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# PCI PATHWAYS

**Produce, Conserve and Include  
strategy from 2015 to 2022**

**ADVANCES IN THE LARGEST JURISDICTIONAL  
SUSTAINABILITY INITIATIVE IN THE COUNTRY**



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# PCI PATHWAYS



## DATA SHEET



# R E L E A S E

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# INTRODUCTION

This publication aims to present to the entire Brazilian society, especially the people of Mato Grosso, partners, and organizations, inside and outside Brazil, a compilation of the **Produce, Conserving and Including Strategy - PCI** and its developments. The strategy was created through a collective process among its multiple actors during 2015, and presented during COP 21 in Paris. The PCI strategy has the PCI Institute as its governance instrument.

Here, in chronological order, the main facts and processes that have defined this sustainable production model for Mato Grosso, a model and reference for other initiatives in the country and abroad. Developments, results and lessons learned are also part of the narrative we bring to this report.

We hope that, in addition to fulfilling the role of reporting on this trajectory and its impacts, this publication will serve as an example of multisectoral integration for the climate agenda.

Thanks to the partners who financed PCI's structuring actions during this period:



Enjoy your reading!

December 2022



## PCI INSTITUTE & STRATEGY

Climate change, land use, production and dissemination of knowledge, in a multisectoral articulation model to enable sustainable development in the State of Mato Grosso. These are some of the key points that are based on the creation of the **Produce, Conserving and Including Strategy - PCI**, whose construction took place in 2015 and culminated in its launch in December of the same year during the Climate Convention (COP21) in Paris. On March 31, 2016, the State PCI Strategy Committee was created, bringing together public and private actors with the aim of planning and coordinating their actions. On February 27, 2019, the State Government establishes that the Strategy will be implemented in partnership with a non-profit institution, responsible for all governance that makes PCI possible, thus creating the **PCI Institute**.

PCI seeks to integrate objectives of agriculture, environmental conservation and socio-productive inclusion. It is also a fundamental strategy for the State to also reach its **goal of neutrality of emissions of greenhouse gases in 2035**. For doing this, the strategy establishes goals and structures mechanisms, mainly, in the reduction of deforestation, the restoration of native vegetation and in the recovery of pastures and degraded areas, as well as the dissemination of good practices in livestock and agriculture. It is up to the Institute, among other functions, to articulate public and private actions in addition to attracting investments and partnerships, promoting collective participation and transparency, to identify and expanding the positive impacts in the implementation of this vision of the future.

*“Throughout its existence, the PCI has established itself as a fundamental strategy in Mato Grosso’s environmental agenda. Because it is directly related to the state’s vocation as a large producer, a giant in the conservation of natural resources and whose greatest asset is people, the PCI is undoubtedly the identity of Mato Grosso’s environmental policy. We are convinced that the PCI Institute will contribute a lot to Mato Grosso to show the world how it is possible to produce, conserve natural resources and promote social justice for the people of Mato Grosso.”*

*Maureen Lazzaretti, Secretary of State for the Environment of MT*





## GOALS AND THE PARIS AGREEMENT

During COP 21, a total of 195 signatory nations of the United Nations (UN) instituted the Paris Agreement, in which a global goal was established to **keep the increase in temperature below 2° C**, above pre-industrial levels. Ideally, this reduction should be limited to a **1.5° C**, increase, which means reducing emissions by around 50% by 2030. For this, each country defined its own domestic goals to contribute to this objective, in the so-called NDCs, an acronym in English for Nationally Determined Contribution. In 2016, Brazil set its target and committed to reducing greenhouse gas emissions by 37% by 2025 compared to 2005, and indicated that it could reduce them by **43% by 2030**. In December 2020, there was an update of the NCD, and Brazil confirmed to the UN its goal.

## PCI: THE STRATEGY FOR MATO GROSSO

The PCI targets, monitored by the PCI Institute, directly collaborate with Brazil's Nationally Determined Contribution (NDC) to the Paris Agreement and the United Nations Sustainable Development Goals (SDGs).

As Mato Grosso plays a central role in tackling the climate crisis, the PCI Strategy is, therefore, a window of visibility for Mato Grosso internationally and, nationally, a reference for other strategies in the country. While, locally, it proposes a paradigm shift by proposing that increased production can be balanced with environmental conservation, to guarantee economic development based on the efficiency of land use.

*"Since 2015, IDH has joined the coalition formed by the different parties interested in supporting the sustainable economic development of Mato Grosso. In these eight years, we have always believed in the strength of the governance structures implemented and invested resources totalling more than 10 million euros to attract public and private investments to Mato Grosso. The continuity of the strategy during times of government transition was essential to demonstrate the State's commitment to the long-term territorial vision and, with that, to attract investment funds and development institutions to the 2035 agenda."*

*Daniela Mariuzzo, executive director of IDH Brasil and the Sustainable Landscapes Program in Latin America*

*"Like all major proposals coming from subnational territories on the climate-forest issue since 2009, the PCI Strategy was a grand idea that was underappreciated by the international community. Today, I see two great opportunities for PCI to fulfil its potential: The first is for Mato Grosso to raise funds with jurisdictional REDD, with benefits for the productive sector as well. The second opportunity is commercial. It is impossible to track all producers producing commodities. It's a new opportunity for jurisdictional sourcing."*

*Daniel Nepstad, President, Earth Innovation Institute*

# PRESENTATION LETTER

Dear partners,

When the Produce, Conserve and Include Strategy (PCI) emerged, in 2015, from the dialogue between the different sectors interested in Mato Grosso's territory, it started from a basic premise. This premise is that only with a vision of the future and a high level of collaboration is it possible to reconcile the agendas of food security, social and economic development, tackling the climate crisis and conserving biodiversity. Neither government, producers, companies nor civil society can, alone, overcome the complexity of the challenges involved.

Since then, the PCI Strategy has been implemented through countless projects, programs, public policies and initiatives by its different members, transforming a mosaic of isolated actions into a true network of transformation of the territory.

To accelerate this transformation, the PCI structure itself has also evolved over the years, improving its governance, expanding its reach in municipalities, creating instruments to facilitate the engagement of investors and companies, and improving its monitoring and policy support processes. public.

This document aims to share the main advances and achievements of the PCI that have made Mato Grosso today recognized as a global example of a jurisdictional approach.

Mato Grosso can and must lead an agenda of sustainable production and climate action. This is our vision of the future. The planet and the market demand scaled solutions to these challenges, and we can deliver.

Despite the advances, there is still much to be done, and collaboration remains the essential premise for success. As the result of a collective effort, PCI has the legitimacy to promote this collaboration in an ongoing and efficient manner, with benefits for all involved.

To all who contribute to this construction, our thanks.

PCI Institute



## GOVERNANCE

Reconciling sectors, and different audiences and defining roles around a common goal as complex as the PCI Strategy is, in itself, a challenge. Thus, the definition of this decision-making model, which enables the structuring of climate targets in the State of Mato Grosso, has been a constant learning process. It involves regulation, resources and monitoring so that the most assertive interventions are carried out and brings the best results. Likewise, it warns of risks and guides investments and articulations.

Originally, this multisectoral governance arrangement (government+private sector+producers+civil society) was implemented through the creation of a State PCI Strategy Committee in 2016.

The creation of the PCI Institute, in 2019, represented a further step, by providing the Strategy with an independent structure, capable of housing this public-private governance and a transparent decision-making process focused on the joint implementation of actions in favour of the sustainable development of Mato Grosso.

To this end, many actions have been adopted over the last seven years, including enabling the implementation of the PCI Strategy. The public power, through the State secretariats that make up the PCI, acted strongly in the structuring of public policies, programs and instruments that sometimes facilitate, sometimes monitor and establish guidelines. Examples of this are the CAR (Rural Environmental Registry) policies, the Action Plan for the Prevention and Control of Deforestation and Forest Fires in the State of Mato Grosso - PPCDIF/MT, the REM Program, ABC+ (Low Carbon Agriculture), and others more.

## PCI INSTITUTE GOVERNANCE STRUCTURE

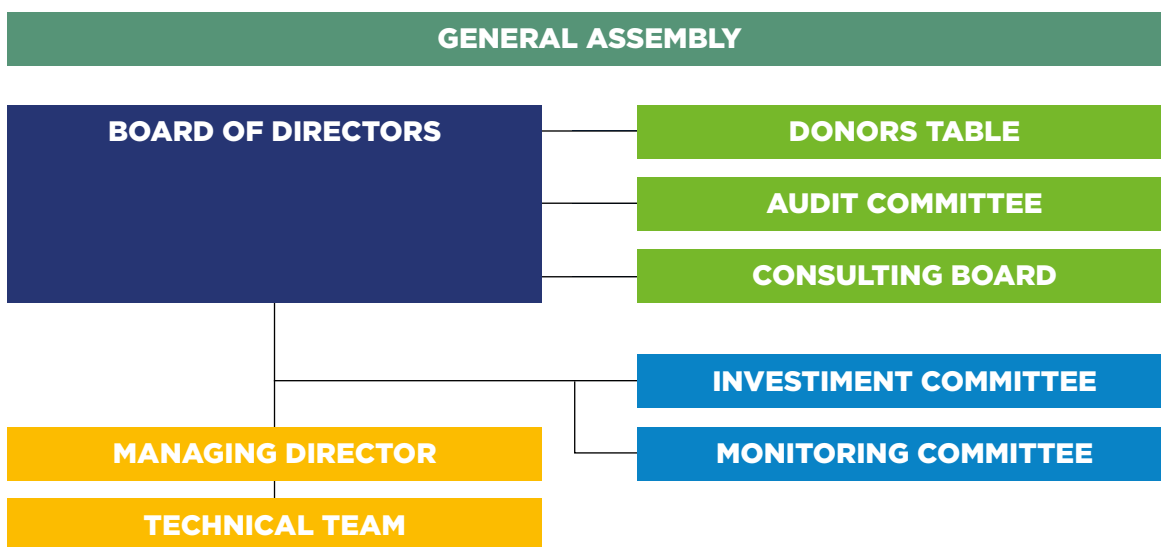
The Governance structure of Instituto PCI is composed of the Board of Directors (CA). The CA, in turn, is guided by the councils that make up the General Assembly. They are: Council of Donors, Fiscal Council and the Advisory Council. They also have the support of the Monitoring and Investment Committees for decision-making.

The Board of Directors is made up of representatives of the state secretariats that are part of the PCI (Civil House, Economic Development, Environment, Family Farming and Planning), and representatives of entities from the productive sector, private sector companies and civil society. They report to the Board of Directors, the Executive Director and the technical team.

