

CEPF Final Project Completion Report

Organization Legal Name:	Conservação Estratégica
Project Title:	CRA implementation in Maranhão and opportunities in Tocantins and Bahia
Grant Number:	CEPF-100447
CEPF Region:	Cerrado
Strategic Direction:	3 Promote and strengthen supply chains associated with the sustainable use of natural resources and ecological restoration in the hotspot
Grant Amount:	\$104,103.03
Project Dates:	August 01, 2017 - September 30, 2018
Date of Report:	February 26, 2019

Implementation Partners

List each partner and explain how they were involved in the project

Environmental Agency of Maranhão (SEMA-MA); Environmental Agency of Bahia (SEMA-BA); Environmental Agency of Tocantins (Naturatins). Environmental agencies from other states also participated of our final webinar. Observatório do Código Florestal (OCF) was also engaged in discussing the “ecological identity” issue raised by the supreme court and a prerequisite for this discussion on the CRA market to continue. OCF’s political influence was also important to deliver the letter of position to the supreme court, signed by the OCF - which represent several environmental NGOs. Funbio and Universities of Brasilia (UnB) Minas Gerais (UFMG) and São Paulo (USP) were also partners for the seminar about ecological identity, providing important presentations about ecological identity in the seminar supported by the CEPF project.

Conservation Impacts

Summarize the overall impact of your project, describing how your project has contributed to the implementation of the CEPF ecosystem profile

The project’s results can be divided in two parts: (1) A research on the CRA market potential for Maranhão; (2) An assessment of the impacts of different possible “ecological identity” definitions on the CRA market. The overall discussion addresses the dilemma between conservation and restoration approaches that are available by the Brazilian forest law - CRA is a flexibilization towards compensation through conservation – instead of the costly restoration approach. Our

final report and its presentation contribute to the discussion on the economic and ecological results of the implementation of CRA market in different possible configurations. The study addresses alternative “ecological identity” definitions and their impacts on the CRA market, contributing to the discussion that is currently in place in the Brazilian Supreme Court, which can strongly influence the outcomes of future CRA markets. This discussion was promoted by this project in a seminar, which gathered several researchers from prestige universities, NGOs, and government decision makers, that contributed to put together researches and methodologies that could be used for this end. Two letters of position were delivered via “Observatório do Código Florestal” to the Supreme Court, presenting alternatives for the ecological identity definition, urging for a quick decision upon it in order to avoid discrediting the CRA mechanism. Our results show that the CRA market in Maranhão state is feasible, with different proportions of conserved and preserved areas in its 3 biomes (Amazon forest, Cerrado and Caatinga), depending on the ecological identity definition. Even though the political scenario has been very adverse, the project contributed building awareness about the dilemmas involving the development of the CRA market, presenting efficient solutions for CRA regulations implementation by the federal government and the states. The joint use of seminars, technical report and letter of intentions was an important signal from civil society to the federal and local governments that the CRA market is a powerful tool for reaching efficient economic and environmental outcomes. The guidelines provided by the project can be used by other states, such as Bahia and Tocantins - as soon as the mechanism is regulated.

Planned Long-term Impacts - 3+ years (as stated in the approved proposal)

Impact Description	Impact Summary
Design of the CRA mechanism in Maranhão, and, by end of 2018, regulations governing CRA market adopted by Maranhão State Government.	All state level agencies that participated on the project are still waiting for the definition of the federal regulation. However, the project contributions will help states to implement CRA policy in the long term . The general guidelines for the CRA implementation are: *Calculate the demand for Legal Reserve *Define the areas that could be used to compensate and calculate the potential supply – considering possible ecological values and constraints. *Define the market rules *Create a system that would allow transactions to happen. Ideally, governments should consider: (i) the environmental goals of each state and not only the compliance rate; and (ii) the number of potential participants. Currently, the data available allow us to calculate the aggregate demand and supply, but there is a lot of heterogeneity among landowners that should be considered. So, it would be important, if the states could improve the quality of their data.
Increase in compliance with environmental laws by farmers in the studied States. The compliance rate under CRA will be calculated based on how the market will work (supply and demand). This rate will be compared to the current (without the CRA) compliance rate.	If the CRA mechanism is implemented, it will definitely have this impact . Without CRA, all efforts will be directed to restoration – none to conservation. With CRA implemented, we estimated that 96% of eligible producers would use CRA conservation mechanism in

