

What Drives Environmental Policymaking in the Amazon?



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Outline/caveats

1. Policy Networks; Environmental Policy Networks in Brazil
2. Four periods in Amazon Policymaking
 - 1970s/80s: infrastructure development and colonization
 - Planaflo: Donor-led socio-environmental management
 - Avanço Brazil and new regional development
 - Avoided Deforestation and Global Climate Change
3. Looking Ahead and the Role of Funding

Caveats

- The Amazon is massively complex and heterogeneous (coalitions vary within and between states)
- We provide only broadest perspectives/some theory perhaps; value in mapping networks

Policy Networks

- See-saw; shifting political opportunities, resources, alliances
- Blocking vs. implementing coalitions--actors vary over time in which side they are on
- Varying degrees of stability and continuation
- Importance of the character of the issues: (Lowi; Wilson): easier to mobilize those with intense interests; difficult to mobilize broad-interests;
 - Distributive policies, winners concentrated, losers diffuse; less conflictual (Compensated reductions?)
 - Regulatory policies: losers concentrated; more resistance (land-use zoning?)
 - Redistributive policies transfer resources from one class or group to another: most difficult (land reform; wealth redistribution--nationally and internationally)

Phase 1: 1970s/1980s Transamazonica/Polamazonia Period

Implementing Coalition		Blocking Coalition	
Actors	Proposals	Actors	Proposals
Ranchers, Road-building firms, mining, dam-building, power companies, lumberers, colonists, municipio, state and federal governments, esp. military	Subsidies, mega-projects, SUDAM funding, land titling, colonization assistance (technical, financial, supplies, transport, medical, etc.), military control	Indigenous peoples, rubbertappers, national and international environmentalists, human rights groups, CPT, biologists, anthropologists, other academics, journalists, some SEMA and IBAMA bureaucrats	Creation of indigenous, extractive, and natural preserves, elimination of subsidies to resource extraction, ecological zoning
Methods	Lobbying, finance of politicians, local control of policy machine, violence, impunity		Protests, empates, media, pressure on Brazil's financing thru World Bank, EU, etc.
Outcome: Rising deforestation, strong constitution and little enforcement, stalemate on policy, impunity, minor preserve creation, reduction in subsidies, funding of Planoflora and PPG-7 (next stage)			

Phase 2: 1990s Planofloro/Prodeagro/PPG-7 /Probio/FunBio Period: Donor-Led Socio-Environmental Management

Implementing Coalition		Blocking Coalition	
Actors	Proposals	Actors	Proposals
GTA (civil society groups), World Bank, German and other development agencies, international environmentalists, local biologists, agronomists, many academics, etc.	Agro-forestry demonstration projects, technical assistance, land demarcation for national forests and reserves (indigenous and biological and extractive). Land-use zoning Fire Control Programs	Lumberers, ranchers, some farmers, some nationalist backlash against intervention	Accept demonstration projects, reject policy changes and restrictions on land-use
Methods	Direct lobbying abroad of funding agencies and their funders, identification, establishment of local projects to create sustainable livelihoods		Continue to act with near impunity clearing roads and land, some lobbying
Outcome: Demonstration projects, significant demarcation of reserves, diffusing of some resistance to conservation approaches—little impact on deforestation rates, but “more constructive engagement of...key social actors including CSOs and the private sector” (Redwood 2005, p.105)			

Phase 3: *Avança Brasil* /Plano Plurianual PPA and Soy Frontier Expansion Period

Implementing Coalition		Blocking Coalition	
Actors	Proposals	Actors	Proposals
Economic development agencies in federal government, Mato Grosso, Para and Rondonia state governments, soy farmers, agribusiness, shipping, road-building, and transport industries	Massive infrastructure, especially for soy exports (sharp differences between states, and sub-state regions)	Environmentalists, key academics, indigenous groups facing dams	Reduce funding, don't pave key roads, stop dams
Methods	Lobbying, proposal generation, funding political campaigns, countering environmentalists' claims, just build it without international funding.		Academic and media publicizing potentially large rise in deforestation
Outcome: Many projects placed on slower track, some abandoned, proposal to freeze soy frontier expansion in Mato Grosso for two years, acceptance of compromises with protected areas along BR-163, etc.			

