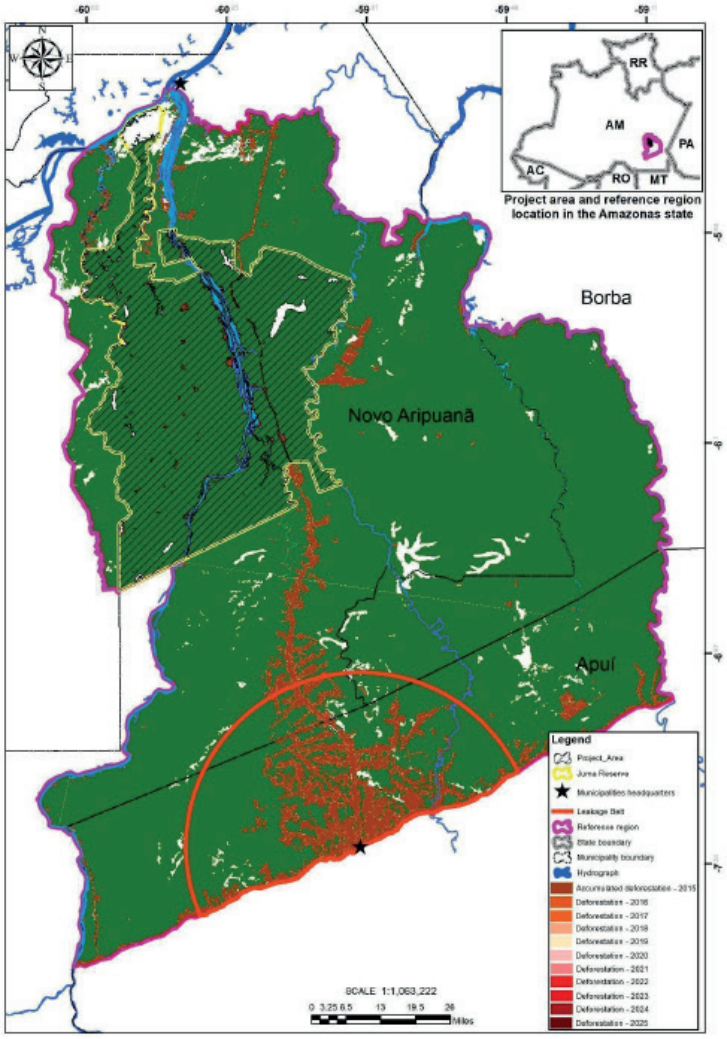


Figure 3. Spatial distribution of deforestation in the reference region in the baseline scenario.

Opportunities for the development of a Environmental Services Payment in Apuí (AM)

The Business Plan for Agroforestry Coffee and Sustainable Livestock, based on successful initiatives already tested in the municipality of Apuí, led by IDESAM, involved 250 families, in recovery of 730 hectares through agroforestry systems and intensification of livestock, in a region with high rates of deforestation.

Agroforestry production contributed to the 300% increase in farmers' income and reduced 11 thousand tCO_2 through the management of agroforestry systems. Sustainable livestock, on the other hand, prevented deforestation of 2,196 hectares and the emission of 823 thousand tCO_2 (figure 4) - equivalent to the emission of 55,309 cars in one year.

Figure 4. Prospecting for potential results of the agroforestry coffee and sustainable livestock business plan in Apuí - AM.

Amazonas State REDD+ System (SiSREDD+ Amazonas)

The REDD+ State System (SiSREDD+ Amazonas) considers (i) the potential for reducing emissions from deforestation and degradation, (ii) defining the criteria for including projects and enabling of executing agents in SiSREDD+ AM, (iii) accounting for Emission Reduction units (U-REDD+), (iv) strategy for integrating SiSREDD+ AM in the national context and (v) emission reductions allocation model in different categories state landowners (Figure 5).