*“PCI is one of the main references of jurisdictional initiatives, which over the years has shown consistency in monitoring indicators and results. Within the scope of corporate engagement, PCI has expanded dialogue with companies and funders and given visibility to the main actions that contribute to PCI’s goals. It will increasingly play a central role in articulating investments in the state and regional development.”*

*Cecília Korber, project manager at Proforest*

## GOVERNANCE



Learn more about the composition of each of these bodies [here](#)

*“PCI was an innovative and groundbreaking concept when it was launched. It was the first time that I saw the union of different sectors for a single purpose, after the ‘soy round table’. At the time of launch, we had little idea what it would be, but it took shape very quickly. It is an aggregating process of transformation. He managed to find consensus to leave dissent for later.”*

*Juliana Lopes, Director of ESG, Communication and Compliance at AMAGGI*

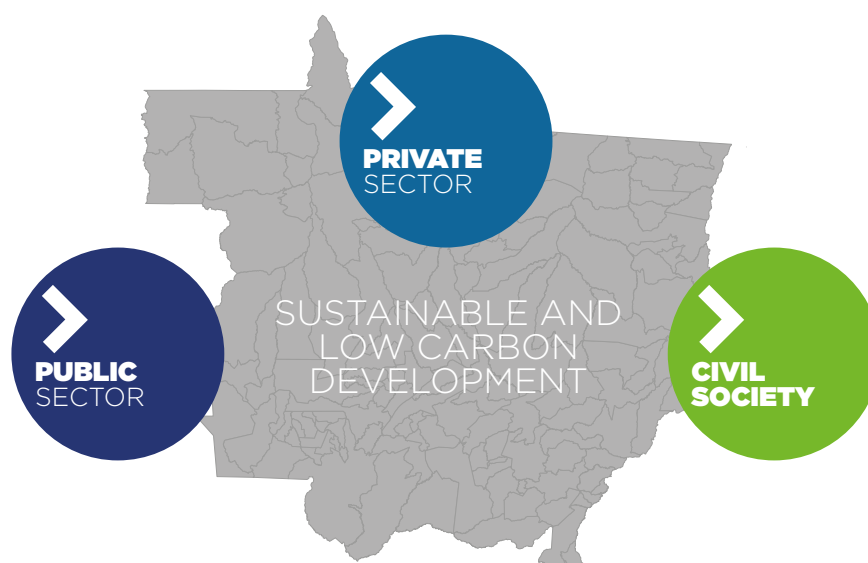
## SHARED VISION

One of the premises of the PCI Strategy is the promotion of consensus, through partnerships with entities from the three sectors (public, private and civil society), which act collaboratively around sustainable and low-carbon development in Mato Grosso. They seek, therefore, forms of cooperation to achieve the goals of production, sustainability and conservation of the environment announced at the Paris COP in 2015.

By joining PCI, partners endorse a shared vision of sustainable production. They establish commitments and make resources and efforts available in the construction of this new model of development, which is climate-smart, economically viable and socially fair.

*“(PCI) It is a partnership between civil society, the private sector and the public sector, in which all actors act together with the unique commitment to change the trajectory of development of Mato Grosso, and ensure the mitigation of the damage caused by climate change.”*

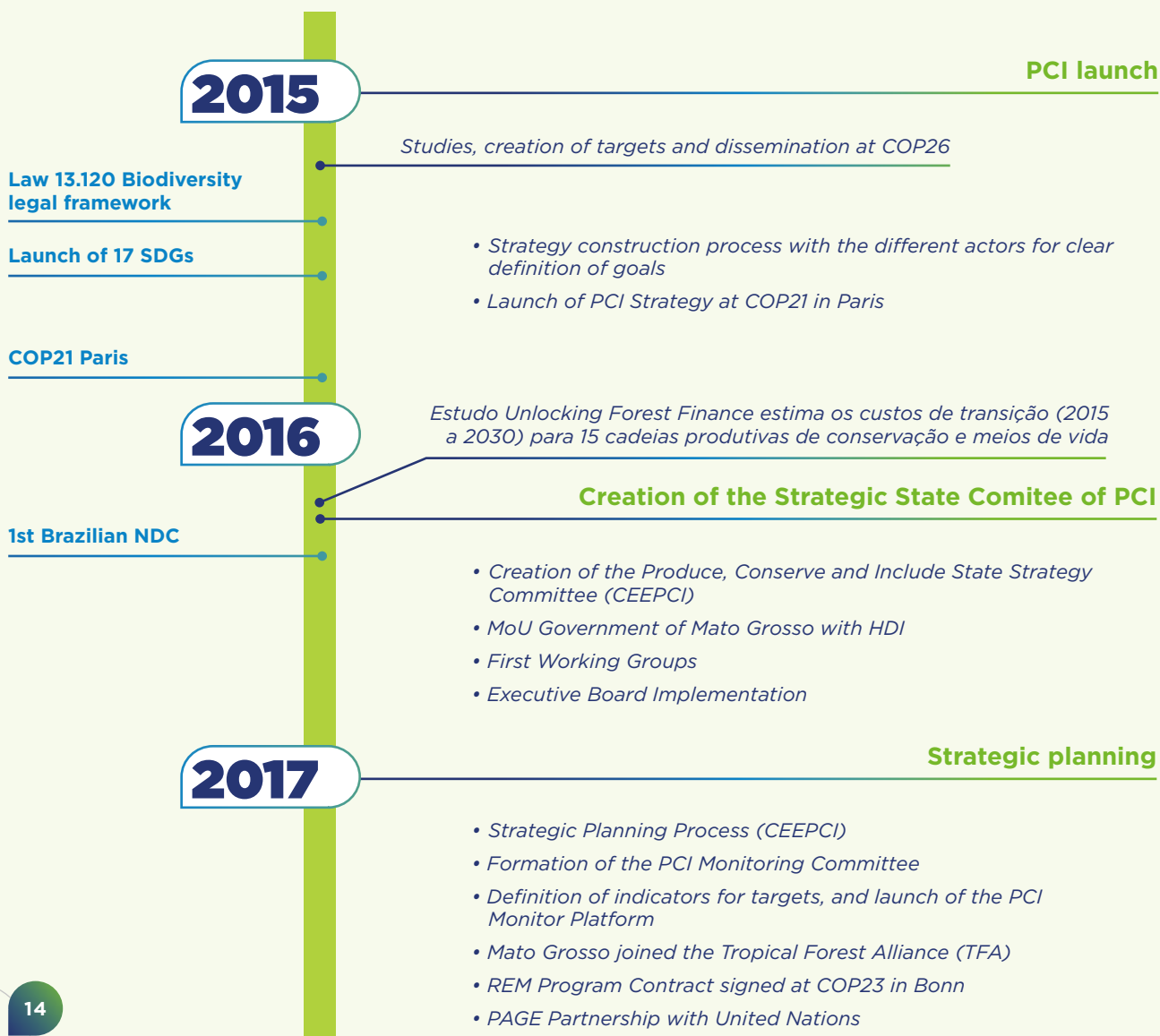
*Alice Thuault, Executive Director of ICV, Instituto Centro de Vida*





# TIMELINE

**The Produce, Conserve and Include Strategy (PCI)** was officially launched by the government of Mato Grosso, in December 2015, during the Climate Convention in Paris (COP21). Representatives of the public and private sectors, as well as members of organized civil society, participated from the outset. Check who are PCI's partners in the Governance organization chart below:



**2018**

### REM Program + private sector investments

- *Creation of the Communication, Value and Engagement Committee*
- *Launch of the PCI Corporate Action Group*
- *Beginning of PCI Regional Pacts*

**2019**

### Decree 46/2019 - PCI Institute

- *World Bank DPL*
- *Pitchbook launch of PCI projects*
- *Decree pointing to the creation of the PCI Institute*
- *Formation of the Institute's Council and definition of the PCI Action Plan with 5 pillars*
- *Structuring of the PCI Institute*
- *Monitoring*
- *Investments*
- *Regionalization*
- *Communication*

**2020**

### Contratação consultorias e novas parcerias

- *Start of participatory evaluation process of the PCI Strategy (2015-2020)*
- *Consolidation of regional pacts*
- *Construction of a technical cooperation project with GIZ*

**2021**

### Team hire, consultancies and goals update

- *Hiring PCI Institute team*
- *PCI Investment Consulting (Analyses Resources Executed, Gap to 2030, Financing Models)*
- *Work developed with ISEAL and CDP to expand corporate engagement in Mato Grosso*
- *Hiring PCI regional pact teams in Sorriso, Juruena and Cotriguaçu*
- *PCI goals review and update process*
- *Launch of the MT Carbon Neutral Program*

**2022**

- *Corporate Engagement Guide for companies*
- *Mapping of companies operating in Mato Grosso aligned with PCI*
- *PCI Pitchbook update with a range of more than 36 PCI-aligned investment projects*
- *Case Studies on PCI and Mato Grosso*
- *Negotiation of the second phase of the REM Program*
- *Construction of the MT Produtivo project with US\$100 million from the World Bank to the state of MT to promote family farming (MT Produtivo)*
- *PCI Territorial Intelligence Network Formation*
- *PCI Communication Plan*
- *Publication of the PCI State Goals and the Regional Pacts, Barra do Garças, Tangará da Serra, Juruena and Cotriguaçu totaling 130 target indicators monitored annually by the PCI Monitoring Committee)*

## PROGRESS

Here, we bring some of the main activities and results achieved by PCI:

# 1st CYCLE

## PCI FROM 2016 TO 2018: FOUNDATIONS FOR A ROBUST STRATEGY

It is important to emphasize that the basis for the creation of the PCI Strategy started from a long process of dialogue between different sectors in Mato Grosso during a series of meetings and workshops that took place in the state in 2015. It was a dialogue between entities representing producers, governments, companies, and civil society that it became possible to create a multisectoral effort around a consensual vision of sustainable development. From the commitment launched at COP 21, it was the mobilization of the actors, and governance created from the initial effort that helped the PCI to define the priority steps for its implementation.

Primarily, it was necessary not only to identify the actions already in progress, but also the actions needed to advance the goals. In addition, it was necessary to ensure transparency in the progress of the Strategy and seek partners interested in supporting it.

Among the actions carried out in this first cycle of the PCI, we highlight:

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## DIAGNOSIS AND PLANNING

A little over a year after its launch, in early 2017, a mapping of the conditions for implementing the PCI Strategy was carried out. This study was based on four areas:

- direct interaction with relevant agents and actors;
- use of participatory methodologies and recording opinions;
- construction of an overview and analysis of the convergences and divergences of ongoing actions, which would allow progress towards the outline of an agenda;
- search for cross-cutting themes that would make it possible to visualize common solutions to overcome obstacles, and integrate the Produce, Conserve and Include (PCI) axes of the Strategy.