Phase 4: Avoided Deforestation/Compensated Reductions Period

Implementing Coalition		Blocking Coalition	
Actors	Proposals	Actors	Proposals
Academics, growing number of environmentalists (grassroots Brazilian and U.S.-based), Amazonas state and some federal agencies Environmental Agency (Sarney Filho) and Lula Administration, WWF/World Bank alliance?	PNG Avoided Deforestation proposal is for CDM credits for reduced cutting. Brazilian proposal is for per hectare funding to protect forests	Ministry of Science and Technology, Foreign Ministry, Initially European governments and environmental NGOs	Block avoided deforestation credits from CDM to avoid collapse of prices
Methods	Academic articles, Powerpoint presentations, negotiations in UNFCCC/Kyoto		Pressure on local groups in Brazil, Peruvian government,
Outcome: Uncertain, likely combination with PNG proposal			

Looking Back, Looking Forward

1. Policy-making networks on see-saw; 4 phases; overall trend has been continuing deforestation, but important shifts in the issues, the players, and the situation
2. International actors play a crucial role, but uncertain for AD/CR and Brazil will always have the last say/restructure the bargain
3. Epistemic communities (of scientists, especially) play crucial role, including providing validation of methods and verifying reductions (leakage, additionality, permanence, monitoring/enforcement)
4. Developmentalist blocking coalitions won't be convinced until incentives shift (esp. funding)

“Follow the Money”

1. Avoided Deforestation/Compensated Reductions proposal could bring major funding to the region, but
2. First requirement is transparency in the accounting, but this will require massive political reforms in Brazil.
3. How will AD funding get to local people who will be asked to forego income for protecting the rainforest
4. Need to create permanent capacity for local conditions for development--education, alternative lower-carbon pathways of development
5. Example of Royalties Law in Brazil--1989, division of mining revenue with local and state governments; issues of social investments (bolsa escola; fome zero have had huge benefits for adaptation in NE Brazil)

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History Distant and Recent

- Since Stockholm 1972 and Rio 1992 conferences, aid has been the key to the “Grand Bargains” attempting to align North and South.
- The promises have been enormous and “incremental”
 - 1992 Agenda 21 prices sustainable development at \$561 billion a year; North’s tab: \$141.9 billion per year.
 - “**Earth Increment**” was to be a 15% boost in aid
 - **Global Environmental Facility** created at the World Bank to administer environmental aid, and many other sources of environmental aid
- UNFCCC Articles 4.3,4.4, 4.5, 4.8 and 4.9 required financial resources to developing countries
- 2001 EU+5 promise of 450 million Euros per year by 2005 for adaptation activities (through GEF, ODA, and UNFCCC and Kyoto funds)
- Questions remain about whether these promises have been kept

Previous research on environmental aid has been constrained by a lack of systematic data. Generalizations based on cases and anecdotes. The benchmark OECD-CRS/DAC database has serious shortcomings.

So we spent four years developing the
Project-Level Aid (PLAID) Dataset

All 21 major donor nations
40+ major multilateral donors, such as:
AFDB*, AFDF, ASDB,
Carbon Offset, CDB,
COEB, EBRD, EU CEC,
ECUEDF, GEF, IBRD,
IDA, IADB IIC, IFAD, IFC,
MIGA, MPF, NADB, NDF,
Rainforest Trust, UNDP,
UNFPA, UNICEF, OFID

- **Total Project Count:**
 - 428,663
- **Total Dollars:**
 - \$2.314 trillion
- **Project Counts:**
 - Bilateral: 305,324
 - Multilateral: 70,839
- **Project Dollars:**
 - Bilateral: \$1.009 trillion
 - Multilateral: \$1.305 trillion



Consistent coding at the Project level: W&M Students double code 428,000 projects into three categories of aid: environmental, "dirty", neutral

Environmental Strictly Defined (ESD) Projects:

- Access to clean water
- Acid Rain Prevention
- Forestation/Reforestation (non-industrial)
- Air Pollution
- Biodiversity
- Carbon Dioxide Reduction
- Debt for Env/Nature
- Ecosystems
- Eco-tourism
- Energy Conservation
- Energy Efficiency

Neutral (N) Projects:

- AIDS/STDs
- Banking/Finance
- Business Services
- Cottage Industries/Handicrafts
- Debt for Development
- Disaster Relief/Prevention
- Education
- Export Promotion
- Food Safety/Quality