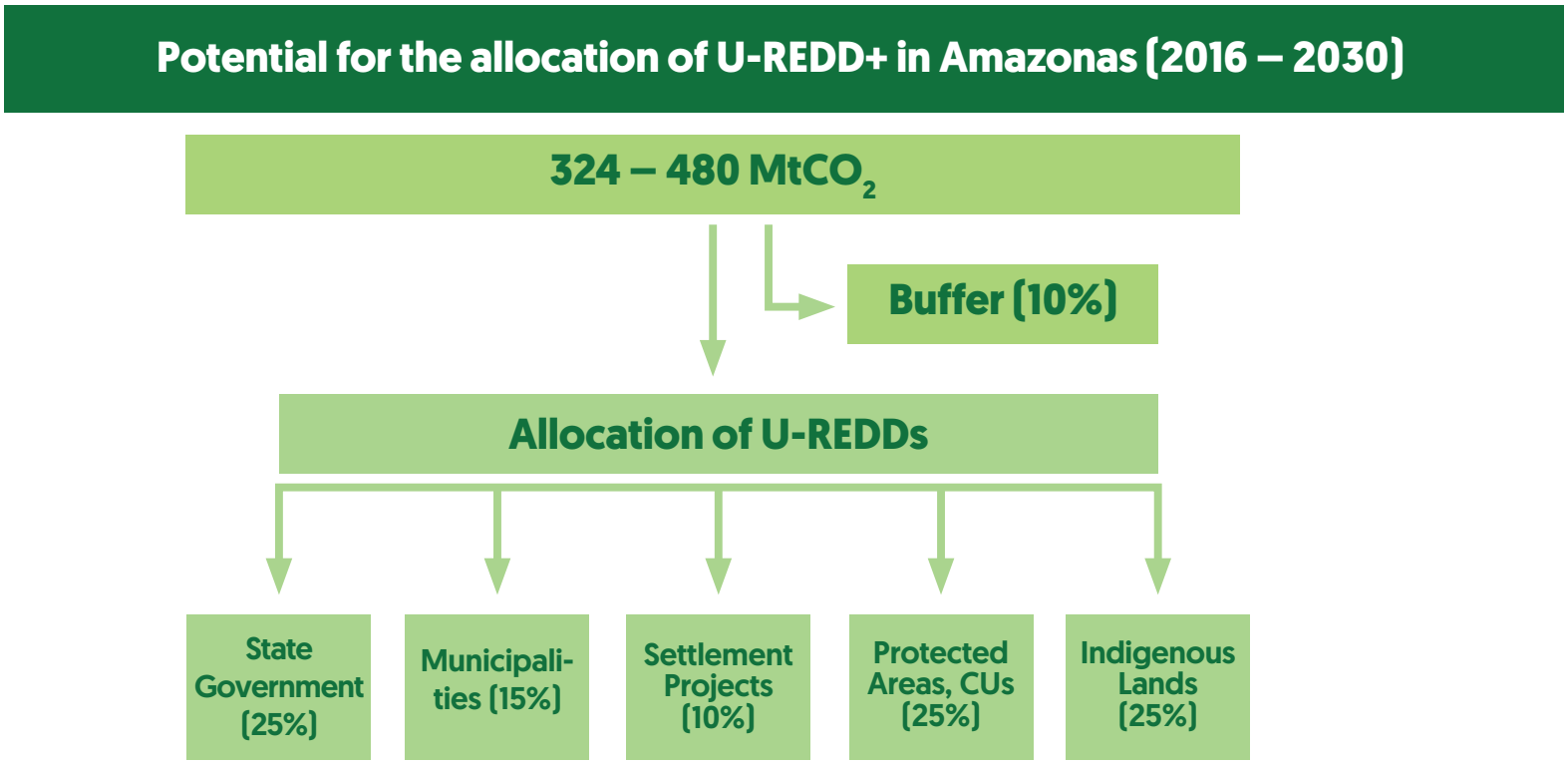


Figure 5. Representation of the U-REDD+ allocation potential in Amazonas in the land categories provided for in SiSREDD+ AM and considering current national frameworks.

It should be noted that the proposal for the allocation of U-REDD+ takes into account existing regulatory frameworks (eg, CONAREDD+ Resolution No. 6, of July 6, 2017). CONAREDD+ indicates that 40% of U-REDD+ will be destined to the territories of federal governance and the rest to the states of the Legal Amazon. The total for state governments, by 2030, is 1,766,138,400 tCO2e (or U-REDD+). For Amazonas, following criteria of historical rates of deforestation and forest area threatened by agents and vectors, 324-480 MtCO2 was allocated until 2030.

In the state of Amazonas, the allocation followed the rationale proposed by CONAREDD+ allocating 40% to the territories under management federal (indigenous lands, rural settlements and federal conservation units). Areas under state management have 25% and Municipalities, 15% (figure 5). This allocation to Amazonas makes it possible to raise more than R$ 10 billion by 2030, considering the price of U-REDD+ about R$ 20 (USD 5).

