





1 - Background information on the state of Acre:

Acre has gained prominence for its pioneering initiatives of a social and environmental nature created with the participation of civil society and aligned with national policies and programmes designed to reduce deforestation.

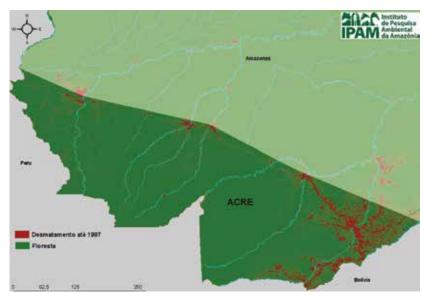
Acre is in the south-west corner of the North region of Brazil and covers around 164,000 km². It contains 22 municipalities and is bordered by two Brazilian states (Amazonas and Rondônia), Bolivia and Peru. Based on an analysis by IPAM using data from INPE (2010), the area of forested land in Acre sums 143,694 km², making it one of the best preserved states in the country. However, there are already signs of increased deforestation in the state.

According to the INCRA Land Atlas (Atlas Fundiário do INCRA, 2008), the area dedicated to crops and pasture in the state rose from around 590,000 ha to approximately 1,210,000 ha between 1996 and 2006. The area of pasture land in the state rose by 58% in this period. Another factor behind the increased deforestation has been the establishment of land reform projects in the state, which, according data from IMAC (Instituto de

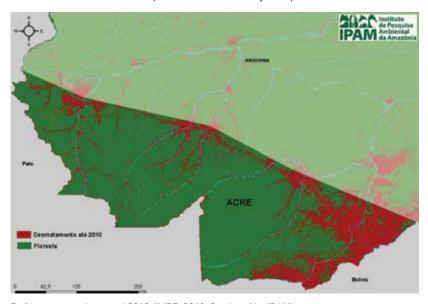


Meio Ambiente do Acre), account for 37% of the deforestation seen in 2008. In Acre, projects for traditional settlements are no longer created, only settlements for different purposes: forest settlement projects, sustainable settlement projects, and "extractivist" settlement projects (for communities that extract non-timber forest products) (Acre, 2009).

Another factor that affects deforestation in Acre is the surfacing of two highways, BR-364 and Estrada Inter-Oceânica, the latter connects Acre (Brazil) to Pacific Ocean ports in Peru. To prevent further deforestation along these roads, a sustainable land management and organization model must be created.



Deforestation in Acre until 1997 (INPE, 2010; Produced by IPAM)



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To address this situation, the Acre government has created a few mechanisms designed to conciliate the economic development of the state with the conservation of the natural resources and environmental services provided by its ecosystems.

2- Description of actions undertaken:

In recent years, Acre has developed four lines of action to reduce deforestation:

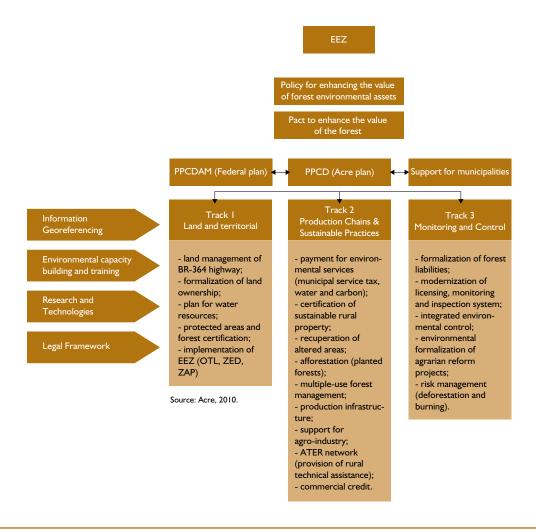
a) State plan for the prevention and control of deforestation (PPCD/Acre):

The aim of the state plan for the prevention and control of deforestation is to "assure significant, consistent, lasting reductions in rates of deforestation in the state of Acre by building the capacities of the government and society in environmental management and consolidating a clean, fair, competitive economy that is strongly rooted in the forest," (Acre, 2009).

With this plan, the state undertakes to reduce deforestation by 75% between 2009 and 2018. This means a reduction of 14 million tonnes of CO_2^{40} (Acre, 2010).

 $^{^{40}}$ Taking the historical average annual deforestation rate of 58,300 ha from 1996-2005 and an average CO $_2$ stock of 366 tonnes per hectare resulting in average historical emissions of 21,358,258 tonnes of CO $_2$ a year, a 75% reduction in emissions over a ten-year period (2008 to 2017) would result in a reduction of 16 million tonnes of CO $_2$, with a linear reduction of 4.8 million tonnes of CO $_2$ e (Acre, 2010).