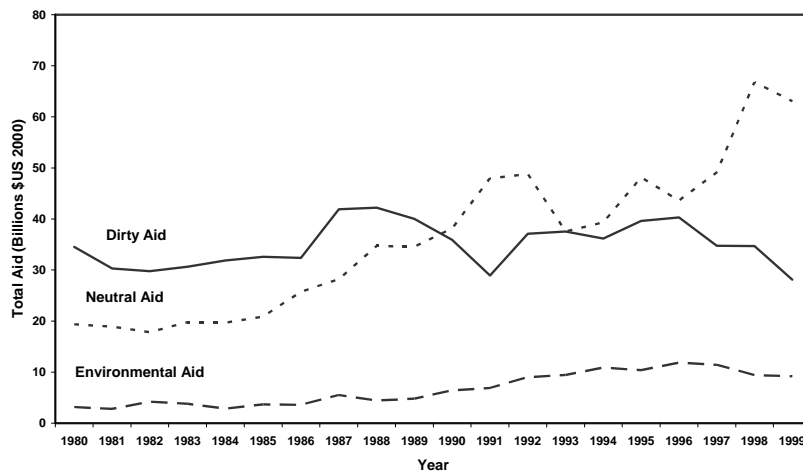
Dirty Strictly Defined (DSD) Projects:

- Air Transport
- Chemicals
- Dams
- Dredging
- Industries: Brickmaking, plaster, tanneries
- Logging
- Minerals: baryte, limestone, feldspar, kaolin, sand, gypsum, gravel,
- tire factories, fertilizer
- Raw Material Extraction
- Mining
- Natural Gas
- Oil and Coal
- Power Generation
- Road Transport



Has foreign assistance being greened since Rio?

Fig.1.2: Total Aid, (1980-1999)



A: Environmental aid has increased, but remains a small fraction of aid.



Which donors have greened the most?

Table 3.1A: Environmental Aid in Real SUS 2000, Bilateral Donors, 1980-1999

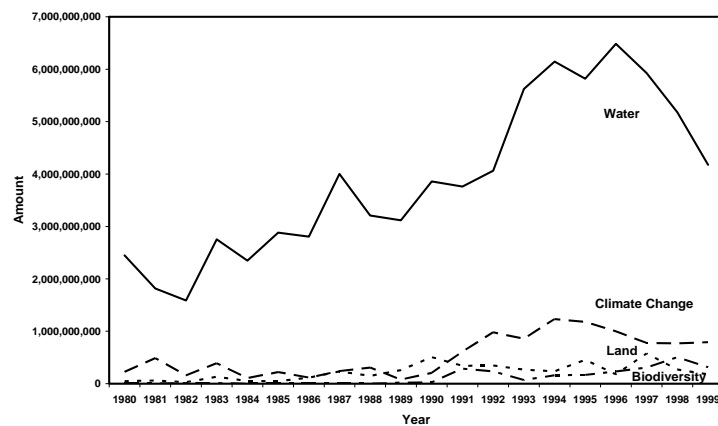
Donor	1980-1984	1985-1989	1990-1994	1995-1999	Percent Change**
Japan	1,068,534,240	1,943,895,506	5,767,253,085	8,852,993,035	729%
Germany	1,407,349,821	2,268,802,983	3,970,845,601	6,708,761,445	377%
United States	1,865,238,929	1,953,915,168	3,144,500,663	4,465,172,287	139%
France	275,821,108	462,815,792	1,032,409,962	1,424,144,506	416%
United Kingdom	54,798,218	241,554,890	780,695,098	1,112,516,103	1,930%
Netherlands	282,000,049	652,636,931	730,305,296	1,098,221,055	289%
Canada	195,687,270	357,989,307	382,652,273	345,352,192	76%
Sweden	209,762,228	433,249,541	567,821,915	443,517,299	111%
Australia	51,216,044	48,754,756	181,583,372	422,282,656	725%
Norway	114,528,825	180,922,566	211,874,746	371,366,695	224%
Denmark	170,270,057	354,111,980	556,344,040	956,849,532	462%
Spain	0	9,881,932	69,120,991	213,666,409	2,062%
Italy	52,836,646	512,082,093	801,493,232	198,936,864	277%
Switzerland	46,770,340	164,560,921	201,505,574	305,678,917	554%
Belgium	8,347,428	4,232,094	20,005,968	94,879,459	1,037%
Austria	90,739	72,357,156	85,028,936	238,542,054	262,789%
Finland	12,427,507	208,764,699	235,884,206	159,016,152	1,180%
Portugal	0	0	0	2,292,953	N/a
New Zealand	8,155,846	3,334,062	0	3,151,332	-61%
Total	5,823,835,294	9,873,862,375	18,739,324,959	27,417,340,944	371%

