

# Finance for integrated landscape management

The Produce, Conserve and Include strategy: The Juruena Valley Regional Compact, Brazil

A summary by Lis Consultoria Ambiental



## About this Study

This summary was prepared by Lis Consultoria Ambiental under the Mobilising More for Climate programme (MoMo4C), financed by the Ministry of Foreign Affairs of the Netherlands.

This is a summary of one of a series of case studies that provide insights into various mechanisms used to increase access to finance for smallholder farmers, SMEs and communities in their efforts to contribute to sustainable landscapes. The case studies focus on the strategies used by various stakeholders to reduce the risks of selected financial flows for investors, intermediaries and recipients. These case studies follow up on recommendations made by participants in a consultative process on innovative finance for sustainable landscapes (Louman et al 2020). The goal is to provide more evidence of successful strategies in order to increase access to finance for smallholder farmers, SMEs and communities (Primo et al 2021).

The case study summarized here assessed the capacity of multistakeholder partnerships to mitigate risks and leverage public and private investments at the landscape and subnational level. It studied the process of reaching a shared vision at the subnational level and how this cascaded into specific landscapes. The case study showed that a strategy that promotes synergies and addresses the fragmentation of various investments and projects has strong appeal, inspires confidence among investors, and leads to more effective actions and impacts at scale.

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# Contents

<b>Preface</b>	<b>5</b>
<b>1. Introduction</b>	<b>7</b>
<b>2. Methodology</b>	<b>8</b>
<b>3. Design of a multi-actor implementing agency</b>	<b>10</b>
3.1 The Produce, Conserve and Include Strategy	10
3.2 Objectives and targets	11
3.3 An independent institute	12
3.4 Access to finance	12
3.5 Risk mitigation	13
<b>4. Regional investment flows</b>	<b>15</b>
4.1 The Juruena valley	15
4.2 The Juruena Valley regional Compact	15
4.3 Projects developed in the Juruena Valley	17
4.4 Results beneficiary interviews	17
<b>5. Lessons and recommendations</b>	<b>21</b>
<b>Sources</b>	<b>24</b>



# Preface

This is a summary of one case study that is part of the series “Finance for Integrated Landscape Management” by partners of the CGIAR Research Program on Forests, Trees and Agroforestry (FTA) and coordinated by Tropenbos International. The series aims to provide a greater insight into the strategies applied by various stakeholders to increase the participation of smallholders, increase their access to finance and support the transformation to resilient landscapes. The study summarized here was elaborated under the Mobilising More for Climate (MoMo4C) programme, run by a partnership between IUCN NL, WWF NL and Tropenbos International and financed by the Dutch Ministry of Foreign Affairs.

Most tropical rural landscapes still suffer high rates of deforestation and forest degradation, which makes them vulnerable to climate change and other shocks. Although smallholders are important actors in these processes, they rarely benefit from existing financial flows. They need to be considered when investing in tropical rural landscapes.

The methodology used by the case studies (Primo et al. 2021) was designed to be implemented by FTA and its partner organizations, which are analyzing finance for integrated landscape management. The

methodology is useful in a wide range of cases, although the authors specifically intend it to be used in the processes that key informants in each landscape consider to be successful in supporting landscape initiatives and/or in increasing access to finance for all possible recipients — including marginalized and disadvantaged groups — within landscapes. Applying the methodology in a range of cases will contribute to generating an information base of comparable results. People can draw lessons from this information base to design processes that support inclusive financing for their integrated landscape initiative.

It should be noted that the case study aimed to learn from the experience of using the methodology, to see what was accomplished, how it was accomplished and what more could be accomplished through improvements to the strategies applied. It did not include an evaluation of the overall performance of the organizations, and therefore, does not provide statistically representative samples of all the impacts of the financial flows on all the farmers involved.

A photograph of a dense tropical forest. In the foreground, there are several brown, leafless branches of a dead tree. The middle ground is filled with a thick canopy of green trees and foliage. In the background, a large, well-developed green tree stands out against a cloudy sky. The overall scene is a vibrant, natural landscape.

# SECTION I & II

# 1. Introduction

Understanding how integrated landscape initiatives can mobilize and support stakeholders across sectors to work together towards the same goal is the first step in making financing more inclusive and delivering social and environmental impacts. Over the course of six months, Tropenbos International, in partnership with Lis Consultoria, carried out a case study on the Produce Conserve and Include (PCI) strategy and institute, with a focus on the Jurueña Valley Regional Compact (Cezar and Cordeiro Rangel 2023). A compact is a multistakeholder agreement. See Figure 1. This case was selected because it was mentioned by several financial agencies as a promising example of how to channel finance (both public and private) to building a green and climate-resilient local economy. In addition, it seemed to address one of the elements missing from previous case studies by Tropenbos International: a landscape-level governance system aimed at attracting new and redirecting existing financial flows for agriculture and forestry to enabling investments and investments in green businesses. The study covers the process until March 2023. Since that time, the PCI Institute has been formalized and is now able to directly handle investments in support of the PCI strategy.



