

The Acre State System of Incentives for Environmental Services (SISA)

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The State of Acre is one of the poorest and most isolated states in the Brazilian Amazon, but has a long tradition of environmental protection and sustainable development. This record is based in a strong local socio-environmental ethic, and even pre-dates Brazil's national environmental initiatives that began with the Rio Earth Summit in 1992.

In October 2010 Acre's state legislature passed the System of Incentives for Environmental Services (SISA), which establishes a system of incentives for a range of environmental services, including forest carbon, water resources, scenic beauty, climate regulation, and others.

The SISA explicitly creates flexibility for harmonization and linkages with other future systems of incentives for environmental services on a national, sub-national (state), or international level, and draws on authorities and policies established in Brazil's 2009 Federal Law that established the National Policy on Climate Change, Acre's 2007 State Law on Ecological-Economic Zoning, and the directives of the Acre State Policy on Valuation of Forest and Environmental Activities.

The state's SISA legislation is the result of a long-term, comprehensive consultation process with a diverse array of civil society groups and individuals, international and national experts from government, environmental non-governmental organizations, intergovernmental and other international institutions, as well as the citizens of Acre State. While it was being considered, the proposal was made public through the state government portal and was sent for review to hundreds of individuals, including some from 72 different domestic and international organizations, 170 individuals representing indigenous peoples and rural producers, and 85 technical organizations. The state legislature passed the law on October 21, 2010 with wide public support. SISA also, importantly, incorporates mechanisms for effective social control, through a State Commission for Validation and Monitoring and an Ombudsman's Office that facilitates inquiries, review, and examination by Acrean civil society.

How SISA works

SISA provides the structure and authority for a state system to enable economic incentives for and the valuation of a variety of ecosystem services in the State of Acre, through the establishment of working principles, objectives, state directives, designated institutions and arrangements, and other instruments for the implementation of the system. The SISA legislation creates:

1. an **Institute for Regulation, Control and Registry**, responsible for guaranteeing the technical and scientific integrity of the system through government regulation
2. a **State Commission for Validation and Monitoring**, composed of government and civil society representatives

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3. an **Agency for the Development of Environmental Services**, a public-private partnership that incorporates market-based incentives and is responsible for ensuring the economic viability of socially and environmentally-motivated projects
4. a **Scientific Committee**, composed of recognized experts from diverse scientific fields
5. an **Ombudsman's Office**, to receive and address citizens' reports of mismanagement or misconduct

SISA's principles and objectives

SISA is based on the following principles and objectives:

- Wise and responsible use of natural resources
- Recognition of the knowledge and rights and indigenous and traditional extractivist populations, and of human rights.
- Strengthening identity and respect for cultural diversity, combating poverty, and improving quality of life of the population of Acre.
- Utilizing economic incentives to strengthen an economy based on sustainable use of forests.
- Transparency and social participation in the formulation and execution of public policies.
- Fair and equitable sharing of economic and social benefits generated by public policies for sustainable development.

Providers of environmental services

The law defines "providers of environmental services" as those who promote legitimate actions for the preservation, conservation, or recovery and sustainable use of natural resources, in accordance with the directives of the law.

The potential "economic beneficiary of ecosystem services" is defined as a person who provides the service through her or his activity, thereby including both property owners and those with resource use rights (such as indigenous or traditional communities, who live in reserves that are public lands, but have exclusive resource use rights.) To be considered a beneficiary of SISA, a provider of environmental services must be integrated into the programs established through SISA, and comply with the necessary requirements.

Regulation, control and registry in SISA

SISA will be regulated by the Institute of Regulation, Control and Registry, a government agency that is financially and administratively independent from, but supervised by, the Secretary of Environment (SEMA). The agency is responsible for:

- Establishing the rules under SISA
- Approving, after the establishment of the Scientific Committee, project methodologies and action plans presented by the Agency for Sustainable Development and Environmental Services or other special projects
- Harmonizing pre-existing methodologies for developing plans of action and projects
- Conducting the pre-registration and registration of plans of action and projects
- Issuing emissions reductions certificates for greenhouse gasses, in compliance with the targets established in registered plans of action or projects
- Putting into effect the production and registration of other ecosystem products and services, within the terms of the law
- Validating methodologies for registry and certification
- Credentialing enterprises to operate projects within the scope of SISA and in accordance with its regulations
- Other responsibilities as defined through regulations