A database was then **created with a record of 204 initiatives implemented, co-executed or financed by 381 public or private institutions.**

This effort also allowed the identification of a set of contributions already implemented in the territory of Mato Grosso, as well as obstacles to the achievement of PCI goals. All of this information was consolidated into an agenda of objectives for the Strategy, divided into **five key themes that condition the achievement of PCI goals, they are:**



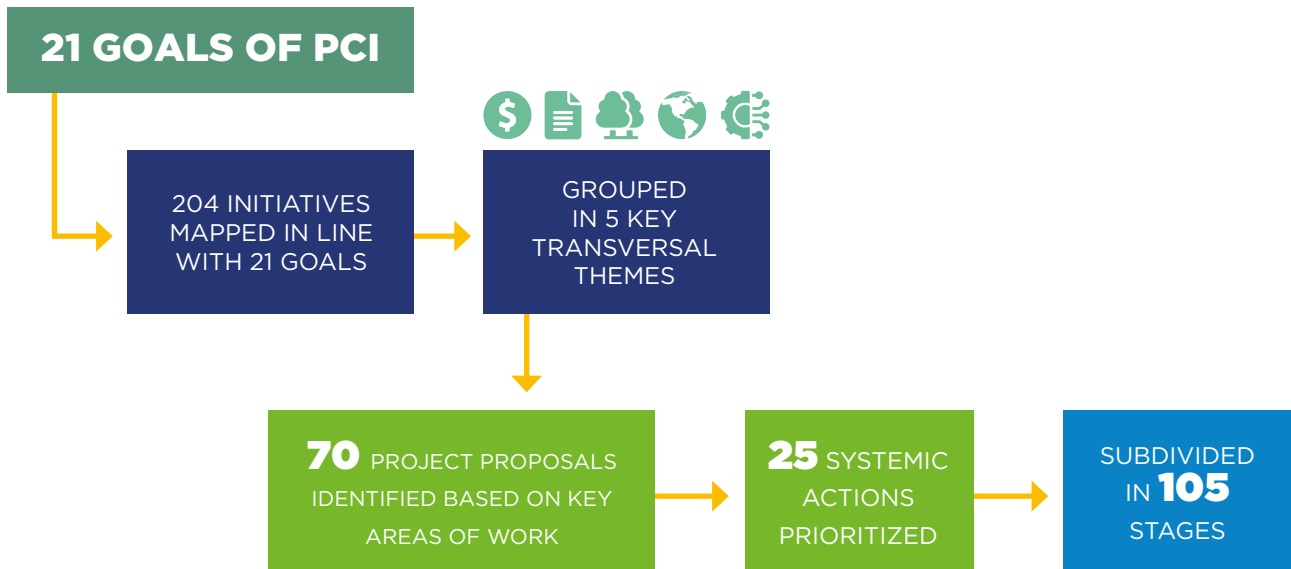
These key themes were fundamental for the analysis, discussion, and prioritization of actions relevant to achieving the Strategy's goals. In addition, it is worth mentioning that the effort to listen and interact with the main actors of PCI allowed the expansion of understanding, importance, scope, and capacity to transform the objectives of the Strategy, and the legitimization of the PCI Institute as responsible for governance for a new model of sustainability.

*"We understand that the municipality should also follow the same guidelines (Produce, Conserve and Include). We know that it was a strategy of the Government of MT to organize and bring sustainability to the territories. The PCI was the main articulator to bring the (Regional) Pact to Sorriso. It is a really important strategy, with several institutions participating, but it needs to be talked about and presented to society".*

*Dudy Paiva, rural producer and president of CAT - Amigos da Terra Sorriso Club, MT*

In the second stage, a survey of proposals related to the five macro themes was carried out. 160 proposals were listed, observing duplications, complementarities, synergies and, mainly, the real possibilities of achieving the goals of the PCI Strategy. From there, a reduced list of 70 proposals was compiled, as shown in the figure below:

## THE PROCESS OF PRIORITIZING ACTIONS

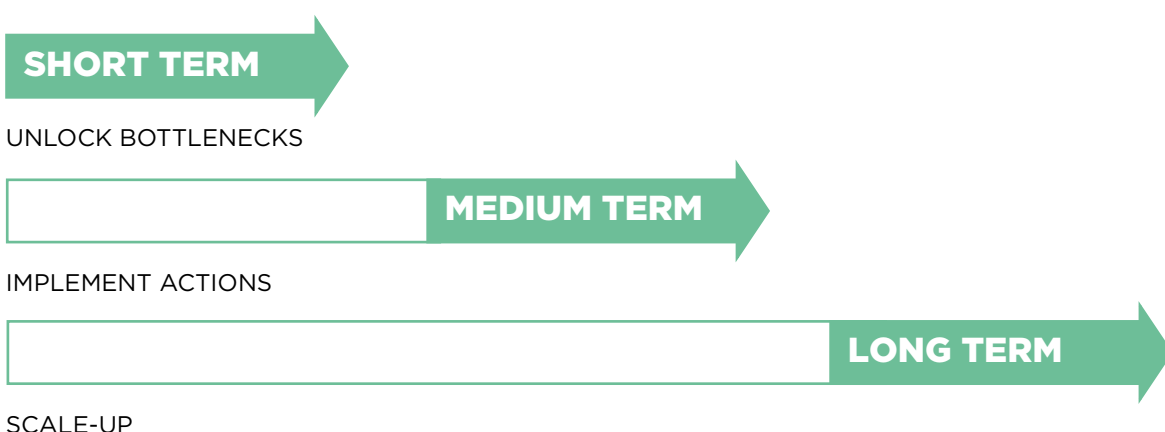


Source: Trama Consultancy

Part of the agenda of work proposed during 2017 was planned to establish a sequence between the prioritized activities or stages, with the horizon of the year 2030.

To this end, priority was given to proposals that, if implemented, could facilitate the subsequent ones in the medium term and which, in turn, would allow gains in scale in the long term, as shown in the following figure:

## LÓGICA TEMPORAL DE IMPLEMENTAÇÃO DAS PROPOSTAS



Source: Workshop on the 2 and 3rd of May 2017 in Brasilia

*“The Strategy’s planning process identified priorities and enabled the elaboration of a design of the Committee’s performance. Many of the actions foreseen in the planning ended up happening, but an important lesson is that there is no way to think about “centralizing” or “coordinating” multiple efforts. Much of the implementation will be dispersed across different bodies, agencies or institutions within and outside government. Instead of trying to centralize the decision-making process, the PCI (Strategy) has a greater role in articulation, monitoring and support, above all making the goals the common guide for all actors. It is worth mentioning that it was this planning process that indicated the creation of the PCI Institute as a priority, as a way of sheltering this public-private governance, but also as a managerial and financial mechanism capable of supporting the priority actions of the Strategy.”*

*Fernando Sampaio, Executive Director of the PCI Institute*

## MAIN HIGHLIGHTS OF THE PERIOD

Here, we bring some of the main activities and results achieved by PCI:

### **PUBLIC POLICIES:**

based on the PCI commitment public policies such as the Action Plan for the Prevention and Control of Deforestation and Forest Fires (PPCDIF), and the State Plan for Family Agriculture (PEAF), began to be guided by its goals.

### **THE BASIS FOR MONITORING:**

at the end of 2016, it was proposed within the scope of the PCI Strategy State Committee, the creation of a Working Group to monitor the targets, known as the PCI Monitoring Committee. The working group defined that, annually, the PCI will evaluate the evolution of its goals and the results will be published and made available through a report. By initiating its monitoring process, PCI ensured transparency of the commitment made to the actors involved and partners, as well as creating tools to identify priority actions and possible future course corrections.

### **PARTNERSHIPS:**

the launch of PCI mobilized a series of partners interested in supporting Mato Grosso on a trajectory of sustainable development. Among these initial partners are IDH, from Holland, a supporter since the early stages of PCI, and the German government, through the REM Program and its Technical Cooperation. It was also through the PCI that Mato Grosso became part of the Tropical Forest Alliance (TFA), being the first subnational state to be part of the Alliance. Likewise, the Strategy played a fundamental role in the State attracting the World Bank to support its climate effort.

# 2nd CYCLE

## THE PCI FROM 2019 TO 2022: RENEGOTIATION, AND A FRAMEWORK FOR THE STRATEGY, THE PCI INSTITUTE

The 2nd PCI cycle proposed to provide the Strategy with a structure, capable not only of being the shelter of the multisectoral governance that characterizes the PCI but also an active instrument in its implementation, through investments in programs and projects.

A new political cycle led to a renegotiation of the Strategy with the new administration and with the actors involved, further strengthening the role of the PCI.

The Institute also started actions aimed at attracting investments, as well as engaging partnerships in the private sector for the implementation of PCI. In addition, it acted to reinforce its role in connecting these partnerships and investments in strategic territories, via regional pacts.

Among the actions carried out, we highlight:

## THE CREATION OF THE PCI INSTITUTE

In 2019, a new phase began with the creation of the PCI Institute. The Institute is an independent non-profit institution that aims to ensure the effectiveness of the PCI Strategy. Its responsibility in MT, among others, is the articulation of multiple actors in transparent and inclusive governance, in addition to identifying opportunities for raising funds and managing programs and projects. Through a decree, the government of the State of MT recognizes and gives legitimacy to the Institute to exercise this articulation.

Although the bureaucratic process of creating the Institute has considerably delayed its formalization, since 2019 its founders have put in place their councils and committees to guide the implementation of the Strategy.

*“(The PCI) is relevant because it is an aligned discourse that Mato Grosso created to show the world. It is a powerful tool to guide state actions, which has largely influenced Mato Grosso policies. It is a high-level instrument even though over time we realize that it does not cover all policies, such as sustainable tourism, planning and land use, etc. But it is part of the state’s image to the world. I believe that the first major challenge has been to set up this Institute (PCI).”*

*Rita Chiletto, International Advisor of the Civil House  
of the Government of the State of Mato Grosso*

## THE RENEGOTIATION PROCESS: PARTICIPATORY EVALUATION AND REVISION OF GOALS

In 2020, the Board of Directors of the PCI Institute approved a Work Plan, which included a participatory evaluation process of the Strategy and the update of targets and indicators. The update process aimed to:



Keep PCI connected with market trends and projections and with state public policies;



Incorporate improvements in the definition of indicators and sources for the monitoring process, and maintain the engagement of multiple stakeholders in the Strategy.