Figure 1: Map showing South America, the Amazon biome, the State of Mato Grosso and areas of focus of the PCI Strategy

## 2. Methodology

The case study followed the methodology of the [Finance for Integrated Landscape Management](#) series published by Tropenbos International (Primo et al. 2021). The methodology includes processes that support integrated landscape initiatives and make access to finance more inclusive.

The methodology comprises three phases.

**Phase 1** involves an in-depth interview with the implementing agency (IA), which plays a central role as broker or intermediary for financial flows to existing landscape initiatives. In addition, the interview in Phase 1 identifies the stakeholders to be interviewed in the subsequent phases.

**Phase 2** involves collecting data related to the sources of finance, recipients (groups and individuals), and the providers of non-financial services who engage with them. It also seeks to determine the extent to which the financial flows have met stakeholder expectations, as well as the perceived effects of the financial flows on sustainability goals for the landscape.

**Phase 3** involves validating the information gathered in Phase 2. Focus group discussions held in Phase 3 involve representatives of the principal recipients and groups of recipients, service providers, the implementing agency, and other stakeholders who are relevant to the financial flows.

This methodology was followed by Lis Consultoria, a company with local operations in the State of Mato Grosso, where the PCI Strategy is based.

Semi-structured interviews in Phase 2 had specific learning objectives, with validation provided through focus group discussions with the implementing agency (the PCI Institute) and other stakeholders, and additional interviews with specific actors and through online questionnaires.

The case study aimed to generate an information base of comparable outcomes. It drew lessons and gathered information to help design processes that support inclusive financing for integrated landscape initiatives.

This is a summary report of that case study. It outlines the research and analysis of the PCI strategy and institute at the state level, their evolution, governance systems, partnerships, and how it has been implemented in the State of Mato Grosso using multistakeholder agreements known as regional compacts. The [full version of the report](#) (Cezar and Cordeiro Rangel 2023) delves deeper into the issues addressed here.



**SECTION III**

**III NOICES**

# 3. Design of a multi-actor implementing agency

## 3.1 The Produce, Conserve and Include Strategy

Brazil's State of Mato Grosso is a huge area (900,000 km<sup>2</sup>) that contains great geographic, social, economic and environmental complexity. The state is home to three distinct but interconnected biomes — the Cerrado, Amazon and Pantanal — and more than 40 groups of Indigenous Peoples and numerous traditional communities. In economic terms, the state earned BRL 193<sup>1</sup> billion in 2021, 17.1% of the gross value of Brazilian agriculture and livestock production.

In 2013, State Law 9.878 was instituted in Mato Grosso. It established the state's system for reducing emissions from deforestation and forest degradation, conservation, sustainable forest management and increasing carbon stocks (REDD+). The system's objective is to progressively reduce deforestation and carbon-emitting activities, and it supports the fulfilment of goals set out by Mato Grosso's Executive Power in its Plan for the Prevention and Combat of Deforestation and Forest Fires (PPCDIF). The law contributes to meeting objectives established in the State Policy for Climate Change and the National Policy for Climate Change, among other policies. The legislation also enabled Mato Grosso to receive payment for avoided emissions based on results.

In 2015, two years after the creation of its REDD+ system, the Mato Grosso government launched the Produce, Conserve and Include (PCI) Strategy at UNFCCC COP21 in Paris. The strategy focuses on achieving a range of targets for low-carbon agriculture and sustainable resource management throughout the state by 2030. PCI actions address three components — Produce, Conserve and Include — and seek to ally low-carbon agricultural production with environmental conservation and social inclusion. The arrangement involves the Mato Grosso government, private companies and civil society entities, which were already active with these three components, and contribute to the effective implementation of public policies developed in the State.