	the Amazon biome, and 100% in the other biomes. Depending on the ecological restrictions, the CRA adherence may vary from 30% to 100%
3 land use policies which incorporate biodiversity importance in their design benefit high biodiversity areas classified as priority for conservation in MA, BA and TO states.	The state level land use policies could not be designed so far due to federal regulation's issues, which is still on hold, preventing states and partners to work on its design. However, the technical arguments and guidelines were provided by our technical report and seminar.
In 5 years after the end of the project: Regulation - Increase the compliance of landowners to the New Forest Code through the CRA mechanism. The CRA mechanism tends to reduce the private cost when compared to other alternatives, facilitating law compliance.	We believe it is possible to achieve this in 5 years from now. Our research demonstrates the cost effectiveness of the potential CRA market under several scenarios versus the non-compliance.
Public policies governing the CRA market in at least one state are revised to include provision for payment for environmental services resulting from the preservation and conservation of native vegetation areas.	The project contributed to the developing the states' interest in PES programs. In the long term they will be increased in number and scope.
In 1 year after the end of the project: 1 land-use public policy (CRA-MA) affected to include biodiversity in it (priority areas)	The state manager have demonstrated, during the project's meetings, interest in using CSF's methodology to define priority areas if we have new funds to support this type of research. We believe it is possible to achieve this in 1 year from now.
In 2 years after the end of the project: 2 land-use public policies (CRA-BA and CRA-TO) affected to include biodiversity in it (priority areas)	The state managers (BA, TO) have demonstrated, during the project's meetings, interest in using CSF's methodology to define priority areas if we have new funds to support this type of research. We believe it is possible to achieve this in 2 years from now.

Planned Short-term Impacts - 1 to 3 years (as stated in the approved proposal)

Impact Description	Impact Summary
20 decision makers trained in CRA now contribute to better market feasibility assessments and CRA implementation in two states.	46 researchers and decision makers attended the seminar discussing CRA and ecological identity. (8 from academy; 21 from NGOs; 10 from government; 7 from private associations). Besides it 12 state level decision makers attended the webinar for result's presentation.
Advance towards a commonly-accepted national definition of "ecological identity" to contribute to the national policy on CRA by overcoming this barrier to its implementation. A clear definition should overturn the Forest Service implementation process of CRA, so that the federal regulation can come out, and then the states can start implementing their state level regulations.	Several initiatives were undertaken towards this. The project's seminar, webinar, technical report, policy brief and letter of position contributed to the ecological identity discussion. The "eco-region" approach, developed by the University of São Paulo, was considered by the OCF a viable proposal to be promptly used, even though researchers agreed that it could be refined. The supreme court has not publicized a resolution addressing this yet.



Describe the success or challenges of the project toward achieving its short-term and long-term impact objectives

The political scenario has been very adverse in the Brazilian government and in the supreme court, which is resulting in a delay of more than one year in the expected delivery of the CRA federal regulation. This was the main shortcoming to this project, which prevented the state level government to develop their local regulations, which would be one of the objectives of the project. On the other hand, CSF and CEPF were swift to adapt the project, tackling the current bottlenecks related to the ecological identity definition. Therefore, the project was successful to adapt and make the most out of the adverse changes in the scenario, contributing to the technical discussion on ecological identity and with the institutional articulation to pressure the supreme court and the government towards a solution for the CRA federal regulation – which is still on hold. In this adverse scenario, it is extremely positive that the project got well accepted by the State of Maranhão.

Were there any unexpected impacts (positive or negative)?

The project may have had less impact than previously thought because of the changes in the political scenario that occurred during the project execution. The implementation of the federal regulation - that precedes the implementation of the state level regulation - was suspended due to a supreme court decision. This made all the environmental agencies to suspend their efforts until some judicial resolution occur – which did not happen until the end of this project. Therefore, local environmental agencies could not have a clear picture of what could be their next steps regarding CRA regulation and implementation. As mentioned before, the project was successful to adapt and make the most out of the adverse changes in the scenario, contributing to the technical discussion on ecological identity and with the institutional articulation to pressure the supreme court and the government towards a solution for the CRA federal regulation – which is still on hold. The work with the partner from OCF was very important to disseminate the findings of the study. This is a positive development and the engagement with this partner has exceeded the expectations. It demonstrates a connection and alignment was established with more NGOs working on this issue.