During the first half of 2021, the 4th Balance Sheet of the PCI Strategy was published, with an online presentation, including a summary of the participatory evaluation. Based on the evaluation results, and with new data and information inputs, between May and October 2021, six workshops were held with 28 entities and organizations, involving a total of 47 people. At the same time, the Secretariat for the Environment (Sema-MT) concluded the construction of the new Plan for the Prevention and Control of Deforestation and Forest Fires and the Trajectories of Decarbonization project. Both incorporate the PCI targets in 12 paths capable of contributing to Mato Grosso's climate neutrality.

A total of 17 changes were also made to these targets, with six inclusions, two exclusions, two revisions and seven updates. Among the indicators, there were 16 alterations, with ten inclusions and six exclusions. **On October 25, 2021, MT announced its climate-neutral commitment to reduce net carbon emissions by 80% by 2030, and by 100% by 2035, relative to the 2020 baseline.** The "Decarbonization Pathways" work has been incorporated into the PCI set of targets. The MT Carbon Neutral Program was formalized through Decree 1160 of October 25, 2021.

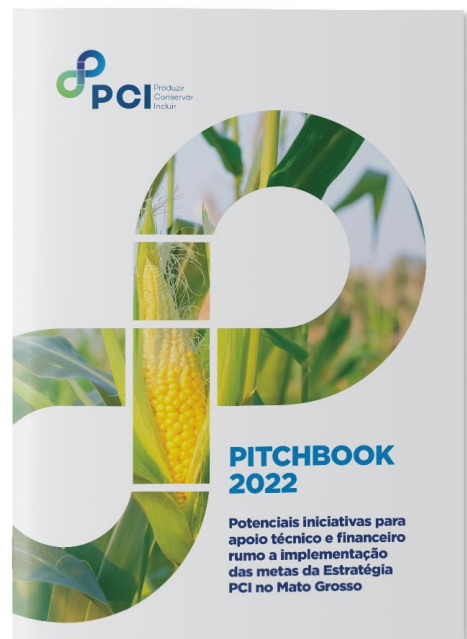


## INSTRUMENTS TO SUPPORT THE INVESTMENT STRATEGY AND PRIVATE PARTNERSHIPS

In 2022, the PCI Strategy advanced in the process of implementing the goals and expanding the projects in progress. To this end, one of the main focuses of the year was the structuring of mechanisms and processes for financing the necessary initiatives for climate neutrality. Among the outstanding initiatives are those aimed at defining gaps and financing models, a study developed in partnership with the International Institute for Sustainability - IIS, and updating the Pitchbook of projects, now bringing information on 36 projects that contribute to the goals of the PCI for fundraising.

*“The Pitchbook was created from a gap identified by investors interested in supporting actions aligned with PCI in Mato Grosso. In that regard, Pitchbook was built to facilitate the connection between funders at a national and international level with projects located Mato Grosso interested in receiving technical and financial support for greater scalability towards implementation of PCI targets by 2030”*

*Ricardo Woldmar, PCI Project Manager*





## PCI FROM 2015 TO 2022: MAIN DELIVERABLES

### A GOVERNANCE STRUCTURE

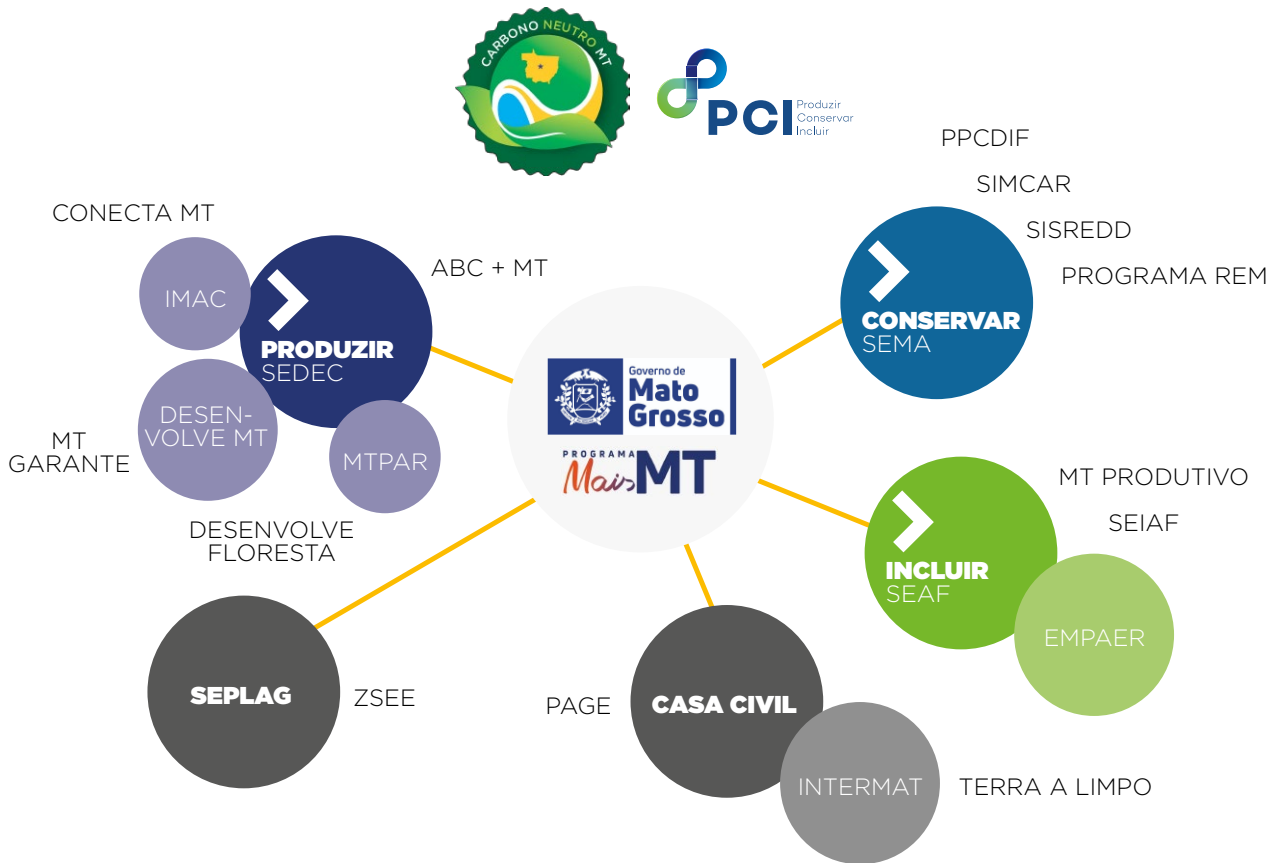
The driving force of the PCI Strategy is to enable, through the PCI Institute, multisectoral articulation. This is what structures the performance model of multiple sectors and public and private agents, the NGO sector and civil society so that the State of Mato Grosso makes the transition to a model of sustainable and low-carbon development.

The creation of the PCI Institute is the result of the collective effort of all participating actors. It was Indicated as a priority in its strategic planning process. Hence, the Institute seeks to ensure not only a shelter for the public-private governance of the PCI Strategy but also constitutes a managerial and financial mechanism for raising funds and managing programs and projects.

And it does so by joining several areas of work: public policies, investments and monitoring. It is equally relevant to promote the initiative in a process of MT protagonism in the territorial approach to achieve neutrality in greenhouse gas emissions by 2035.

### A SET OF PUBLIC POLICIES AIMED AT SUSTAINABLE DEVELOPMENT

To speed up the implementation of the PCI, the Government of the State of Mato Grosso has been articulating a joint effort with several actors. Among them, are the creation and promotion of public policies and instruments that facilitate and endorse the PCI Strategy.



Some of the public policies formulated on the initiative of the executive power in Mato Grosso are guided by the goals of the PCI, as is the case of the Plan for the Prevention and Control of Deforestation and Forest Fires (PPCDIF), the Carbon Neutral Program, and the State Plan for Agriculture Familiar (PEAF). Others such as the REDD+ State System, ABC+, SIMCAR and others contribute directly to advancing the State's goals and commitments.

The participation of society in the formulation, monitoring and evaluation of public policies, in some cases, is ensured in the law that institutes them, such as the State Policy for Sustainable Rural Development of Family Agriculture, which guarantees this participation in Art. 4 of Law No. 10,516, of February 2, 2017. The PCI Institute's network of partners directly helps build and even finance these policies.

The Carbon Neutral MT Program formalized through Decree 1,160 of 10/25/2021, is the policy that came to further consolidate Mato Grosso's trajectory in the environmental and climate agenda, corroborating the commitments of the PCI Strategy, and also the efforts that came being developed over the years in favour of the sustainable development of the State.

We highlight below other policies and instruments linked to the Secretariats that make up the governance of the PCI and that have proved to be fundamental for the advancement of its goals in recent years:







## AXIS **PRODUCE**

Although the performance of the goals of the Produce axis is strongly linked to market dynamics and the performance of the private sector, Mato Grosso has created instruments that can strongly support the productive sector within the scope of its Secretariat for Economic Development.

In 2022, the State completed its version of the State Plan for Low Carbon Agriculture - Plan ABC+MT, formalized through Decree No. 1513 of 11/03/2022. The State Plan contributes directly to the Brazilian NDC and gives the contribution of the agricultural sector to the climate commitments of Mato Grosso.

A Program to expand connectivity in the different regions of the State will speed up digitization and new technologies in the sector.

Also linked to Sedec are: i) the Instituto Mato Grossense da Carne, a joint body for the beef chain in Mato Grosso with the mission of promoting its sustainable development; ii) Desenvolvimento MT, a development bank that manages funds such as MT Garante, a guarantee fund for enterprises and small producers, and Desenvolvimento Floresta, a fund to promote planted forests and forest restoration; iii) MT Par, a mixed capital company that operates in public-private partnerships, contributing to the attraction of investments and sustainable projects.



## AXIS CONSERVE

The Secretary of State for the Environment coordinates policies directly linked to the implementation of the PCI's Conservar Axis goals.

Since 2009 Mato Grosso has developed its own Plan for the Prevention and Control of Deforestation and Forest Fires - PPCDIF. Now in its 4th phase, the plan has ambitious goals to eradicate illegal deforestation in the State by 2030. The PPCDIF is conceived with a four-year strategic plan, but operational Action Plans are made annually for command and control actions. Currently, CEDIF, the Strategic Committee to Combat Illegal Deforestation and Forest Fires, chaired by the governor himself, is responsible for drawing up and validating the Action Plan, and bringing together, in addition to the Environment Department, the Fire Department, the Security Department Public, IBAMA, Public Ministry and other state and federal agencies involved in this agenda.

The State System of REDD+, established by state law in 2013, is what allows the State to account for the reduction of emissions from deforestation and forest fires in Mato Grosso, with the potential to transform this carbon into investments. The REM Program agreed upon in 2017 with the government of Germany, was the first program captured by the State through the State System of REDD+. REM's investments supported the implementation of the PPCDIF, as well as contributing directly to PCI's goals by supporting sustainable initiatives by rural producers, indigenous peoples, family farmers and traditional communities.