*“...the PCI contributes to the construction and implementation of public policies by being based on State Decree no. 468 of 2016 and consequently serving as a regulatory basis for other complementary policies. Since its creation, the PCI served as a basis for the consolidation of the State Policy on Climate Change, published in 2017, and contributes to the articulation and strengthening of the third phase of the Action Plan for Prevention and Control of Deforestation and Forest Fires in the State of Mato Grosso (PPCDIF/MT), as well as acting in the construction of the Mato Grosso Carbon Neutral Program.”*  
Ricardo Woldmar, PCI Institute

The PCI Strategy is an example of a landscape approach that, with the involvement of the public sector, will become a jurisdictional approach at the state level. According to the Carbon Disclosure Project (CDP), landscape and/or jurisdictional approaches have the capacity to complement projects by improving sustainability performance: “Landscape approaches, including jurisdictional approaches, are a means of improving sustainability performance at scale through coordination, collaboration, and monitoring actions at the spatial level of a landscape. When the landscape area is defined by administrative boundaries (e.g., a subnational state) and the

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<sup>1</sup> Equivalent to approximately 37 billion USD in 2021 (average 2021 exchange rate 1 BRL = 0,19 USD)

government is highly involved in implementation, then the landscape approach is considered a jurisdictional one. These approaches leverage partnerships between actors involved in each landscape, including companies, financial institutions, governments, associations, local communities and indigenous peoples, to mitigate risks and maximize impacts.” (Ewerton and Prescott 2022: 2).

### 3.2 Objectives and targets

The objectives and targets of the PCI Strategy were defined by a group of 40 organizations, including government, civil society and the private sector, which met during a three-day workshop in 2015. They jointly defined goals to integrate the environmental, social and economic policies of the State of Mato Grosso (Table 1).

Table 1: Goals of the Produce, Conserve and Include (PCI) Strategy

Produce	Conserve	Include
<p><u>Goal: Expanding and increasing the efficiency of agricultural, livestock and forestry production</u></p> <p><b>Cattle-raising</b></p> <ul style="list-style-type: none"> <li>Recover 2.5 million ha of low productivity pasture areas by 2030</li> <li>Increase productivity from 50 to 116 kg/ha/year by 2030</li> </ul> <p><b>Agriculture (soybean, corn and cotton)</b></p> <ul style="list-style-type: none"> <li>Increase the area of grain in degraded pasture areas from 9.5 to 14.69 million ha by 2030</li> <li>Increase grain production from 50 to 125 tonnes by 2030</li> </ul> <p><b>Native Forest</b></p> <ul style="list-style-type: none"> <li>Expand the area under sustainable forest management from 2.8 to 6 million ha by 2030</li> </ul> <p><b>Planted forest</b></p> <ul style="list-style-type: none"> <li>Expand the extent of planted forests in open areas from 317,000 to 800,000 ha by 2030</li> <li>Increase the production of planted wood from 4.9 million m<sup>3</sup> to 11.75 million m<sup>3</sup> by 2030</li> </ul> <p><b>Biofuels</b></p> <ul style="list-style-type: none"> <li>Increase biofuel production to 13 million m<sup>3</sup> by 2030</li> </ul>	<p><u>Goal: Conservation of native vegetation and restoration of degraded areas</u></p> <p><b>Deforestation</b></p> <ul style="list-style-type: none"> <li>Maintain 60% of the state of Mato Grosso’s native vegetation cover</li> <li>Reduce deforestation by 90% in the Amazon forest area by 2030, with 84% by 2024 having as reference the baseline: 2001-2010 (PRODES) of 5.714 km<sup>2</sup> (SEMA), reaching 150 km<sup>2</sup>/year</li> <li>Reduce 30% of deforestation hotspots in relation to the reference period from 2010–19 (28,300 hotspots) by 2030</li> <li>Eliminate illegal logging by 2030</li> <li>Eliminate illegal deforestation by 2030</li> <li>Compensate 1 million ha of area subject to legal deforestation</li> </ul> <p><b>Environmental Regulation (Forestry Code)</b></p> <ul style="list-style-type: none"> <li>Register 90% of rural properties by 2024 in the official registry for rural properties (CAR)</li> <li>Validate 90% of rural properties by 2024</li> <li>Regularize 1 million ha (100%) of degraded protected areas by 2030</li> <li>Regularize 5.8 million ha (100%) of legal reserve (1.9 million ha of which by recomposition) by 2030</li> </ul>	<p><u>Goal: Socioeconomic inclusion of family farms and traditional populations</u></p> <p><b>Production and Market Inclusion</b></p> <ul style="list-style-type: none"> <li>100% adherence of municipalities to the SETAF system by 2030</li> <li>Increase the gross value of family farm production from R\$1.3 billion to R\$2.0 billion by 2030</li> <li>Increase the share of family farming products in the national school meals programme (PNAE) to 30% by 2030</li> <li>Increase access to Pronaf credit from R\$882 million to R\$1.3 billion/year by 2030</li> </ul> <p><b>Land Regularisation</b></p> <ul style="list-style-type: none"> <li>Regularize 70% of family farming plots by 2030</li> </ul>

