

## Cross-country study

# Amazon Sustainable Landscapes Program

This report is part of project Strengthen national climate policy implementation: Comparative empirical learning & creating linkage to climate finance (SNAPFI), see [www.diw.de/snapfi](http://www.diw.de/snapfi). This project is part of the International Climate Initiative (IKI). The Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) supports this initiative on the basis of a decision adopted by the German Bundestag. More information on IKI can be found at [www.international-climate-initiative.com](http://www.international-climate-initiative.com).

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## About this study

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### **Project coordination**

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## CASE 2 – AMAZON SUSTAINABLE LANDSCAPES PROGRAM

The Amazon Sustainable Landscapes (ASL) Program seeks to increase conservation and biodiversity protection in one of the world’s most threatened biomes, where balancing economic development and conservation remains an ongoing challenge.<sup>1</sup> The ASL Program was selected as one of the case studies for this cross-country study because it directly supports Brazil’s Nationally Determined Contribution, particularly the goals of strengthening Forest Code implementation and ending illegal deforestation, the main source of carbon emissions in the country.

Drawing on secondary data and semi-structured interviews<sup>2</sup>, this chapter is divided into four sections. The first section offers a brief description of the Amazon Sustainable Landscapes (ASL) Program and of Brazil’s national project. The second part analyses which factors and conditions have contributed to the good progress of the national project. The third section analyses which outcomes have been achieved so far. The final part summarises lessons learned. It is worth to note that we have found limited public information about the progress of the ASL Program, thus interviewing stakeholders was crucial to the development of this case study.

### 1. Brief description

The Amazon Sustainable Landscapes (ASL) Program is funded by the Global Environment Facility (GEF), a trust fund established on the eve of the 1992 Rio Earth Summit to help developing countries and countries with economies in transition to meet the objectives of the international environmental conventions and agreements.<sup>3</sup> The ASL Program aims to **improve integrated landscape management and conservation of ecosystems in targeted areas in the Amazon region.**<sup>4</sup>

The first phase of the program was approved by the GEF Council in October 2015<sup>5</sup>, and was signed into action in the end of 2017<sup>6</sup>. Brazil, Colombia and Peru, which together cover more than 83% of the Amazon, participated in the first phase, with GEF’s grant of US\$ 113 million (US\$ 60.3 million was allocated to the Brazilian project). The second phase (which will start in 2021) was approved in 2019 to include other four countries:

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<sup>1</sup> (GEF, 2017, 2019)

<sup>2</sup> We have interviewed two individuals involved in the coordination of this project.

<sup>3</sup> (GEF, 2020)

<sup>4</sup> (GEF, 2019)

<sup>5</sup> (The World Bank, 2019)

<sup>6</sup> (Funbio, 2019)

Ecuador, Bolivia, Suriname and Guyana. GEF’s contribution in the second phase totals US\$ 88 million, of which US\$ 19 million goes to the Brazilian project<sup>7</sup> (Table 1).

The ASL Program has four components:

- **Component 1 – Integrated Amazon Protected Areas:** aims to increase areas of globally significant forest and freshwater ecosystems under legal protection; to strengthen protected areas management; and to enhance long-term financing for national protected areas systems.
- **Component 2 – Integrated Landscape Management:** seeks to increase areas of forests and watersheds brought under sustainable land and water management practices; to increase capacity for and participation in sustainable forest- and freshwater-friendly value chains; and to increase areas restored or at least undergoing restoration or regeneration.
- **Component 3 - Policies for Protected and Productive Landscapes:** aims to strengthen capacity to enforce policy and regulatory frameworks for natural resource conservation/sustainable use and combatting illegal activities; to mainstream environmental concerns into economic sectors which currently lead to land clearing and forest degradation; to increase participatory governance and planning for landscape connectivity; to enhance technical support and financial incentives for adoption of sustainable land and water management; and to strengthen environmental and social monitoring frameworks, systems and tools.
- **Component 4 - Capacity Building and Regional Cooperation:** seeks to strengthen implementation capacity among national project stakeholders; to strengthen capacity for regional coordination to manage terrestrial and freshwater ecosystems; to increase stakeholder knowledge on conservation and sustainable land and water management in the Amazon; and to strengthen Program-level monitoring and evaluation systems.<sup>8</sup>

Table 1 – Financial contributions of the Global Environment Fund (GEF) to the ASL Program, in US\$