SIMCAR, the state system of rural environmental registration, is what allows the implementation of the Forest Code legislation in Mato Grosso, promoting the environmental regularization of all agricultural production and the restoration of environmental liabilities.



## AXIS INCLUDE

Mato Grosso built, in 2017, for the first time, a State Plan for Family Farming. By the end of 2022, an Information System for Family Farming is under construction, to collect data for planning public policies. Led by the State Secretariat for Family Agriculture, the Include axis has several programs that encourage production chains in this segment. Under SEAF is also EMPAER, the Mato Grosso Technical Assistance and Rural Extension company.

A large investment project is under construction for the family farming sector, with funding from the World Bank, the “MT Produtivo”. The project provides support for production chains, as well as environmental and land tenure regularization.

The REM Program also makes a significant contribution to the socio-productive inclusion of family farmers, indigenous peoples and traditional peoples and communities.

At INTERMAT, a process of modernization of land regularization in the State is underway. Financed by the Amazon Fund, the Terra Limpo program acts directly in the regularization of settlements in the Amazon. The PAGE Program, under the leadership of the Civil House, works to promote sectors capable of generating green jobs in Mato Grosso.

Finally, with the leadership of the Secretary of State for Planning, the State is building its Ecological Socioeconomic Zoning that will contribute to its territorial organization and sustainable development.



## A ROBUST MONITORING STRUCTURE AND THE RENEGOTIATION OF GOALS

The PCI Strategy has, via the PCI Institute, as one of its main functions, to develop systems and models for exchanging information that allows permanent monitoring to meet the established climate goals.

Since its creation, the Institute has coordinated a robust monitoring process that allows the monitoring of results, as well as existing bottlenecks, in a transparent and dynamic movement with the entire society, investors and donors of the Strategy.

## Among the main monitoring milestones are:



- Definition of PCI Monitoring Bases
- Publication of the 1st “Balance of PCI Goals” (2015)
- Elaboration of the subsequent “Balance of PCI Goals” (2016 to 2022)
- Creation of an online monitoring platform ([www.pcimonitor.org](http://www.pcimonitor.org)).
- Hiring a specialized consultancy (Essência Processos Participativos) through ICV support to carry out a five-year evaluation of the PCI Strategy. The work reflected on the advances, difficulties, lessons learned, results and impacts of the goals in each of the three axes of the PCI strategy, as well as their management
- In the second half of 2021, a process of reviewing and updating PCI goals was carried out, through six workshops with 28 entities and organizations. The process aimed to keep PCI connected with market trends and projections and with state public policies, as well as to incorporate improvements in the definition of indicators and sources for the monitoring process and maintain the engagement of the multiple stakeholders of the Strategy.
- Additional studies: within the monitoring axis, the PCI Institute contracted the Instituto Matogrossense de Economia Aplicada (IMEA) to refine the data on the targets for planted forests. In particular, data will be collected on the areas of eucalyptus and teak-planted forests, as well as the expansion of open areas (without further deforestation)
- Participatory Evaluation of the Strategy
- Goals update and alignment with the Carbon Neutral program
- Commissioned studies to cover information gaps (pastures, planted forests, family farming)
- Production of a new “Balance of PCI Goals” for States and Regional Pacts
- Formation of Territorial Intelligence Network
- Hiring a dashboard for viewing goals and heat map



## VISION 2030

In 2021, the goals of the PCI Strategy were revised. The Balance of Goals published annually by the PCI Institute brings the goals, their indicators and results achieved so far:

Axle	Goal
<b>PRODUCE</b>	Recover 2.5M ha of low productivity pasture areas by 2030.
	Increase productivity from 50 to 116 kg/ha/year by 2030.
	Expand the area of grains in degraded pasture areas from 14,69 to 12.5 million hectares by 2030.
	Increase grain production from 50 to 125 M ton by 2030.
	Expand the area under sustainable forest management from 2.8 to 6M ha by 2030.
	Increase the production of planted wood from 4.9 M m <sup>3</sup> to 11.75 M m <sup>3</sup> by 2030.
	Expand the area of planted forests in areas already open from 317 thousand to 800 thousand ha by 2030.
	Increase biofuel production to 13 million m <sup>3</sup> by 2030.

## CONSERVE

Maintain 60% of the state of Mato Grosso native vegetation cover.

Reduce deforestation by 90% forest by 2030 and 84% by 2024 having as reference the baseline: 2001-2010 (PRODES) of 5,714 km<sup>2</sup>, reaching 571 km<sup>2</sup> / year until 2030.

Reduce deforestation in the Cerrado by 95% by 2030 and 83% by 2024 having as reference the baseline of 3,016 km<sup>2</sup> (SEMA), reaching 150 km<sup>2</sup>/year.

Eliminate illegal logging by 2030.

Reduce 30% of hot spots compared to the 2010-2019 reference period (28,300 hot spots) by 2030.

Eliminate illegal deforestation by 2030.

Compensate 1 Mha of liable to legal deforestation.

Register 90% of rural properties (CAR) by 2024.

Validate 90% of CAR by 2024.

Regularize 1M ha (100%) of degraded APP by 2030.

Regularize 5.8 Mha (100%) of Legal reserve, 1.9M ha of which by means restoration until 2030.

## INCLUDE

100% adhesion of municipalities in the SEIAF system by 2030.

Increase the Gross Production Value (VBP) of family farming from 1.2 billion to R\$ 2.0 billion by 2030.

Expand participation of family farming products in institutional markets (Programa Nacional de Alimentação Escolar - PNEAE) to 30% by 2030.

Increase access to Pronaf credit from R\$ 882 million to R\$ 1.3 billion/year until 2030.

Accomplish land regularization of 70% of family farming plots by 2030.





## REGIONAL PACTS, THE PCI REGIONALIZATION STRATEGY

Mato Grosso is the third largest state in Brazil with 141 municipalities totalling an area of 903,357 km<sup>2</sup> (equivalent to the area of Germany and France combined). For the PCI strategy to be implemented, there needs to be local engagement and collaboration across its different regions.

PCI Regionalization is how the PCI Institute defines how to land its Strategy in municipalities and regions in the State.

By the end of 2022, four regional pacts had already been implemented in Mato Grosso, involving the municipalities of Juruena and Cotriguaçu (Pacto do Vale do Juruena), Sorriso, Barra do Garças and Tangará da Serra. The pacts allow the engagement of municipalities and local actors in delivering the goals of the PCI Strategy, through a planning process for the sustainable use of their territories and mapping of challenges and opportunities.

The Pacts include the formation of multi-stakeholder local governance, the definition of goals for the territory and the planning of the necessary actions to advance these goals, reproducing the state PCI Strategy at the local level.

The PCI Institute defined guidelines for the creation of Regional Pacts and intends to expand this strategy of engaging territories and municipalities in the goals



### Mato Grosso

**141**  
MUNICIPALITIES

**903.357 km<sup>2</sup>**





## QUANTIFICATION AND GAP OF INVESTMENTS IN MATO GROSSO

To finance the transition to a sustainable and low-carbon development model, it is part of the Strategy, via the PCI Institute, to integrate public, private and bilateral organizations' resources, as well as civil society itself.

In the period from 2016 to 2020, approximately R\$16.04 billion were invested in Mato Grosso through 135 projects and government actions related to PCI targets (this amount includes rural credit). These resources were distributed as follows: R\$9.09 billion in the Produce axis, R\$331.58 million in the Conservation axis and R\$6.61 billion in the Include axis. Add to these resources R\$9.48 million invested in the governance of the PCI Strategy.

The three thematic areas to which more resources were allocated are sustainable production (R\$9.03 billion), support for family farming (R\$6.29 billion), strengthening of production chains (R\$122.61 million) and management of protected areas (conservation units - UC's and indigenous lands TI's - R\$ 170.17 million). Of the amount raised, mentioned above, R\$ 15.48 billion were used: R\$ 8.78 billion in the Produce axis, R\$ 205.20 million in the Conservation axis and R\$ 9.48 billion in the Include axis.

**From 2016 to 2020, the following were invested in Mato Grosso:**

**BRL 9.09**  
billion in the  
**PRODUCE axis**

**BRL 337.58**  
million in the  
**CONSERVE axis**

**BRL 6.61**  
billion in the  
**INCLUDE axis**

**BRL 9.48**  
billion in PCI  
**STRATEGY  
GOVERNANCE**

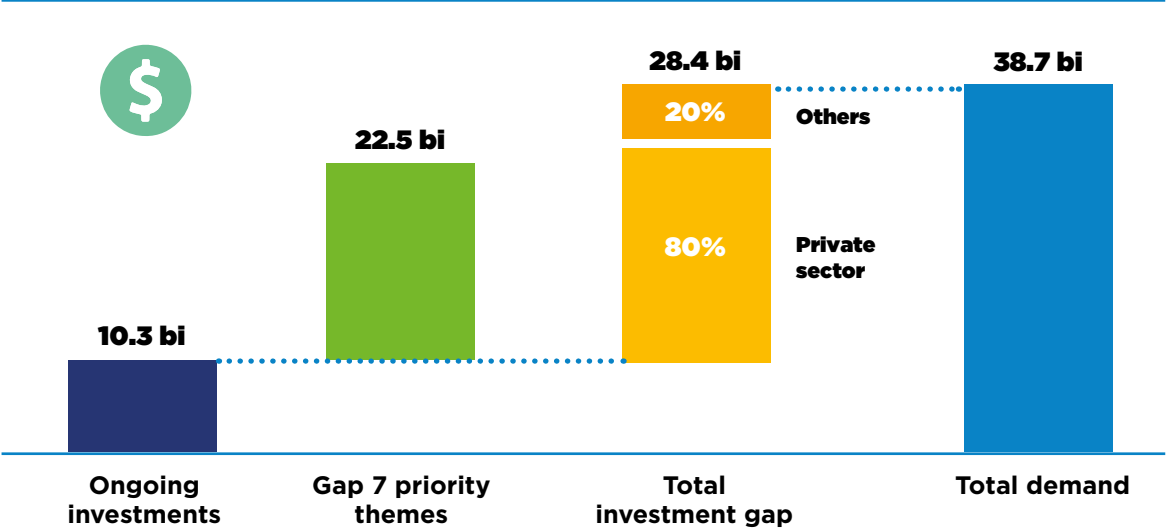


# COSTS TO REACH THE GOALS BY 2030

According to a study carried out by the PCI Institute, in 2020, in partnership with the International Institute for Sustainability (IIS), to reach the goals proposed by the government of Mato Grosso, in the Producing, Conserving and Including Strategy (PCI), it will take US\$30 billion, about R\$150 billion, by 2030. Of this total, the government estimates that approximately 80% needs to be filled by the private sector (mainly for restoring pastures, and planted forests, increasing cattle productivity and restoring legal reserves and riparian forests).