**Note:** CAR = Cadastro Ambiental Rural (Rural Environmental Registry); PRODES = Programa Despoluição de Bacias Hidrográficas (Brazil’s Basin Restoration Program); Pronaf = Programa Nacional de Fortalecimento da Agricultura Familiar; SEMA = Secretaria de Estado de Meio Ambiente do Pará (environmental authority for the State of Pará); SETAF = Territorial services to support family farming

### 3.3 An independent institute

In 2019, an institute was created through Decree no. 46 of the Mato Grosso state government to implement the PCI Strategy and ensure its political resilience. Currently, the PCI Institute's operations are financially supported by three partners: the German International Cooperation Agency (GIZ), the Sustainable Trade Initiative (IDH), and the REDD+ for Early Movers Programme for Mato Grosso (REM-MT).

The PCI Institute was created with a well-defined purpose. It develops actions aimed at fulfilling and monitoring the goals of the PCI Strategy, and raises funds, directly or indirectly, to finance these actions. The institute's Action Plan has five main pillars: Governance, Investments, Monitoring, Regionalization and Communication.

To ensure the effective governance and management of the PCI Institute, its structure includes a State PCI Strategy Committee formed by the founders; a Board of Directors (PCI's most senior body); an Advisory Board responsible for technical and strategic advice; a Donor Board; a Monitoring Committee (which defines indicators and balances goals); an Investment Committee (which analyzes engagement and fundraising opportunities for the state and the institute); and an executive body, consisting of the Executive Director, Project Manager and Administrative Manager.

Figure 2 shows how financiers interact with the PCI Institute to enable resources to flow into the territory, and how the three partners – IDH, GIZ and REM-MT – provide financial support to implement the PCI strategy and institute.

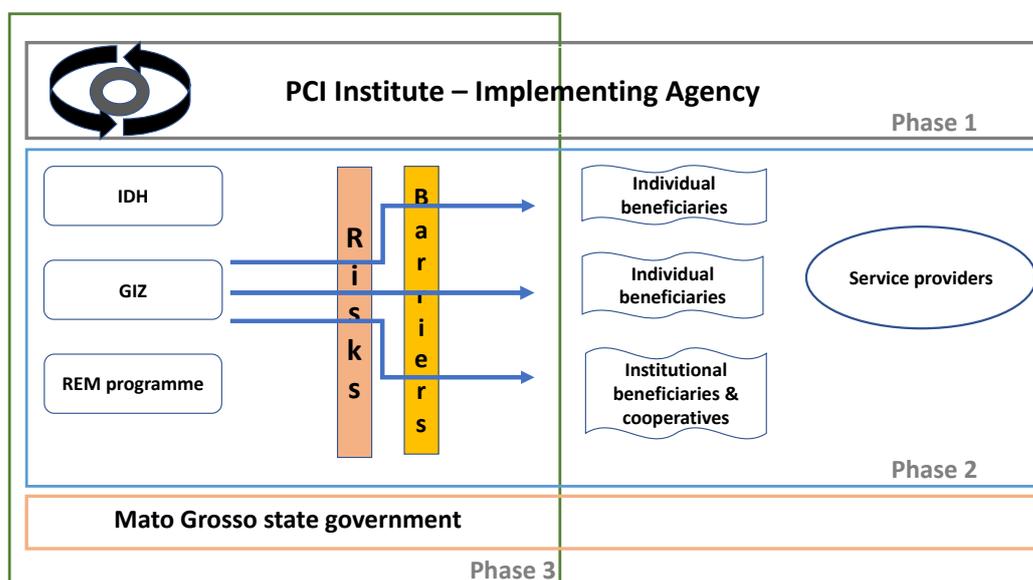


Figure 2: Map of the main flows within the PCI Strategy and Institute

### 3.4 Access to finance

Investments are made in Mato Grosso in various ways; the most successful way involves investments made through REM-MT. Since 2004, the State of Mato Grosso has shown results in the form of continuous reduction of deforestation. When the state announced targets for the three components of the PCI strategy it already had established such credibility that it qualified for participation in the REM programme, which is funded by the Government of Germany.

*“The PCI Institute has several work fronts aimed at directing resources aligned to PCI’s goals in MT. Among them are (i) Pitchbook acting as a matchmaker between beneficiaries and funders in order to facilitate the connection between supporters and implementing institutions of actions in the field in Mato Grosso, and (ii) Corporate Action Group (CoAG) aimed at engaging companies in sustainability actions in their soy and meat supply chains”.* Ricardo Woldmar, PCI Institute

In terms of access to large amounts of funding, the Mato Grosso state government has great power and legitimacy for fundraising. The PCI Institute acts as an intermediary. The fact that the state has the PCI as a consolidated strategy, regardless of changes in management, as well as the evidence of results to date, has created trust on the part of funders.