Contributions in the regulation process of the public policy of Environmental Services and REDD+ in Amazonas

The involvement and engagement of all actors in the process of deliberation of the rules of the State System of REDD + of Amazonas (SiSREDD+ AM) is a fundamental step for the learning and recommendations produced by the team of co-directors reflect on effective actions to combat deforestation and fires.

Led by the State Secretariat for the Environment (SEMA), the draft regulations were contributed by the Amazonas State Council for the Environment (CEMAAM) and the Amazonas Forum on Climate Change, Biodiversity, Environmental Services and Energy (FAMC). Below are the main stages of the construction and implementation of SISREDD+ (figure 6).

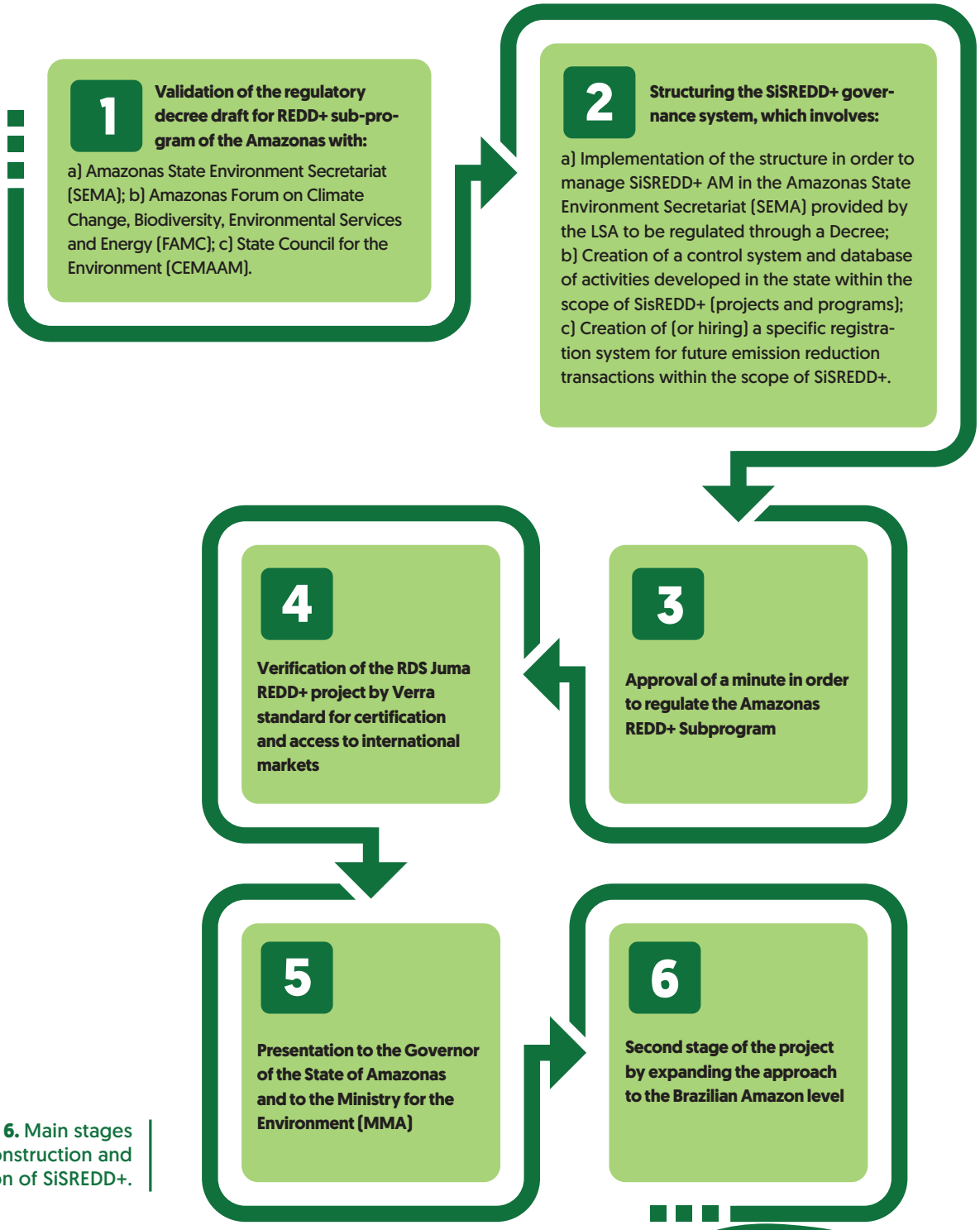


Figure 6. Main stages of the construction and implementation of SiSREDD+.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