### PCI CAPITAL REQUIREMENTS

Values in US\$ (Exchange Rate BRL/US\$: 5.31)



Since its launch, PCI has mobilized several partnerships, driving investments to support the jurisdictional approach strategy. IDH was an early investor in the PCI Strategy, including resources to build government capacity and support field projects. In addition, Mato Grosso’s legislative support and REDD+ system have enabled the

state and PCI to access some important financial resources, such as the REDD+ Early Movers (REM) program. The REM programme, financed by the German development bank KfW, and co-financed by the United Kingdom, is also designed to support PCI objectives. PCI intends to find committed companies and buyers in key supply chains in Mato Grosso and engage them in jointly promoting progress at the landscape level.

## **Instruments for engaging the private sector**

*“We are here (at COP 27) and one of the discussions that we are involved in, as PCI and as REM, has to do with free-of-deforestation supply chains, an issue that directly affects Mato Grosso. One of the major themes of the COP is agriculture. We need to reconcile agricultural production, and food security, with climate security. Here is a stand of a coalition of companies that are engaged in climate action. Last Saturday, a group of these companies launched a project to invest in the Mato Grosso, in regions bordering deforestation in Brazil. This is directly linked to some of our actions in the REM, sustainable production program. And we are working with these companies so that the actions they plan - because at this stage now, the idea is leaving the commitment to implementation -, that they manage to take this to the territories. And the companies that have a relationship with Mato Grosso can also help us in this sustainable transition that we want for the State. And I think this is one of the challenges we have at this COP, bringing the private sector closer together and helping Mato Grosso move forward.”*

*Fernando Sampaio, executive director of the PCI Institute*

The PCI Institute helped to develop and deliver instruments that facilitate the engagement of companies in the Strategy and concrete actions in the territory of Mato Grosso.

The active participation of companies at the PCI governance, such as AMAGGI, Marfrig, FS, JBS, Agrojacarezinho, with concrete actions in the implementation of PCI goals, is essential. It is worth noting the development of projects with business coalitions such as the Soft Commodities Forum and the Forest Positive Coalition, supporting sustainable production. And, in addition, it is important to mention other companies that are investing in different regions of the territory, such as Walmart and Carrefour.

Since 2019, JBS, for example, has supported the Produce, Conserve and Include Strategy (PCI) of the State of Mato Grosso, one of the largest subnational projects in the world, to mitigate climate change.

## Engagement actions with the private sector

- Creation of the Value and Communication Committee (future Investment Committee)
- Launch of the Corporate Action Group
- An initial survey of PCI related projects in MT (Agroicone)
- Construction of the PCI PitchBook of projects
- Admission and partnership with TFA
- Source Up development
- Also in 2021, a partnership was established between the PCI Institute with the ISEAL Alliance and Kultiva Consultoria to prepare a Corporate Engagement Guide aimed at companies interested in participating in the PCI. The Guide defined the engagement and communication guidelines and models for companies that are carrying out actions in line with the PCI Strategy
- Joint work with CSI Collaborative Soy Initiative
- The PCI Institute worked with CDP to present the key factors needed to implement a jurisdictional approach system involving private sector investment and REDD+. A case study was then published on the main lessons learned from the PCI Strategy in Mato Grosso
- The PCI Institute has expanded the range of the Pitchbook to 36 initiatives and projects which, in turn, will be publicly disclosed through a report and a platform available on the PCI website. Additionally, an online platform will be developed so that PitchBook PCI projects are constantly updated.

Efforts made by the private sector in favour of sustainable production, individually or corporately, have been showing advances in the sector and bringing positive, direct and indirect impacts to PCI. For our part, we have also proposed multi-stakeholder actions and processes for learning, co-creating and involving these actors, not only because of their importance but also because of their agility, capacity for mobilization and decision-making, especially through this new governance model.

Starting with the development of a best practice guide to help ensure that sustainability claims made by jurisdictions, landscape initiatives and the companies that originate or support them are credible.

The first version of this document was made by the Iseal Alliance in October 2020 and updated in March 2022. Developed in collaboration with CDP, Proforest, TFA and WWF, with further input from key professionals through consultation with ISEAL, this

the guide provides a practical starting point for companies looking to support and invest in landscape and jurisdictional approaches, and to claim their contributions transparently and credibly.

After presenting this best practice guide to representatives of the private sector in MT, we moved forward in the formulation of an PCI Corporate Engagement Guide. This is another one of the documents available for free on the PCI website.

In September 2018, PCI launched the Corporate Action Group (CoAG) to provide an opportunity for companies to connect with PCI and learn about local projects and potential corporate activities that could support the State of Mato Grosso.

CoAG, in turn, through the consultancy Proforest, conducted, between November 2021 and November 2022, rounds of mapping, collection and validation of actions and projects with representatives of companies in the State of MT.

### **All this work resulted in a *PitchBook*, whose objectives are:**

- Give VISIBILITY to projects being developed in the state and that contribute to PCI's goals, thus promoting TRANSPARENCY of plans and its results obtained;
- Support the RAISING OF additional FUNDS for projects that need technical and/or financial resources for their maintenance, continuity or expansion;
- Facilitate the CONNECTION and the establishment of PARTNERSHIPS between companies that work in MT or want to contribute to the PCI strategy, to increase the IMPACT of existing projects;
- Support companies that operate in the VALUE CHAIN to select MT suppliers that contribute to PCI GOALS;

In January 2023, a new edition of this PitchBook is expected to be published on the PCI website. In addition to the 35 projects mapped in this first edition, we highlight important partnerships with the following companies and initiatives so far:

- **AMAGGI**
- **MARFRIG**
- **CARREFOUR**
- **SYNGENTA**
- **SOFT COMMODITIES FORUM**
- **FOREST POSITIVE COALITION**

The current PCI Pitchbook, published in 2019 with support from the Environmental Defense Fund, can be found here: [PCI-PitchBook-final-online.pdf](#) (edf.org)

*“PCI is one of the main references of jurisdictional initiatives, which over the years has shown consistency in monitoring indicators and results. Within the scope of corporate engagement, PCI has expanded dialogue with companies and funders and given visibility to the main actions that contribute to PCI’s goals. It will increasingly play a central role in articulating investments in the state and in regional development.”*

*Cecília Korber, project manager at Proforest*

## **MATO GROSSO AS A MODEL: THE STATE’S PIONEERING SPIRIT AND PROTAGONISM**



The commitment of the State of Mato Grosso to neutralize its emissions by 2035 has been reflected in a multisectoral articulation process, development of tools and dissemination of lessons learned and shared challenges.

It is worth noting that the PCI has a seat and participates in several forums, and has gained increasing recognition and legitimacy. Among the instances of its protagonism, the United Nations Climate Change Summit stands out. In the last edition, COP 27, held in Egypt in November 2022, PCI was present, represented by the executive director of the PCI Institute, as well as other partners, both from the government of Mato Grosso and by members of civil society organized, in addition to funders. This was also due to the immense relevance of the theme of climate change, to which PCI is intrinsically and directly linked and committed since its creation.

One of the highlights of this role is the jurisdictional approach, as a mechanism for reducing socio-environmental risks in commodity chains. The PCI Institute has presented this jurisdictional approach in numerous international forums, including the Amsterdam Declarations Partnerships, Collaborative Soy Initiative, Tropical Forest Alliance, Consumer Goods Forum, Governors Climate and Forest Task Force, Under 2 Coalition and others. Engagement on these platforms was important for the State to connect the jurisdiction to new markets and investors.

As a result, Mato Grosso is seen as an agri-environmental leader in implementing this type of approach globally and is more attractive to commodity chains.

PCI and the State of Mato Grosso are case studies and documented by organizations such as the World Economic Forum, CDP, UNDP, TFA, among others.



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<https://goodgrowthpartnership.org/wp-content/uploads/GGP-casestudies-FA.pdf>

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[https://www3.weforum.org/docs/WEF\\_Forests\\_for\\_Climate\\_2022.pdf](https://www3.weforum.org/docs/WEF_Forests_for_Climate_2022.pdf)

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[Nat Keohane: A new economic model for protecting tropical forests](#)

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<https://jaresourcehub.org/webinars/a-closer-look-produce-conserve-include-pci-in-mato-grosso/>