In addition, the Mato Grosso government is a member of several alliances and initiatives that help raise funds, such as the Governors’ Climate and Forests Task Force, which brings together subnational governments who want climate action. This expands the funding possibilities.

PCI’s involvement with a range of actors facilitates the implementation of large projects. This was the case in the REM-MT programme, where the PCI supported the organization of work and the development of proposals. The flow of finance into the landscape was also facilitated by the availability of state resources for private initiatives that are in line with PCI goals. More examples of successful fundraising undertaken by both government and private entities are available in the full version of this study (Cezar and Cordeiro Rangel 2023).

*“Projects that are aligned with the PCI goals and/or whose implementation occurs in partnership with the PCI Institute, present greater security to funders. This is due to the greater alignment with the various actors that represent the strategy, in addition to information sharing and institutional transparency”.* Ricardo Woldmar, PCI Institute

*“Through the PCI it is possible for us to access and learn about the priority lines and guidelines for the preparation and approval of sustainable projects”.* NatCap

### 3.5 Risk mitigation

In a number of ways, the PCI Strategy — and the capacity of the PCI Institute to coordinate implementation — mitigates the risk for outside investors looking to fund integrated landscape initiatives:

- It ensures alignment with the agenda at the state and local level.
- It demonstrates the political will of the State of Mato Grosso to implement projects within the environmental, social and governance (ESG) framework.
- It demonstrates the interest of local stakeholders and strategic partners in supporting and participating in initiatives.
- It offers systematized knowledge of the region, including information about the needs of various local actors and local challenges.
- It ensures complementarity with other initiatives, whose actions can mitigate risks at the programme and project implementation level.
- It offers access to a network of relevant partners at the state and regional level, which in turn can help mitigate risks in a collective way.
- Its existence as a consolidated governance strategy is perceived by investors to be a form of risk reduction.
- It offers integrated upscaling mechanisms.



# SECTION IV

## 4. Regional investment flows

In 2018 State, private sector and civic society actors identified the need for the PCI Strategy to operate on a regional scale. Although the state-level strategy is well-structured and has a clear direction, in a state the size of Mato Grosso its actions may not always reflect local circumstances or needs.

Three regions were selected for pilot support from the PCI Strategy through the creation of regional compacts: Barra do Garças, Sorriso and Juruena Valley. A fourth was later formed in Tangará da Serra.

Each regional compact established a commitment to sustainable commodity production, reconciling forest conservation and the inclusion of small landowners, family farmers and traditional populations, in alignment with the state's PCI strategy. These regional compacts bring together multiple actors with common objectives. In each compact, the governance and mobilization of stakeholders is carried out by professionals within the PCI institute (the executive secretariat).

These PCI regional compacts also contribute to risk mitigation by connecting producer regions with consumer markets, investors, buyers and flows of private and public capital. This supports development in the region.

### 4.1 The Juruena valley

The case study involved an in-depth analysis of the Juruena Valley Regional Compact. Located in the northwest of the State of Mato Grosso, the valley is home to one of the state's largest preserved forest fragments. The region is characterized by the predominance of family farming and by the production chains of livestock and timber and a diversity of non-timber forest products.

The municipality of Cotriguaçu, in the valley, has a population of 20,717 (IBGE n.d.-a), with an economy based on the agriculture and forest sectors, and where the number of cattle rose from 38,000 in 2000 to 245,000 in 2017 (IBGE n.d.-a). The municipality of Juruena, with 16,811 people (IBGE n.d.-b), has an economy largely based on the service sector, as well as on agriculture, cattle farming and secondary industry.

### 4.2 The Juruena Valley regional Compact

The Juruena Valley Regional Compact was formalized in May 2018. It has 22 signatories, representing rural producers, companies, municipal governments and civil society organizations (see Figure 3).

The targets agreed on by the signatories of the regional compacts for the municipalities of Cotriguaçu and Juruena are the same as those for the state PCI. Specific objectives address sustainable production, conservation of native vegetation, and social inclusion. Targets differ according to the circumstances of each municipality.

The case study found that the Juruena Valley Regional Compact interacts with the financial flows between finance providers and beneficiaries in a way that is very similar to that of the state strategy (Figure 4). The regional compact uses projects as the instruments to establish connections

between finance providers, service providers and beneficiaries. Also, the PCI strategy and institute help mitigate risks and overcome barriers, so that funding can be converted into concrete actions, contributing to meeting the needs of the territory.