Project Components and Products/Deliverables

Describe the results from each product/deliverable:

Component		Deliverable		
#	Description	#	Description	Results for Deliverable
1	Supply and demand curves for the CRA market in Maranhão	1.1	One technical report provided information and technical support to the government of Maranhão regarding the CRA market.	<p>The technical report addressed the following issues:</p> <ul style="list-style-type: none"> Environmental Reserve Quotas -Restoration & Compensation -Demand Curve -Supply curve -Opportunity cost -Areas with forest <p>Results:</p> <ul style="list-style-type: none"> -Reference scenario: market restricted to the same biome: Amazonia, Cerrado, Caatinga -Alternative scenario 1 - Environmental Priority areas -Alternative scenario 2 - Ecoregions -Alternative scenario 3 - Sub-basins (watersheds) <p>Discussion</p> <p>The report was presented in the webinar and is available online at CSF's website. A final discussion was made with the States of Maranhão, Bahia and Tocantins through Skype. A printed copy of the report was sent to the each state's environmental agencies.</p>
2	CRA market evaluation in Maranhão.	2.1	Create graphics showing the comparison among the compliance costs under different scenarios in an easy and clear way to facilitate communication with landowners and governments on efficiency gains from	<p>The graphics were created and presented in the technical report, webinar, and are available in the internet.</p>

			implementing a CRA market.	
2	CRA market evaluation in Maranhão.	2.2	Policy brief showed the amount of savings and protections under different scenarios to communicate that the CRA market can generate private and social gains, especially restricted to priority areas.	The policy brief was presented in the webinar and is available online.
3	Dissemination of and discussions on CRA market evaluation in the three states and to a wider audience.	3.1	Letter of position based on the first workshop capturing the presentation of points of view and potential impacts of different definitions of ecological identity on the CRA market	The letter of position was signed by the Observatório do Código Florestal, delivered to the supreme court and is available online
3	Dissemination of and discussions on CRA market evaluation in the three states and to a wider audience.	3.2	Minutes of the Webinar captured the experience exchange among Maranhão, Tocantins and Bahia states	The Minutes' files were uploaded to the CEPF system. The webinar had the presence of the environmental agencies from the states of Maranhão, Bahia, Mato Grosso, São Paulo and Espírito Santo; the Maranhão's Association of Soybean Producers, and 4 NGOs.
3	Dissemination of and discussions	3.3	Communication strategy for	The project progress and report is available online. Members from Maranhão state rural society were also

	on CRA market evaluation in the three states and to a wider audience.		a wider audience implemented to influence landowners, agribusinesses and governments of Bahia and Tocantins for the design and execution of a CRA mechanism.	present at the seminar and webinar. The communication products can be found in the following links: -Project Description: https://www.conservation-strategy.org/pt/project/promovendo-conserva%C3%A7%C3%A3o-do-cerrado-recomenda%C3%A7%C3%B5es-para-implementa%C3%A7%C3%A3o-de-cotas-de-reservas-ambi#.W_7KRxNKhTa and https://www.conservation-strategy.org/pt/news/debate-sobre-implementa%C3%A7%C3%A3o-do-c%C3%B3digo-florestal-para-conservar-florestas-brasileiras#.W_7M7uhKiUm -Blogpost: https://www.conservation-strategy.org/pt/news/debate-sobre-implementa%C3%A7%C3%A3o-do-c%C3%B3digo-florestal-para-conservar-florestas-brasileiras#.W_7KUhNKhTZ -LinkedIn: https://www.linkedin.com/feed/update/urn:li:activity:6451191709157199872 -Twitter: https://twitter.com/numbers4nature/status/1045426756419649536
4	CEPF project management and monitoring for compliance.	4.1	Increased institutional capacity of CSF-Brazil, as evidenced by comparison of Civil Society and Gender Tracking Tool scores at project start and end.	CSF previous score was 60.5 (correcting for one question (1.5) that was incorrectly filled), and now we have 59 points. This year we have less funders for our projects.
4	CEPF project management and monitoring for compliance.	4.2	CEPF financial and programmatic reports are submitted online on time and accurately.	Successfully completed.
4	CEPF project	4.3	Information	Successfully completed.

	management and monitoring for compliance.		on events, communication materials, georeferenced information and specific studies are shared with the RIT per email or other online data transfer software.	
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Please describe and submit any tools, products, or methodologies that resulted from this project or contributed to the results.