Component	First phase	Second phase
1 - Integrated Amazon Protected Areas	43,005,018	21,901,938
2 - Integrated Landscape Management	42,561,284	35,468,023
3 - Policies for Protected and Productive Landscapes	13,957,699	10,371,387
4 - Capacity Building and Regional Cooperation	10,357,860	16,752,097

<sup>7</sup> (GEF, 2017, 2019) and interviews

<sup>8</sup> (GEF, 2019)

Component	First phase	Second phase
Project Management Cost	3,802,594	3,811,828
<b>Total</b>	<b>113,684,455</b>	<b>88,305,273</b>

Source: (GEF, 2017, 2019)

All national projects are coordinated by the countries' Ministries of the Environment, and reflect the Program's regional strategy, developing activities in each of the four components according to national priorities.

## ASL Program in Brazil

In Brazil, the national project's **first component** (Integrated Amazon Protected Areas) supports the Amazon Protected Areas Program (ARPA), a program launched by the Brazilian government in 2002, which is coordinated by the Ministry of the Environment and managed by the Brazilian Biodiversity Fund (Funbio).

The objective of ARPA is to expand and strengthen the National System of Conservation Units in the Amazon, to protect 60 million hectares, to fund the management of these areas in the short- and long-term, and to promote sustainable development in the region. ARPA is aligned with the main public policies and strategies aimed at conservation in the Amazon region, such as the Sustainable Amazon Plan, the Action Plan for Deforestation Prevention and Control in the Legal Amazon (PPCDam), the National Plan for Protected Areas and the National Plan for Climate Change.<sup>9</sup>

In 2014, a Transition Fund was created "to ensure the conservation of biodiversity and ecosystem services in 60 million hectares of the Brazilian Amazon region through the effective management of the Conservation Units supported by ARPA"<sup>10</sup>. The idea of the Fund is to gradually transition the financing of ARPA from donor to public funding over a period of 25 years (World Bank, 2017). The ASL national project was a contributor to the ARPA Transition Fund, donating USD 30 million<sup>11</sup>. Today, ARPA supports 117 Conservation Units in the region: 60 Conservation Units for Sustainable Use<sup>12</sup> and 57 Conservation Units for Integral Protection<sup>13,14</sup>.

<sup>9</sup> (MMA, 2019)

<sup>10</sup> (MMA, 2015)

<sup>11</sup> (Funbio, 2019; MMA, 2019) and interviews

<sup>12</sup> In Conservation Units for Sustainable Use, the extraction and use of natural resources are allowed as long as the perpetuity of renewable environmental resources and ecological processes is ensured (MMA, 2020b).

<sup>13</sup> In Conservation Units for Integral Protection, the indirect use of natural resources (tourism, scientific research etc.) is allowed, whilst the consumption, extraction or damage to those resources is forbidden (MMA, 2020b).

<sup>14</sup> (MMA, 2018)

The **second component** of the national project (Integrated Landscape Management) supports the implementation of the Brazilian Forest Code (Law 12651/2012). It also promotes the development of sustainable productive value chains and helps consolidate Conservation Units which are not included in the ARPA Program.<sup>15</sup>

With regard to Forest Code implementation, the activities of the project contribute to build capacity of Environmental Secretaries of four states (Acre, Amazonas, Pará and Rondônia) so that they are able to verify landowners' Rural Environmental Registries. According to the Forest Code, rural landowners are required to register their properties in the government's Rural Environmental Registry System (Sicar), stating whether they have Permanent Preservation Areas<sup>16</sup> and Legal Reserve Areas<sup>17</sup> covered with natural vegetation in their properties.<sup>18</sup>

The states' Environmental Secretaries are then responsible for checking the accuracy of the information provided by the landowners. The ASL project strengthens the capacity of these Environmental Secretaries by purchasing equipment and infrastructure, and by financing the employment of staff and consultants who can verify landowners' registries. The Forest Code also mandates that states' Environmental Secretaries assist small landowners who are not compliant with the Forest Code to develop forest restoration plans. The ASL project contributes to this activity by funding the hiring of staff and by developing forest restoration models.<sup>19</sup>

The second component of the project also supports the development of sustainable productive value chains for timber and non-timber forest products and for fishing in the Amazon region, particularly in Conservation Units for Sustainable Use. The type of support offered by the project varies from purchasing equipment to building storage/processing sheds for extractive products, depending on the needs and gaps of the productive value chains.<sup>20</sup>

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<sup>15</sup> Interviews

<sup>16</sup> The Forest Code requires that rural landowners conserve or restore specific areas (called Permanent Preservation Areas) such as riverbeds to preserve water resources, facilitate the flow of flora and fauna and ensure the well-being of human populations.