Figure 3: Signatories of the Juruena Valley Regional Compact. (Source: IDH n.d.-b.)

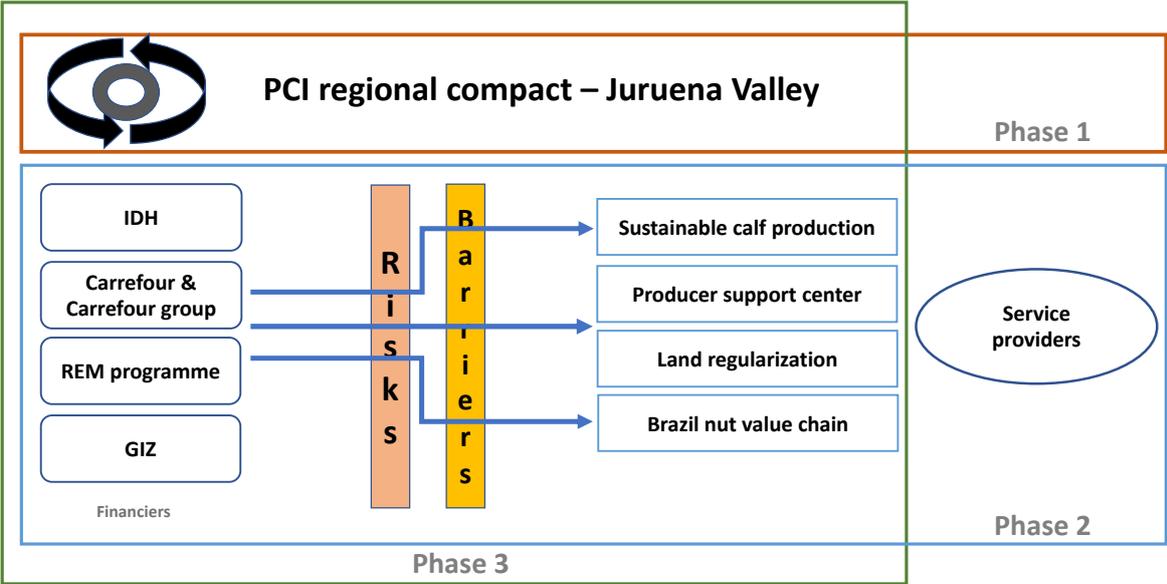


Figure 4: Flow chart of the Juruena Valley Regional Compact PCI

### 4.3 Projects developed in the Juruena Valley

Projects developed within the framework of the Juruena Valley Regional Compact are closely linked to its local goals (Table 2).

**Table 2: Main projects developed within the framework of the Juruena Valley Regional Compact**

Projects	
Sustainable calf production programme	Provides technical support to beef cattle breeders
<i>Centro de apoio ao produtor, or CAP (farmer support centre)</i>	Technical support for rural producers on issues related to environmental and land regularization for small and medium-sized rural properties
<i>Nosso Leite (Our Milk) programme</i>	Technical support to rural dairy farmers
Land regularization programme <i>in Vale do Amanhecer</i> Settlement	Pilot experience in land regularization
Actions aimed at strengthening the Brazil nut value chain	Enhancing the value of Brazil nuts in Cotriguaçu and Juruena through the Brazil Nut Collectors Association of Juruena (ACCPAJ) and the Farmers' Cooperative of Amanhecer Valley (Coopavam). An REM-MT project was recently approved to support Coopavam management and provide logistical and structural support to collecting communities.
TerrAmaz	Promotion of sustainable practices and establishment of a network of pilot properties.
REM programme	Investments in and actions for technical assistance for family farmers, settlers, support for the livestock, nut and other value chains, as well as training processes for project development and management, aimed at family farmers, settlers and Indigenous Peoples.

### 4.4 Results beneficiary interviews

In the municipalities of Juruena and Cotriguaçu, the case study evaluated four projects (Table 3):

- the project for the sustainable production of calves;
- farmer support centres (CAPs);
- the land regularization project for the Vale do Amanhecer village (CAR); and
- strengthening the Brazil nut value chain.

The first three projects are implemented by IDH (the Sustainable Trade Initiative); the fourth focuses on actions developed by the Brazil Nut Collectors Association of the Juruena PA (ACCPAJ) and the Farmers' Cooperative of the Amanhecer Valley (Coopavam).