Percentages derived from coded environment sector data



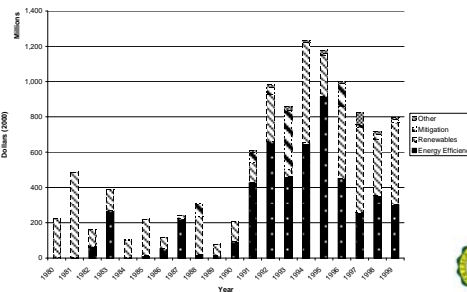
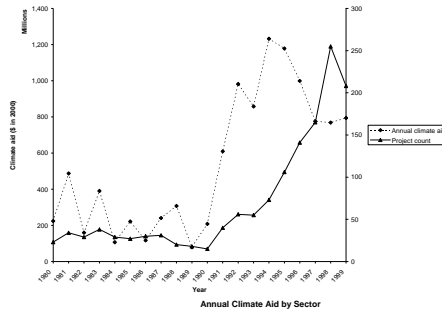
What is the history of environmental aid, and does it bode well for its ability in addressing climate change?

Amount of Aid by Sector, (1980-1999)



Climate aid goes back for decades

- Contained in the PLAID universe of cases, a total of \$676 million was given for energy efficiency in the 1980s.
- In comparison, donors gave \$4.54 billion for efficiency during the 1990s.
- Donors also increased their funding for renewable energy from \$1.57 billion in the 1980s to \$2.95 billion in the 1990s.
- Funding for total climate aid projects shows a marked jump from \$2.33 billion in the 1980s to \$8.40 billion in the 1990s—a 261% increase.



Top Donors and Recipients of Climate Aid, Sample Projects, Funding for Renewables

Top donors for climate change 1990s:
 Asian Development Bank (\$2.3B),
 International Bank for Reconstruction and Dev (\$1.4b)
 The GEF (\$1.1 billion),
 Japan (\$1.08 billion),
 United States (\$897 m),
 Germany (\$342 million).

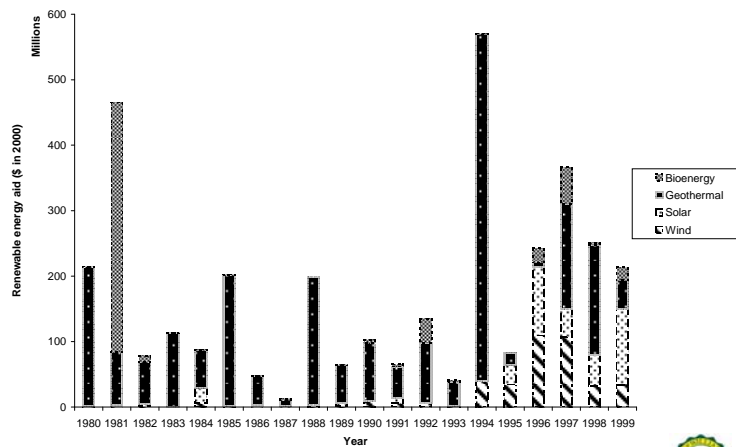
GEF funded 109 projects which totaled \$44m for carbon inventories and NAPAs

IBRD in 1991 made a commitment of \$388m for heat supply restructuring in Poland

IBRD loan in 1994 for \$251m towards the Leyte Luzon geothermal power plant in the Philippines

India and China received \$1.59 and \$1.40 billion in climate change aid in the 90s

Annual Renewable Energy Aid



Four Phases in Amazon Policymaking

- 1970s/80s: infrastructure development and colonization
- Planaflores: international influence in the wake of World Summit
- Avanço Brazil and new regional development
- Avoided Deforestation and Global Climate Change

Comparing phases: factors and outcomes

	Phase (+ means strong support for preservation/balanced development)			
Factor	1. '70s-80s <i>Polamazon</i>	2. Planaflores/ PPG-7	3. <i>Avanço Brasil/ Soy Frontier</i>	4. Avoided Defor.
Civil society (esp. environmentalists) organized and mobilized?	increasingly	formalized, managed	Demobilizing?	coalescing
Private sector organized and mobilized?	+	-	+	-
Strong nationalist reaction?	+	-		
Political opportunity of divided or weak executive?	- → +	+	+	+
International pressure particularly intense?	+	-	-	-
Funding agencies exert pressure on Brazil?	+	+	+	?
Brazilian public opinion strongly engaged?	-	-	-	-
Outcome	- → +	+	- and +	- → ? (+)
Key event/factor	Fires, shuttle, Chico Mendes, WB cutoff	WB funding and coordination	Nepstad, Laurance pieces, funding cut for projects, Greenpeace	2005 PNG proposal breaks Kyoto deadlock