<sup>17</sup> According to the Forest Code, rural landowners must conserve a portion of their property covered with vegetation for conservation and sustainable land use purposes. For example, in the Amazon biome, landowners must keep 80% of their properties with natural vegetation. For properties in the Cerrado inside the Legal Amazon region, the proportion is 35%.

<sup>18</sup> Interviews

<sup>19</sup> Interviews

<sup>20</sup> Interviews

Finally, this component of the project supports integrated management, such as the consolidation of Environmental Protection Areas (APAs, in Portuguese), which are Conservation Units not supported by the ARPA Program. Activities include the development of forest management plans and capacity building.<sup>21</sup>

In the **third component** (Policies for Protected and Productive landscapes), the ASL project finances studies that support the design of tenders for timber exploitation in national forests. In these tenders, private companies bid for the right to manage pieces of land in national forests and to extract timber, often for a 30-year period. The studies financed by the ASL project analyse the conditions for the concession, such as timber price, existing infrastructure and logistics in the national forests, market and socioeconomic conditions, and conducts a preliminary inventory in the exploitation area.<sup>22</sup>

The **fourth component** (Capacity Building and Regional Cooperation) funds project management activities, including workshops with state representatives, progress reports, and meetings of the Operational Committee and the Advisory Board. Facilitated by the World Bank, the national project team also cooperates and shares experiences with other country teams in regional conferences and through online platforms. In addition, the Bank promotes capacity building on topics of common interest, e.g., by organising regional courses on community tourism in Conservation Units and community forest management, benefiting all country participants.<sup>23</sup>

With regard to the governance of the Brazilian project:

- the World Bank is the implementing agency;
- Funbio is the executing agency of Component 1;
- Conservation International Brazil is the executing agency of Components 2, 3 and 4;
- The Biodiversity Secretary of the Ministry of the Environment is the project coordinator.

The project has an Operational Committee, which safeguards that the objectives of the project are attained. The Committee's responsibilities include planning the national project, approving operational plans, and ensuring alignment between the project and national and regional strategies. The Committee is comprised by the Biodiversity and

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<sup>21</sup> Interviews

<sup>22</sup> (Serviço Florestal Brasileiro, 2019) and interviews

<sup>23</sup> Interviews

Executive Secretaries of the Ministry of the Environment, the Brazilian Forest Service<sup>24</sup>, Chico Mendes Biodiversity Institute (ICMBio)<sup>25</sup> and the states' environmental secretaries. The executing agencies (Funbio and Conservation International Brazil) have the right to participate and speak, but not the right to vote.<sup>26</sup>

The national project also has an Advisory Board, which is responsible for providing policy-level and strategic recommendations. The Board is composed of representatives from the Brazilian Forest Service, ICMBio, the states' environmental secretaries and two civil society organisations: the Institute of Conservation and Sustainable Development of the Amazon (Idesam) and the Amazon Environmental Research Institute (Ipam). These NGOs were selected after a request from the project's Operational Committee to the Amazon Restoration Alliance, asking the Alliance to choose organisations that operate in the Amazon region and, preferably, that are based in the region. The Advisory Board has not yet had any meetings, and the first meeting is expected to take place in the first semester of 2020.<sup>27</sup>

## 2. Processes

Some factors and conditions have contributed to the good progress of the ASL national project.

### 2.1. Economics

In the first phase of the ASL Program, the Brazilian project received US\$ 60.3 million, while the country is expected to receive less than a third of this figure in the second phase (US\$ 19 million). The reason for such steep decrease is GEF's new classification of developing countries, which sees Brazil as having a strong economy and being less dependent on donations from developed nations. However, one interviewee defended the provision of grants to Brazil, arguing that donations to emerging markets help to attract and sustain additional resources to the project. As shown in [Table 2](#), in the first phase of the ASL project, the US\$ 60.3 million grant was complemented with counterpart funds from federal and state budgets.<sup>28</sup>

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<sup>24</sup> A government agency responsible for forest management and implementation of the Forest Code (World Bank, 2017).

<sup>25</sup> A government agency responsible for management of federal protected areas and threatened species in Brazil (World Bank, 2017).