Projects were chosen based on criteria such as the number of actors involved, a focus on small producers, settlers or traditional and Indigenous Peoples, integration with other projects, and complementarity and consistency with PCI goals. Table 3 shows the scope of the projects, the number of beneficiaries interviewed for the case study, and the investments made in each project. The sustainable calf production project, the land regularization project and the Cotriguaçu and Juruena CAP initiatives were funded by the Sustainable Trade Initiative (IDH), while Coopavam and ACCPAJ (the Brazil nut project) were funded by the REM-MT Programme and the Amazon Fund.

**Table 3: Projects selected for the case study**

Selected programmes	Actors and Institutions	Reach	Number of beneficiaries interviewed (10% of total)	Total of Investment	Period for allocation of resources
Sustainable calf production programme	NatCap-programme producers	160 producers	16	€1,454,859	January 2019 to December 2022
Centro de Apoio ao Agricultor, or CAP (Farmer support centre)	CAP Cotriguaçu and CAP Jurueña	80 participants	8	€49,329	November 2021 to December 2022
Land regularization project	PA Vale do Amanhecer	250 families	25	€60,000	2021
Strengthening the Brazil nut value chain	COOPAVAM and ACCPAJ	116 members of the cooperative and associates	12	US\$ 4,556,205	2014 to 2022

All the projects received positive evaluations by beneficiaries, especially the farmer support centre (CAP), where interviewees were unanimous in their high level of satisfaction with the services provided. In terms of environmental impact, beneficiaries perceived an increase in access to water to be the greatest positive impact for the three programmes implemented by IDH. In actions to strengthen the Brazil nut chain interviewees perceived the greatest positive impact to be the protection of biodiversity.

In terms of socio-economic impacts, interviewees felt that the sustainable calf programme and the land regularization project strengthened social capital and provided economic benefits for local people. In the case of actions aimed at the Brazil nut chain, interviewees believed that the project provided food security. The CAP centres facilitate access to credit for small producers, since the services provided help beneficiaries obtain the necessary documentation to apply for financing.

In none of the programmes did beneficiaries mention any considerable risks in participating. Even so, during the interviews and analysis it was possible to observe some challenges to participation. In all cases, it is essential that projects are connected to regional realities and respond to the aspirations of the beneficiaries.

The sustainable calf production programme has a sophisticated structure that addresses various links in the chain and provides technical assistance in the field, as well as support for environmental issues and land regularization, marketing and product traceability. The supermarket chain Carrefour and its Foundation played a crucial role in the implementation of this program. The former as off-taker of the main product (meat) and the second as co-investor in the project that provides technical assistance leading to more sustainable (=deforestation-free) calf production. In this way, the programme benefits both the producer and the consumer: the cattle raiser adds value to his or her product and the consumer has the guarantee of meat that is traceable throughout the chain and free of deforestation.

The farmer support centre (CAP) is a cross-cutting programme and complements the other two IDH projects, since it supports producers in complying with the legal requirements for access to credit and to government services such as the Rural Environmental Registry (CAR) and the Provisional Operating Permit (APF).

The land regularization project brought advances in preparing cartographic documentation. However, the federal government, through the National Institute for Colonization and Agrarian Reform (INCRA), is responsible for continuing the process for definitive titling, which is beyond the authority of the state.

The strengthening of the Brazil nut chain stands out for the social inclusion of women (and men) who work in product processing, and of the Indigenous Peoples and traditional communities who control collection. The commercialization and valorization of non-timber forest products is seen as an approach for avoiding deforestation by establishing sustainable forms of cultivation and land use. The project implemented in the Juruena Valley has high potential for generating income and protecting forests.

The full report of the case study (Cezar and Cordeiro Rangel 2023) provides further information, including graphs that illustrate the profile of the beneficiaries and their perceptions of each project.

# SECTION V



## 5. Lessons and recommendations

This is a summary of the case study on the PCI strategy and institute, with a focus on the Regional Compact of the Juruena Valley. The case study provides many lessons on how to design and implement integrated programmes and projects in similar landscapes.

The first lesson is how to successfully implement the strategy in a subnational jurisdiction. The Government of the State of Mato Grosso took the lead in identifying and integrating diverse actors and forms of knowledge in a sophisticated system of governance to achieve common goals. This ensured fertile ground for the initiative to be successful.

The strategy was launched in Paris during UNFCCC COP21. It was developed at a time when the world was expecting national and subnational governments to propose innovative initiatives and commitments to bold targets in order to tackle climate change. With the launch of the PCI Strategy, Mato Grosso emphasized its commitment to sustainable development and to meeting national targets for reducing carbon emissions.

Another lesson is the fact that the state's political will aligned with a favourable international agenda, which encouraged actors of great financial magnitude and knowledge to engage. They were able to reconcile different points of view in favour of common causes, thus recognizing the value of the PCI Strategy. A key factor that ensured longevity, institutionalization and impacts was the financial support of IDH, GIZ and the REM-MT Programme for the Board and Secretariat of the PCI strategy and institute.