The PPCD/Acre action strategy of can be seen graphically in the figure below:



b) State system of incentives for environmental services (SISA):

SISA was introduced by Law 2,308 of October 22, 2010. It is based on a number of principles, criteria and instruments geared towards enhancing the economic value attributed to environmental preservation. It is the state's system of payments for environmental services.

As set forth in the law, the main aim of SISA is to support the maintenance and expansion of supply of ecosystem services and products, namely:

- i. sequestration, conservation, maintenance and increase of carbon stocks and reduction of carbon flows;
- ii. conservation of the natural beauty of the landscape;
- iii. conservation of sociobiodiversity;
- iv. conservation of waters and water services;
- v. regulation of the climate;
- vi. enhancement of the cultural value and traditional knowledge of ecosystems;
- vii. conservation and improvement of the land.

c) Programme of Incentives for Environmental Services (ISA Carbono):

ISA Carbono, in conjunction with SISA, is designed to compensate actions that enable REDD+. These may relate to monitoring forest cover, measuring reductions in carbon dioxide emissions from deforestation and forest degradation against a baseline, verifying and reporting these emissions to the relevant national and international authorities, maintaining and adding to carbon stocks through forest conservation, forest management and afforestation, and assuring the permanence of emission reductions and/or the maintenance of carbon stocks (Neves, 2010).

The overall goal is therefore to bring about a reduction in emissions of greenhouse gases from deforestation and forest degradation in line with the voluntary target set in Acre's State Plan for the Prevention and Control of Deforestation (reduction of 75% or 14 million tonnes of CO₂e).

d) Memorandum of Understanding (MoU) between Acre (Brazil), California (USA) and Chiapas (Mexico):

Another important action involving Acre was the signing of a Memorandum of Understanding between the governments of California (USA), Chiapas (Mexico) and Acre (Brazil). This working group convened in December 2010, with its first set of recommendations proposed for October 2011.

The MoU concerns discussions about the basis for a possible credit trade agreement based on initiatives for the Reduction of Emissions from Deforestation and Forest Degradation (REDD). The idea is to generate carbon credits from reforestation, afforestation and forest management projects in Acre and Chiapas and sell them to California as part of a system of compensated greenhouse gas emissions.

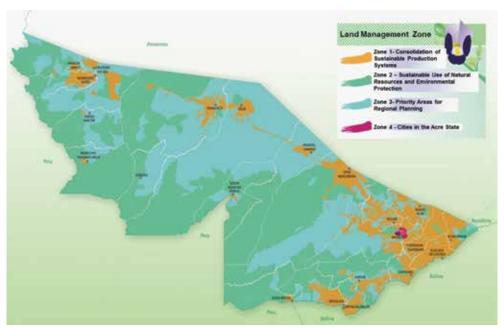
A subnational REDD working group was set up as a result of this MoU. It will draft recommendations for capand-trade programmes between California and countries that have REDD credits.

For further information on PPCD/Acre, SISA, ISA-Carbono and the Memorandum of Understanding, access: http://www.ipam.org.br/biblioteca/livro/id/232,

3- What has been done so far?

All four actions described above were developed by the last Acre state administration (2010). Although the government transition after the 2010 elections, the current government is taking them forward with success.

As all the initiatives are recent, no activities have yet got off the drawing board, such as the monitoring of areas, measuring of carbon stocks, etc. However, the Acre government is in constant talks with the international community and has constructed this whole new strategy in a participative format with civil society. The ecological economic zone (EEZ), for instance, was created with the participation of civil society:



Source: Acre, 2010 (presentation at COP-16)

Among its ongoing activities, as part of its investments in technical resources to fight deforestation, the state government has created the Scientific Committee of Acre, in which one of the members is IPAM. The committee's objective is to provide technical assistance and support to actions undertaken within the ambit of deforestation reduction in the state.

It has also created the Agency for the Development of Environmental Services, which is a company of mixed private/public ownership with a market orientation, which is responsible for making projects that use the system to attain the social and environmental goals that inform SISA economically feasible. The agency has engaged in talks with the international community and kept on par with the discussions in the ambit of the GCF (Governors' Climate and Forests Task Force⁴¹), such as the negotiations resulting from the MOU with California and Chiapas. As such, it is fair to say that Acre has achieved positive results through the increased participation of the public authorities and civil society in the fight against deforestation in the state.

⁴¹ http://www.gcftaskforce.org/