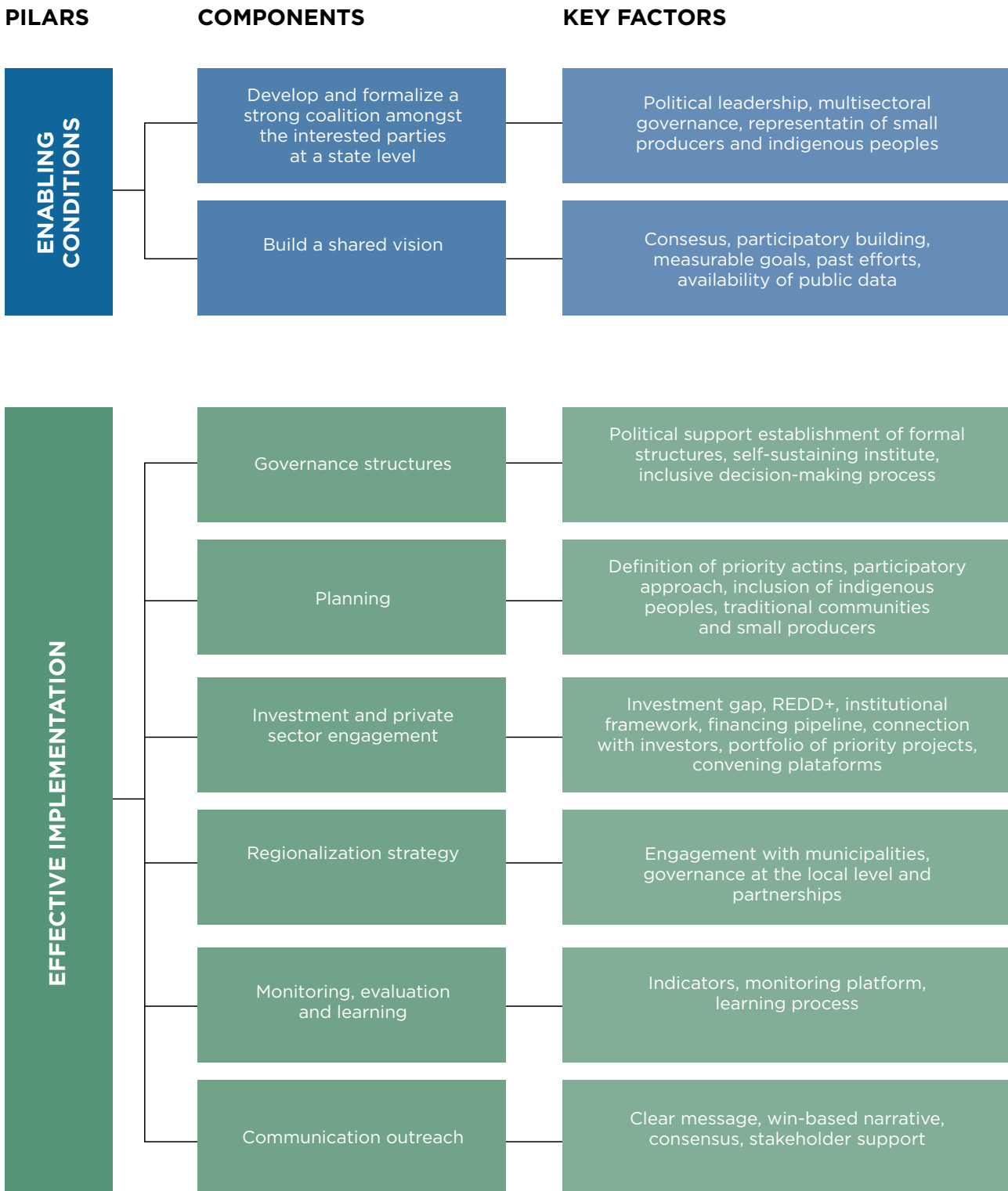
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[https://cdn.cdp.net/cdp-production/cms/reports/documents/000/006/134/original/CDP\\_Brazil\\_PCI\\_Case\\_Study\\_Jurisdictional\\_Approaches\\_Final\\_Version.pdf?1646824791](https://cdn.cdp.net/cdp-production/cms/reports/documents/000/006/134/original/CDP_Brazil_PCI_Case_Study_Jurisdictional_Approaches_Final_Version.pdf?1646824791)

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The CDP case study details the pillars of PCI implementation, and also identifies key factors in the process, as detailed in the diagram below:

## PCI FACTORS THAT HELPED EXECUTE A JURISDICTIONAL APPROACH STRATEGY





## CASES

Much of what is done within the scope of PCI ends up being communicated in a very institutional way and only among the participants of the initiative. This is one of PCI's challenges, producing qualified content about its accomplishments, including giving voice to partners and publicizing processes and results to increase engagement and retain audiences.

Below, we present some of the initiatives developed with partners in Mato Grosso directly linked to the implementation of the PCI Strategy:

### IDH

IDH, The Sustainable Trade Initiative is an organization (foundation) that works with businesses, funders, governments and civil society to promote sustainable trade in global value chains. Believes that action-oriented coalitions will impact the Sustainable Development Goals and create value for all.

Through its landscape program, IDH acts directly supporting the structuring of the PCI Strategy and public policies such as environmental and land regularization, the PCI Regional Pacts and value chains through co-financing with the private sector. PCI is a fundamental pillar for the performance of IDH in Mato Grosso.

## REM

The REM Program rewards Mato Grosso for reducing greenhouse gas emissions and valuing standing forests. Launched at the Rio+20 Conference (2012), the REDD Early Movers Program (REM) is an innovative initiative that rewards pioneers in forest conservation and climate change mitigation. It is intended for countries or subnational jurisdictions that have anticipated initiatives to protect forests and/or reduce emissions from deforestation and degradation. REM provides results-based payments for verified emissions reductions from deforestation.

In its current phase (late 2022), the REM Program in Mato Grosso has been funded with €17 million by the German government and co-funded with €24 million by the UK government. Resources were invested in supporting public policies such as controlling deforestation, and support for Family Farming, Traditional Peoples and Communities, Indigenous Territories and small and medium-sized producers in the soybean, livestock and forest management chains.

## Technical Cooperation Project - GIZ

In support of the implementation of REM in Mato Grosso, the first Cooperation Agreement between GIZ and MT was signed in 2017, as part of a Global GIZ/ REM Program with a budget of 1.3 million euros. The focus of cooperation is to support the implementation of the REM, especially in these areas: Safeguards and risk management, Governance, Construction of the Indigenous Territories subprogram (supporting the consultation process) and Ombudsman. In April 2019, based on a GIZ mission, and a formal demand from the State of MT for the Embassy (Official Letter 1181 of April 15, 2019), the BMZ offered the continuation of the technical cooperation program with GIZ, in a new commitment agreed in bilateral negotiations in November 2019, with a budget of 2 million euros and an expected duration of 2 years. The focus of this new phase of cooperation is mainly on supporting PCI's Include axis, through support to REM Subprograms meeting the specific needs of Family Farming, Indigenous Peoples and Traditional Peoples and Communities in Mato Grosso, strengthening the PCI Strategy in municipalities and strengthening the capacities of Mato Grosso and other states in the Amazon region for REDD+ management.

## PAGE

The Partnership for Action on Green Economy - PAGE program aims to transform economies into drivers of sustainability, supporting nations and regions in reformulating policies and economic practices around sustainability. Mato Grosso joined PAGE in 2016, prioritizing the generation of green job opportunities and the eradication of poverty. Since then, thematic and sectoral reforms have been carried out in several priority areas, including agriculture, agro-industry, tourism, renewable energy, land tenure regularization and green jobs, directly contributing to PCI goals.

Faced with the COVID-19 crisis, the government of Mato Grosso launched a green recovery policy focused on strengthening family farming - which represents 51% of the workforce in Mato Grosso. PAGE's green recovery support also works towards this goal, and in 2021, PAGE began efforts to lead the reformulation of the Family Farming Strategic Plan to further strengthen environmental, social and governance commitments.

## Development Policy Loan e MT Produtivo - Banco Mundial

The DPL project allowed the state of Mato Grosso to raise US\$250 million in World Bank financing, which helped restore the state's fiscal health. The PCI Strategy, the PPCDIF and the state CAR system were previous actions in the project's environmental pillar so that the state could receive investments, in addition to actions aimed at fiscal adjustment.

The recovery of the State's finances allowed a new negotiation to be initiated, this time with the specific objective of supporting family agriculture in the State with a new financing of US\$ 80 million. PCI actively participates in the dialogue between the State government and the institution.

## TerraAmaz

The project TerraAmaz – Territórios Amazônicos – é financiado pela Agência Francesa de Desenvolvimento (AFD) and will be implemented by the CIRAD consortium (Center for international cooperation in agronomic research for development) in partnership with ONF International and AVSF (Agronomists and veterinarians without borders) with the objective of “Supporting the Amazonian territories in the implementation of their policies to combat deforestation and transition to a model that allows combining low-carbon economic development and conservation of ecosystems”. The activities will support five pilot sites in four countries, including Cotriguaçu in Mato Grosso where the project directly contributes to the goals established in the Vale do Juruena IPC Regional Pact.

## Andgreen

The &Green fund finances key commodity supply chains in a way that makes an environmental impact and in a way that is commercially viable and replicable. The Fund focuses on productive regions with tropical forests and uses jurisdictional criteria to define the regions where it will operate. Since its creation, the fund has already invested US\$ 80 million in Mato Grosso in the grain, livestock and biofuel chains.

## Conserv

Released in October 2020, Conserv is a private, voluntary membership mechanism. Result of a partnership with Ipam (Environmental Research Institute of the Amazon) and EDF (Environmental Defense Fund). The official launch took place in November 202 during the international event London Climate Action Week (London Climate Action Week). Conserv compensates medium and large producers in the Amazon and Cerrado biomes for maintaining areas of native vegetation on their properties that are legally permitted to be deforested. In the first phase, the program operates in the city of Sapezal, in Mato Grosso.

Ipam’s forecast is to reach, in the coming months, up to 30 contracts in pre-selected municipalities, an extension of at least 20 thousand hectares. Conserv is directly linked to PCI’s goal of creating economic incentives for the conservation of 1 million hectares of native vegetation in Mato Grosso, and it is a tool that has also helped the private sector to act in chains free of deforestation.



## PRIVATE SECTOR ENGAGEMENT CASES

Private sector companies' understanding of landscape strategies has increased considerably since the PCI was launched in 2015. Since the beginning, companies such as Marfrig and Amaggi have been involved in structuring the PCI and the actions they undertake in their chains directly contribute to the advancement of goals in the territory of Mato Grosso. Both are involved in the governance of the PCI Institute and have aligned their sustainability strategies with the state strategy.

Partners such as IDH, Proforest, TFA, CDP, ISEAL, EarthWorm, EII, IPAM, ICV, TNC and others have contributed to broadening the understanding of how companies can act in jurisdictional initiatives, and this contribution can take many forms.

Carrefour, in a project co-financed by IDH, invests in the inclusion of small livestock producers in the livestock chain, contributing to the inclusion of these producers through support for environmental and land tenure regularization, technical assistance, but also expanding access to markets

Syngenta and TNC developed a project to revert degraded pasture areas into arable areas, thus contributing directly to one of the PCI's most relevant goals.

JBS operates in technical assistance projects, including small producers in the biodiesel chain, supporting regularization through green offices distributed in its plants, in addition to monitoring its supply concerning deforestation and investing in the territory with the JBS Fund.

Coalitions of companies such as the Soft Commodities Forum, in its Farmers First Clusters project, identified priority territories to operate in Mato Grosso, with technical assistance, support for regularization and payment for environmental services. Likewise, the Forest Positive Coalition, a coalition of companies from the Consumer Goods Forum, is already investing in priority territories in Mato Grosso. Grupo Bimbo works to train people and recover springs with the PCI de Sorriso Regional Pact.

Even local companies, such as Nutribras (in Sorriso) or Casterleite (in Juruena) have actively participated in the PCI Regional Pacts, contributing to the advancement of goals in their regions.

These are some examples, among others, that increasingly show how the PCI Institute is creating instruments to facilitate the engagement of companies committed to sustainability in actions in the territory of Mato Grosso.







## COP27: THE TIME OF IMPLEMENTATION

For two weeks, in Sharm El Sheikh (Egypt), the UN Conference of the Parties brought together more than 45,000 participants to share ideas, and solutions and build partnerships and coalitions. The United Nations Framework Convention on Climate Change (better known as the COP) is a treaty signed by almost all countries, whose objective is to stabilize the concentration of greenhouse gases (GHG) in the atmosphere at levels that prevent dangerous interference in the climate system. According to the Intergovernmental Panel on Climate Change (IPCC), temperature increases between 1850-1900 and 2011-2020 averaged 0.85°C to 1.09°C. The last three decades have been the warmest since 1850. If emissions continue within current trends, warming could reach 4.8°C by 2100. As a result, heat waves and periods of extreme drought are likely to occur more frequently and longer, and torrential downpours are expected to become more intense and frequent.