Today, the strategy is used as a reference by other states in the Legal Amazon. The case study identified that the main achievement of the PCI Strategy is that it acted on agendas already agreed upon between the government, private companies and third-sector entities operating in Mato Grosso.

Having clear goals and being committed to locally realizing global results contributed to the allocation of investment flows and programmes for the (jurisdictional) landscapes. The initiative also stands out for its political leadership, engagement of private initiatives and organized civil-society participants, clear governance structure, and transparency of information.

As the PCI Strategy matured, the institute was created. This creation of a legal entity was necessary because in Brazil, as in many other countries, strategies created during one political administration may not be maintained by the next. With the well-structured governance of the PCI Institute, investors perceive more transparency, efficiency and agility in the management of resources and the execution of projects. The government benefits from a more dynamic mechanism with fewer budget limitations, and local communities benefit from a structure that favours efficient and equitable distribution.

Investors interviewed for the case study highlighted the role of the PCI Strategy in mitigating risks and in conferring credibility to actions undertaken in Mato Grosso on climate change, sustainable land use, environmental conservation and social inclusion. By bringing together public authorities and private initiatives — as well as actors such as academics and others who bring technical and methodological knowledge — the strategy has created a favourable context for attracting investors. To meet the needs of global companies that seek local action, interviewees agreed that local knowledge is paramount, and the Mato Grosso initiative is also capable of constantly improving local capacity to further grow and scale up.

By creating this fertile ground for investments, the PCI Strategy has succeeded in raising funds for public policy and third-sector actions. In addition, with a clear policy to combat deforestation, the State of Mato Grosso facilitated financial flows for private-sector initiatives in the state, demonstrating that the PCI strategy and institute also influence private financial flows.

The case study identified five impacts of the PCI strategy and institute:

1. They can integrate a range of initiatives through efforts that reverse the fragmentation of investments in the landscape.
2. As subnational structures, they can allocate resources to the development of projects, contributing to more effective actions, results and visibility.
3. They contribute to the development and implementation of public policies.
4. They increase the level of reliability of projects, because the legal and judicial framework created for the PCI Institute adds credibility.
5. They contribute to high levels of investor security at the state and regional level.

The analysis of the projects of the Regional Compact of the Juruena Valley demonstrates that actions have led to desired results for beneficiaries, thus contributing to both local landscape and state-level goals. The results of the case study suggest that the programmes developed in the region have the potential to be replicated and scaled up in other municipalities and regions of the state, and to contribute to the legal certainty of small and medium rural establishments.

Despite beneficiaries' generally positive perceptions of the PCI Strategy, improvements can be made to the regional programmes. For example, there are opportunities to expand environmental and land title regularization services for local producers. There is scope in the landscapes within the state of Mato Grosso for scaling up investments in the Brazil nut value chain, for investment in other value chains, such as cocoa, coffee and timber, as well as for the creation of complementary projects, such as cocoa farming on cattle-raising properties. It is also essential to train beneficiaries in financial management and autonomy and establish mechanisms to protect them from price fluctuations.

Projects may also benefit from further analysis of the relationships between access to credit and actions in the field. In addition, there is a need to better understand whether the credit lines available in the region are the defining factors for the economic results, such as calf rearing being the region's flagship. It is also necessary to spread information locally about the advantages of the regional compacts to increase the interest and trust of future beneficiaries.

Improvements also need to be made to the PCI Institute. These relate to institutional strengthening, expansion of investment and outreach processes and communication in order to ensure more awareness of the actions developed and results achieved:

- strengthening the role of the PCI Institute as an entity that brings together projects in pursuit of a common goal and generates knowledge;
- improving the monitoring of state and regional targets;
- directing actions and programmes aimed at strengthening the value chains for non-timber forest products such as Brazil nuts, pequi and babassu;
- strengthening financial management capacity and reducing dependency on outside managers;
- creating and implementing clear legal mechanisms to ensure the interdependence of the PCI Institute with its partners, including the state government;

- institutional strengthening and communication;
- increasing the inclusion of communities and Indigenous/original Peoples; and
- expanding initiatives such as the CAPs to support small producers in regularizing land tenure and environmental requirements.

Although these improvements are necessary to give the PCI Institute even more credibility with investors, the scenario is promising. It is up to the PCI strategy and institute to constantly improve — both to respond to the demands of donors and investors, and to be in harmony with the needs of the territory. In so doing they will be able to meet the objectives of sustainable production, environmental conservation and social inclusion.

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