The main products of this project were:

- One seminar about ecological identity, which gathered several researchers from prestige universities, NGOs, and government decision makers, that contributed to put together researches and methodologies that have been developed so far, and could be used for this end.
- One technical report assessing the potential of the CRA market with several different restriction configurations for the Maranhão state.
- One policy brief to summarize technical results and contribute to the awareness and dissemination of results.
- One webinar to present technical results for several state level environmental agencies.
- One letter of position addressed to the supreme court, presuring it for a quick ecological identity definition.

The communication products can be found in the following links:

- Project Description: https://www.conservation-strategy.org/pt/project/promovendo-conserva%C3%A7%C3%A3o-do-cerrado-recomenda%C3%A7%C3%B5es-para-implementa%C3%A7%C3%A3o-de-cotas-de-reservas-ambi#.W_7KRxNKhTa and https://www.conservation-strategy.org/pt/news/debate-sobre-implementa%C3%A7%C3%A3o-do-c%C3%B3digo-florestal-para-conservar-florestas-brasileiras#.W_7M7uhKiUm
- Blogpost: https://www.conservation-strategy.org/pt/news/debate-sobre-implementa%C3%A7%C3%A3o-do-c%C3%B3digo-florestal-para-conservar-florestas-brasileiras#.W_7KUhNKhTZ
- LinkedIn: <https://www.linkedin.com/feed/update/urn:li:activity:6451191709157199872>
- Twitter: <https://twitter.com/numbers4nature/status/1045426756419649536>

Lessons Learned

Describe any lessons learned during the design and implementation of the project, as well as any related to organizational development and capacity building.

Consider lessons that would inform:

- Project Design Process (*aspects of the project design that contributed to its success/shortcomings*)
- Project Implementation (*aspects of the project execution that contributed to its success/shortcomings*)
- Describe any other lessons learned relevant to the conservation community

The flexibility to adapt the project to the changing political context was very important, and the close contact and communication with CEPF grant managers was key to establish trust and discuss the best approaches for the situation.

We learned that it is important to establish contact and allignment with the agencies to be supported prior to the project proposal - in order to avoid changes in the project due to unforeseen contexts, as it was the case of changing from Mato Grosso to Maranhão state due to the finding that there was a similar project been done in parallel with ours.

Sustainability / Replication

Summarize the success or challenges in ensuring the project will be sustained or replicated, including any unplanned activities that are likely to result in increased sustainability or replicability.

We will keep in touch with the environmental agencies supported. As soon as the Supreme Court decides on the "ecological identity" issue, we hope to continue the support with the implementation of the CRA mechanism by the states. CRA is still one of the most promising PES schemes due to the capacity to fund conservation strategies and efficiently transfer and allocate resources.

The report's guidelines are a important piece of knowledge to be absorbed and replicated by other states - and we believe the support by CSF and CEPF will be important to allocate people to provide close assistance to the environmental agencies staff, working to get state regulation and decree to be approved.

Safeguards

If not listed as a separate Project Component and described above, summarize the implementation of any required action related to social, environmental, or pest management safeguards

The project did not have any special required action related to social or environmental safeguards.

Additional Comments/Recommendations

Use this space to provide any further comments or recommendations in relation to your project or CEPF

CSF appreciates CEPF's flexibility to adapt the project to the challenging political context that took place during its execution, which was important to get the most out of the situation, and also for the no cost extension provided in order to do additional analysis on the ecological identity issue.

Additional Funding

Provide details of any additional funding that supported this project and any funding secured for the project, organization, or the region, as a result of CEPF investment

Total additional funding (US\$)

Type of funding

Please provide a breakdown of additional funding (counterpart funding and in-kind) by source, categorizing each contribution into one of the following categories:

- A Project Co-Financing (other donors or your organization contribute to the direct costs of this project)*
- B Grantee and Partner Leveraging (other donors contribute to your organization or a partner organization as a direct result of successes with this CEPF funded project)*
- C Regional/Portfolio Leveraging (other donors make large investments in a region because of CEPF investment or successes related to this project)*

No additional funding provided.

Information Sharing and CEPF Policy

CEPF is committed to transparent operations and to helping civil society groups share experiences, lessons learned, and results. Final project completion reports are made available on our Web site, www.cepf.net, and publicized in our newsletter and other communications.

1. Please include your full contact details (Name, Organization, Mailing address, Telephone number, E-mail address) below

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