# Produce, Conserve, Include

A working model of the jurisdictional approach to sustainable development

### The issue

Global deforestation is on the rise. Companies struggle to meet goals.

Companies have committed to removing deforestation from their supply chain by 2020, yet deforestation rates continue to rise. Innovative solutions are needed to curb deforestation and meet corporate goals. The jurisdictional approach is one such solution and is a highly-touted opportunity for corporate leadership.

The jurisdictional approach encourages companies to collaborate with local governments, communities and producers in their sourcing regions. By working togeth-



er, the stakeholders ensure that local laws, regional efforts and corporate policies work in concert to catalyze deforestation-free landscapes. Many companies have heard about the jurisdictional approach, but they need practical opportunities to prove the concept in promising jurisdictions.

### Mato Grosso, Brazil

#### An ideal region to deliver on the jurisdictional approach

From 2004 to 2014, Mato Grosso demonstrated that it is possible to reduce deforestation while increasing productivity. This agricultural powerhouse produces nearly 30% of Brazil's soy and has the largest cattle herd in Brazil, with more than 30 million cattle. To meet rising food demand, experts indicate that the state could expand agricultural land by around 5 million hectares by 2021. However, with the appropriate measures in place, Mato Grosso can meet growing demand through sustainable development rather than increased forest loss.

### **Produce, Conserve, Include**

An investment-ready model designed to meet aggressive targets

Mato Grosso's government created the Produce, Conserve, Include (PCI) strategy, a leading jurisdictional approach that creates a new vision for the future of Mato Grosso: increase productivity across the state, all while maintaining native vegetation cover and reducing deforestation.

The PCI's ambitious vision add up to huge environmental benefits: over six gigatons of avoided emissions by 2030. Meeting these aggressive targets requires a multi-stakeholder effort, and the PCI brings together government agencies, civil society, producer groups and companies to drive toward impact.





### Why should companies engage in the PCI?

Benefits to participation in the PCI include:



#### Progress toward corporate forest goals

Many supply chain companies have goals to eliminate deforestation from their supply chains in the coming years. The Conserve pillar aligns well with corporate forests goals, with targets to eliminate illegal deforestation by 2020, maintain all native vegetation in the state, and reduce deforestation by 90% in the Amazon biome and 95% in the Cerrado biome by 2030.



# Incentives for sustainable expansion of production

Companies need to be able to grow their supply base without contributing to deforestation. The PCI aims to expand grain area into degraded pastures, increase grain yields and intensify cattle production, which will ensure that companies have low risk commodity sourcing and can grow their business over time.

# Robust and transparent statewide monitoring

The PCI Monitor provides an online dashboard that tracks 30 indicators at the state and municipal levels towards PCI targets. Companies can use this statewide monitoring to assist with tracking progress toward their sustainability goals. This transparency helps companies answer questions about sourcing risks and gives them assurance that the time and resources invested in the PCI are making an impact.



# Reduced deforestation risk across the state

Given the complexity of commodity supply chains, companies face significant challenges in understanding their deforestation risk. By engaging across the entire state, the PCI will create a low-risk region for sourcing, so that even without perfect supply chain traceability, companies can enjoy a lower deforestation risk.

# Progress toward corporate climate goals

The PCI is an impactful way to avoid deforestation emissions by 2030. Corporate participation in the PCI can assist in meeting corporate climate targets and help companies tell an impactful story of implementation on the ground. Additional sustainability benefits include social inclusion, biodiversity improvements, crop pollination, and water security.

#### Proof of concept for a new model of deforestation leadership

Mato Grosso is an ideal location to prove the concept of jurisdictional approaches globally.

Companies have the opportunity to be on the cutting edge of this work in a location that is highly strategic for their supply chains and for the planet.

#### How can companies engage?

**1. Engage in the Corporate Action Group.** This group will connect approximately four times per year to discuss items pertinent to the PCI and help companies get exposure to on-the-ground and large-scale opportunities.

**2. Support one or more priority projects that drive toward PCI goals.** The PCI has identified priority projects that are ripe for replicability and scale. Companies can provide technical or financial assistance to these projects.

**3. Commit to source from PCI projects** as a way to send a demand signal that sustainable development increases access to markets.

**4. Voice support for the PCI strategy** to your supply chain partners, in communications to the public, and in policy conversations in Brazil.

These are just a few of the various opportunities for company engagement. We would like to hear from you and help us shape corporate opportunities based on your interest and priorities.



To learn more or get involved, go to **pcimonitor.org** or contact Fernando Sampaio: diretor.pci@gmail.com.