<sup>26</sup> (MMA, 2020a) and interviews

<sup>27</sup> (World Bank, 2017) and interviews

<sup>28</sup> Interviews

Table 2 – Project cost and financing

Component	Total project cost (US\$, million)	Parallel co-financing (US\$, million)	GEF financing (US\$, million)
1. Amazon Protected Areas System	215.00	185.00	30.00
2. Integrated Landscape Management	136.66	117.36	19.00
3. Policies for Protection and Recovery of Native Vegetation	53.66	46.33	7.33
4. Capacity Building, Cooperation, and Protect Coordination	29.09	25.09	4
<b>Total costs</b>	<b>434.11</b>	<b>373.78</b>	<b>60.33</b>

Source: (World Bank, 2017)

## 2.2. Governance

One interviewee claimed that the **strong participation of state representatives** has contributed to the smooth progress of the national project. As the objective of the project includes Forest Code implementation and states have the mandate to verify landowners' compliance, the Ministry of the Environment has made efforts to ensure that state representatives were engaged in the project and had a strong sense of project ownership. One of the measures to ensure such engagement was planning and designing the project's activities in close connection with the states' Environmental Secretaries so as to reflect their regional priorities. As a result, state teams are viewed as empowered and truly involved in the project.

Another positive factor mentioned by the interviewees is the selection of Conservation International Brazil as one of the **executing agencies**. Rather than selecting an organisation that was merely responsible for managing the budget and coordinating tendering and hiring processes, the Ministry of the Environment has opted to choose an organisation which also had **technical know-how** in conservation matters. Such expertise has benefited the state teams, with Conservation International allocating two regional coordinators to work locally: one regional coordinator in Manaus (capital of Amazonas) to assist the states of Amazonas and Pará, and another regional coordinator in Porto Velho (capital of Rondônia) to support the teams in the states of Acre and Rondônia. According to one interviewee, the technical criterion adopted to select the executing agency has contributed to a more successful implementation of the project.

Third, the interviewees cited the **expertise of both the World Bank and of the Brazilian Ministry of the Environment** in developing international cooperation projects. Having good knowledge of project management was found to have contributed to the functioning of the ASL project.

### 3. Outcomes

The interviewees believe that it is still early to assess whether the national project has succeeded in attaining its goals, but they trust that the project is on the right track and should deliver its objectives. A preliminary assessment can be found below.

#### 3.1. Policy outcomes

Although a relationship of causality cannot be established between the results of the ARPA Program and the funds allocated by the ASL project to the ARPA Transition Fund, it is fair to argue that ASL's grant contributes to protect the 117 Conservation Units under ARPA. One of the interviewees observed that the activities developed by ARPA also produced social outcomes, contributing to protect the lifestyles of traditional populations, such as indigenous people and riverine populations.

#### 3.2. Implementation of existing policies

As described previously, the ASL Program has contributed to implement the Forest Code in Brazil, providing the means and enhancing the capacity of Environmental Secretaries of four Amazon states to verify rural properties' Rural Environmental Registries and to assist small landowners to develop forest restoration plans.

### 4. Lessons learned

The ASL Program contributes to implement the Forest Code, protect Conservation Units and develop sustainable productive chains. Although the Program's main objective ("to improve integrated landscape management and conservation of ecosystems in targeted areas in the Amazon region") does not explicitly address climate change issues, the ASL project contributes to the attainment of Brazil's NDC, particularly Forest Code implementation and ending illegal deforestation, the main source of carbon emissions in the country.

The factors which have contributed to the smooth progress of the project thus far include:

- The capacity to attract and maintain additional resources to finance the projects;

**H1:** The provision of ICF from an international institution that is recognised for its professional standards (e.g. The World Bank) reinforce the importance of certain programs/projects and the channelling of public funds to the same programs/projects.

- The strong participation of the Amazon states in the project;
- The technical know-how of the implementing agency (Conservation International Brazil);
- The expertise of the World Bank and of the Brazilian Ministry of the Environment in developing international cooperation projects.
- The projects financed by the Amazon Sustainable Landscapes Program are aligned with national public policies, contributing to their implementation, particularly the Forest Code.

**H2:** ICF strengthens government implementing capacity when aligned with existing public policies.

It would be interesting to have a follow-up study in a few years to assess the extent to which the goals of the project were attained and what impacts have been achieved. Given that the national project focus on filling gaps and addressing specific needs in policy implementation – for instance, by contributing to enhance capacity of the Environmental Secretaries, purchasing infrastructure for productive chains and co-financing the ARPA Transition Fund -, the expectation is that the transformational change of the project will be primarily of a complementary role to the implementation of existing policies.

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