

SNAPFI webinar (EU 2023 study)

«How do Brazilian actors react to transnational policy influences in the land use and deforestation field? Evidence from public and private climate finance initiatives»

Date and time: June 13, 2023, 15:00 – 16:00 CEST.

Speakers:

1. Camila Yamahaki (Fundacao Getulio Vargas, FGV)
2. Heiner von Lüpke (DIW Berlin)

Moderator: Egor Trushin (DIW Berlin)

Summary of the webinar:

The webinar shared findings of the study by DIW Berlin, developed under the project “Strengthen national climate policy implementation: Comparative empirical learning & creating linkage to climate finance (SNAPFI)”, which is funded by the German government through the International Climate Initiative (IKI).

The study identifies international factors that affect Brazilian policy processes in the current land use and deforestation domains and further evaluates them in the context of effective international cooperation on climate and development. It provides a comparative overview of two types of international climate finance: one is of public character, implemented on official development assistance (ODA) basis, and a second type is of private nature, related to policy engagement by private investors. The study highlights recommendations for the way forward to enhanced international cooperation. Drawing on the case study in Brazil, the study specifically produces hypotheses about the cooperation factors in both publicly (German bilateral cooperation) projects and privately funded initiatives (Investors Policy Dialogue on Deforestation (IPDD)). Two presentations were delivered as follows.

Camila Yamahaki (FGV) presented her joint research with Catherine Marchewitz (DIW Berlin) on collaborative investor engagement with policymakers, including IPDD and Shareholders for Change, highlighting the increasing number of such initiatives and their activities, which aim to influence public policies on environmental, social and governance (ESG) issues. The study identified the following drivers for institutional investor engagement:

- The need to address investment risk management, including sovereign risk, investee company risk and systemic risk.
- Creating an enabling environment for sustainable investments, where companies are incentivized to enhance their ESG performance, national policy supports investments into low-carbon and resilient infrastructure and technologies, thus contributing to a net-zero economy.

Heiner von Lüpke (DIW Berlin) presented the structure and the preliminary findings of the study report «How do Brazilian actors react to transnational policy influences in the land use and deforestation field? Evidence from public and private climate finance initiatives». The study analyses two potential types of international cooperation, aimed to decrease the deforestation pressure on Brazil’s biomes: ODA-based international climate finance (ODA-ICF) and investor policy engagement

(IPE). The analytical framework, which was applied in the study, builds on linkages between international cooperation factors (material, normative and political) and domestic policy processes in the Brazilian land use sector.

The three most relevant levels of international cooperation were identified: international agreements, national decisions on policy goals and outputs (e.g. the national law Forest Code) and policy implementation. Using the designed analytical framework, the study outlined two coalitions which are engaged in a struggle on the terms of policy implementation of the Forest Code, and the role of the two international cooperation types in these coalitions. The study drew comparisons between the ODA-ICF and IPE types of cooperation: the first type mainly supporting the executive branch of government, while the second one engaged in policy advocacy activities with a variety of stakeholders. The study identified the missing linkages in the stakeholder interaction scheme in the two competing coalitions as of priority solution to get to a political agreement on the terms of policy implementation.. The study argues that a policy window for international cooperation is currently open and gives recommendations for relevant actors (the Brazilian government and both national and international actors, involved in the policy dialogue).

More details are available in the presentation (attached) and the recording (available on request).

Follow up and next steps:

- The forecasted publication date of the study is August 2023 (will be available via the [SNAPFI webpage](#))
- For further discussion and comments please feel free to contact Heiner von Lüpke (DIW Berlin) via hluepke@diw.de