

## INCENTIVES FOR FOREST CONSERVATION: THE EXPERIENCE OF CERTIFICATION IN BRAZIL

### EXPANDED SUMMARY

Conservation of native vegetation in Brazil remains a major challenge. The expansion of the agricultural frontier, the construction of infrastructure, economic growth without spatial planning and poor governance undermine the national commitments and goals to reduce deforestation, greenhouse gas emissions and improvements in restoration of vegetation. The complexity of achieving these goals requires the integration of public and private, mandatory and voluntary, command and control and incentives based actions and policies. Despite the importance of conserving native vegetation in achieving these commitments, we still lack incentives and economic instruments that promote native vegetation protection, aimed either at following or going beyond existing legislation. This study aims to evaluate the contribution of socioenvironmental certification - intended as a voluntary incentive instrument to catalyze change - as a mechanism for the conservation of native vegetation in Brazil.

This study involved an analysis of data at different scales. First, we assessed the extent of implementation of a forest certification system (FSC - Forest Stewardship Council) and of an agriculture certification one (SAN-RA or Sustainable Agriculture Network-Rainforest Alliance) in Brazil. Then we evaluated the changes caused by the implementation of these systems with respect to the conservation of native vegetation, recounting the results of a case study that verified the impacts of FSC and SAN-RA. Subsequently we conducted a new case study (primary data of this research), evaluating compliance with the Forest Code and the quantity and quality of conservation of native vegetation in SAN-RA certified and non-certified farms in the Cerrado of Minas Gerais State.

We concluded that certification went beyond the pilot or niche scale in the country and reached a national extent, with implementations present in various biomes, regions and states. Certification has been implemented for over a decade in a variety of agricultural and forestry production business of varying sizes engaged in highly competitive value chains. The case studies showed that the implementation of certification contributed to changes in farm management practices towards a reduction of deforestation, a promotion of riparian vegetation restoration, an increased connectivity among patches of native vegetation and a provision of habitat for biodiversity. As a result, certified producers protect greater areas of native vegetation than their surrounding regions. Certified producers also showed higher compliance with the Forest Code.

This study demonstrated that voluntary certification systems, grounded on principles of credibility, can contribute to the conservation of native vegetation in the forestry and agricultural production business. The main role of certification and voluntary market instruments is to innovate and demonstrate solutions towards sustainability challenges. The extent and scale of implementation of certification schemes have been able to promote public debate, guide a research agenda, influence public policies and catalyze changes in the management and production practices of crops of importance to national and international value chains. However, responding to the major challenge of conservation requires coordinating innovative incentives and instruments, such as certification, with public policies. In the end, public policies have the role and responsibility to definitively address the question of a balanced relationship between agricultural production and nature conservation.