According to the UN Climate Change report, the implementation of current pledges by national governments puts the world on track for 2.5°C warming by the end of the century. The IPCC indicates that greenhouse gas (GHG) emissions must decrease by 45% by 2030 to limit global warming to 1.5°C.

Country targets, NDCs are established. There is a global consensus that more resources and more convergence between nations are needed for the implementation of climate mitigation and adaptation strategies to happen at an accelerated pace.

Aware of its role in contributing to the reduction of emissions, PCI not only follows its commitment but also seeks to engage other partners from different sectors in this journey, even looking at the issue of climate justice.

The PCI Strategy was born out of a commitment to climate goals. Since the beginning, it has built metrics and developed processes that push Mato Grosso towards a new paradigm of sustainable production, with territorial ordering, investments and models of collaborative intervention between the public, private and civil society sectors.



## **The State of Mato Grosso and the PCI Institute at COP 27**

- The State of Mato Grosso reinforced at COP 27 its commitment to the Net Zero target assumed last year with the MT Carbon Neutral Program.
- Among the advances, he highlighted the regulation of the Carbon Neutral Program developed in partnership with ABNT.
- The State also presented the PCI Institute as an investment vehicle to support the implementation of its commitments.
- Other initiatives such as the Green Passport, an initiative by the Instituto Mato Grossense da Carne - IMAC, to guarantee the legal origin of beef from Mato Grosso were also presented.
- Governor Mauro Mendes emphasized that Mato Grosso wants, above all, recognition for the effort made in mitigating climate change, and in the fight against illegal deforestation.

# 3rd CYCLE

## PERSPECTIVES AND CHALLENGES

The context of complexity in the economy, in society and the form of occupation of the territory and the landscape, poses the challenge of conceiving and coordinating public policies that correspond and integrate the diverse and, sometimes, conflicting interests of the local society, including agribusiness, the environmentalism, family farmers and traditional peoples and communities.

For agribusiness in Mato Grosso, an important exporter of commodities, it is becoming increasingly clear that there are challenges on a world scale resulting from the association between rapid population growth and intense degradation of natural resources, aggravated by unforeseen effects of climate change, such as in the hydrological cycle, soil erosion and siltation, in addition to rainfall distribution.

Faced with the risks resulting from this combination of socio-environmental, economic and natural factors, demands are growing on its supplier markets for the adoption of increasingly responsible production practices that have less impact on the environment, guided by good social practices. As most MT production is exported to these regulated markets, compliance of your production with such requirements is imperative.

The PCI Strategy, via the PCI Institute, is the structuring, articulation, implementation and monitoring mechanism for Mato Grosso to reach neutrality in its emissions by 2035.

It also seeks to collaborate with the efforts of governments, organizations and society in building a new growth model, more in line with the urgencies that the climate crisis imposes, but also to serve as an experience with important and positive impacts, and that can/and needs be better known, tested, expanded and disseminated.

In these years, the PCI Strategy has achieved encouraging results. In the coming years, among the many challenges that are posed. A new cycle now begins with the PCI Institute, and some priorities need to be worked on so that this instrument can make Mato Grosso further enhance its vocation of being a new development model, based on the balance between production and conservation, promoting inclusive and low-impact economic growth. Among these priorities we highlight:



## THE CONSOLIDATION OF INSTITUTO PCI AS AN INVESTMENT VEHICLE

It is necessary to define investment models capable of accelerating the goals of the PCI Strategy, and the Institute can be an instrument capable of attracting a blend of finance suited to the real needs of the territory, generating a constant flow of investments for the sustainable transition of the jurisdiction.

This also includes advancing towards the carbon markets and expanding the engagement of companies in commodity chains in transforming the landscape, making corporate net zero goals also support the achievement of Mato Grosso's net zero goal.

## INCREASE REPRESENTATIVENESS AND LEGITIMACY

The implementation of the PCI Strategy requires a high level of collaboration between the actors present in the territory of Mato Grosso. Despite the advances, the Institute needs to increase its representativeness and legitimacy, incorporating into its governance actors not yet represented, such as indigenous peoples and traditional communities.

It is also necessary for the Institute to constitute, based on its monitoring structure, an intelligence centre capable of supporting the actions of different interest groups with data and scientific information, generating trust among the actors and expanding public-private collaboration with gains that are transversal, thus reducing polarization and expanding the joint effort.

Only a neutral institution, whose actions are based on technical knowledge, with governance that allows for a transparent and consensual decision-making process, can generate the necessary trust for broad collaboration.

For this, a robust internal and external communication strategy is essential, a weakness that still affects the PCI Strategy's potential to expand its impact.

## PCI'S “LANDING” IN STRATEGIC TERRITORIES IN MT

Although the commitments and goals are from the State, in the end, is in the municipalities and territories that are the challenges, but also the opportunities for the delivery of the PCI Strategy.

Each region of the state has its production chains, its challenges to optimize land use and promote inclusive and sustainable development.

PCI regionalization must be expanded, engaging local actors, and private companies operating in these territories, and connecting investments to the real needs of each location.

The Institute can attract partners and targeted investments to each region while supporting monitoring and governance structures in these strategic territories thus accelerating a defined transition in partnership with those who live and work in these regions.

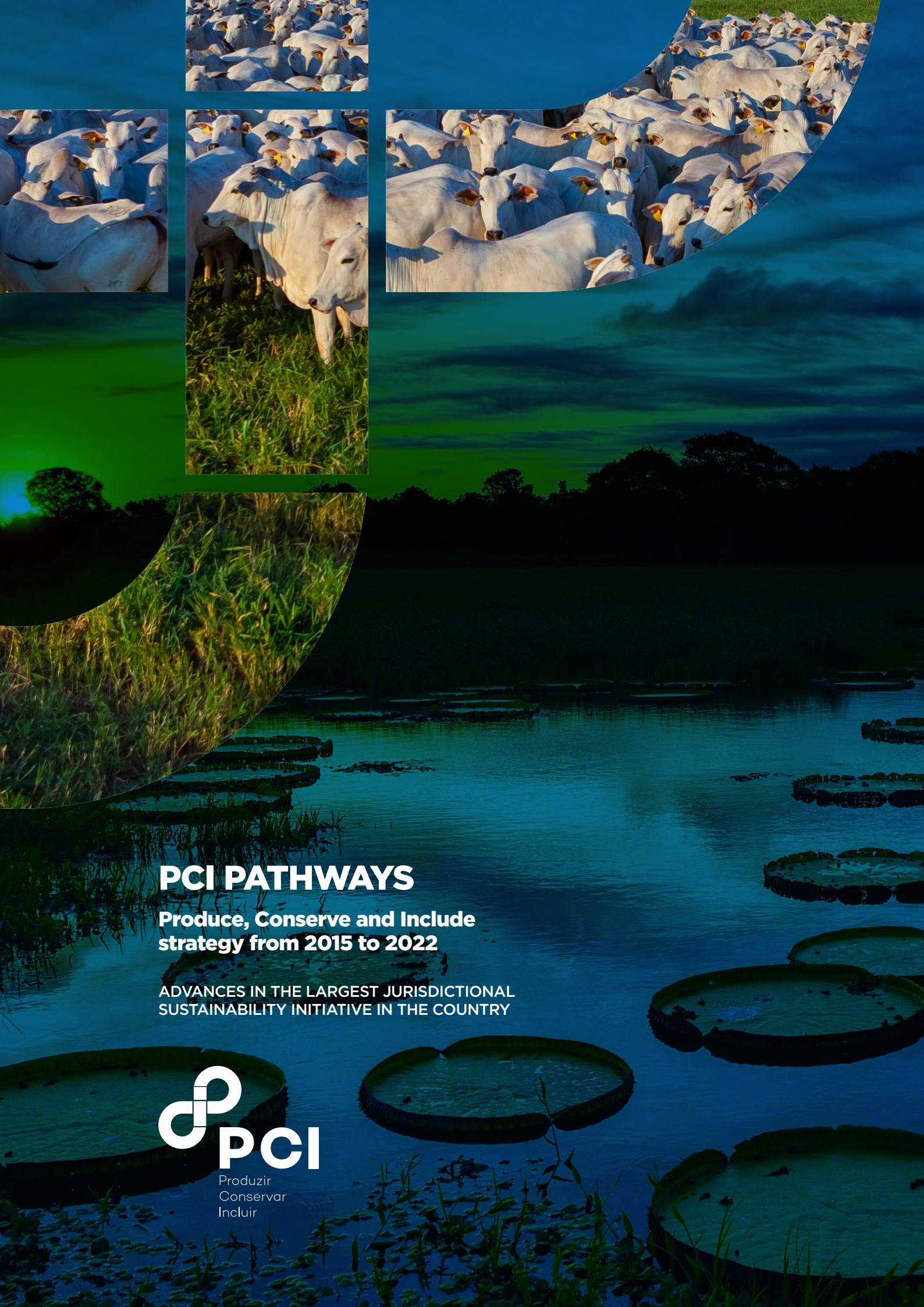
For all these reasons, we bring this report as the beginning of a journey of accountability and relationship with our stakeholders, which is just beginning. Join us and thank you in advance for the support we have received.

*“The PCI strategy presents itself to the world as a path, a program to reconcile agricultural production, environmental conservation and social inclusion in rural areas. In Brazil, it was consolidated with well-structured governance, recognized by the subnational government and supported by civil society, the productive sector and the private sector. Gradually, it is reaching priority landscapes, being implemented in municipalities, farms and communities, and turning state goals into concrete actions. The ability to raise and execute national and international resources for actions is consolidating and the PCI Institute can be a great catalyst for this mechanism. It is also necessary to recognize the rare ability to maintain the strategy even with political changes in state and federal governments. This resilience is yet another indicator of the robustness and seriousness of the initiative. Strengthening the capillarity in the territory and all the technical capabilities involved in the various ongoing actions will be fundamental for achieving the 2030 goals and the success of the PCI Strategy in its 3 axes: Produce, Conserve and Include.”*

*Richard Smith, regional coordinator Ipam – Instituto de Pesquisa Ambiental da Amazônia*







## PCI PATHWAYS

**Produce, Conserve and Include  
strategy from 2015 to 2022**

ADVANCES IN THE LARGEST JURISDICTIONAL  
SUSTAINABILITY INITIATIVE IN THE COUNTRY

