

World Bank Environmental Policy Loan to BNDES

Moving Money or Mainstreaming Environmental Sustainability?¹

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Since 2004, the World Bank has introduced Development Policy Loans (DPLs) as a “softer and gentler” form of conditionality to replace the adjustment loans that had become a lightning rod for public criticism. External critiques of policy-based lending have emphasized the misuse of disbursement conditions as being ineffective, intrusive, and in some instances harmful.² Despite these concerns, Development Policy Operations (DPOs) have represented 35% of all Bank lending in recent years. In the 2008-2009 fiscal year, DPOs shot up to over 50% of all WBG lending.

In a new set of DPLs for Brazil, Peru, and Colombia, the World Bank has begun to focus on various environmental policy reforms. In this article, we review the background and concerns associated with development policy lending since 2004, and then offer a detailed analysis of the Brazilian Sustainable Environmental Management (SEM) DPL.

In November of 2008, the WB announced a US\$ 1.3 billion development policy loan to the Brazilian National Bank for Economic and Social Development (BNDES).³ The DPL, which was approved in March 2009 but

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awaits Senate ratification to disburse the first US\$ 600 million tranche, is the first operation in a series of two loans which span the period 2008-2010.⁴ According to the loan documents, the SEM DPL aims to support the Government of Brazil (GoB) efforts to (i) improve the effectiveness and efficiency of policies and guidelines of the Brazilian environmental management system; and (ii) further integrate principles of environmentally sustainable development in the development agenda of key sectors.

What is most striking about the SEM DPL is its connection to nearly every major climate related legislative or policy initiative in Brazil. The loan lists as prior actions or triggers (Bank labels for conditions) the restructuring of the federal environmental agency (IBAMA) to speed up environmental licensing; the approval and implementation of a National Climate Change including the formulation of sub-sectoral social/environmental guidelines for key investment sectors such as energy, sugar cane - biofuels, cattle among others; the regulation of the Amazon Fund;⁵ support for and implementation of Brazil's Public Forest Management Law.

The expected results of the DPL predict increases in renewable energy production, fewer judicially challenged environmental licenses, reduced GHG emissions and deforestation, as well as full social-environmental screening, approval and monitoring of all new BNDES projects.

Civil society organizations with interest in the SEM DPL have written two letters to World Bank officials raising questions about the lack of full transparency or a clear consultation plan for a loan of this significance.⁶ In the context of the ongoing review of the World Bank's information disclosure policy, the SEM DPL highlights one of the many weaknesses in the Bank's current practices.⁷ Perhaps most surprising is the fact that no SEM DPL documents have been translated into Portuguese.

What information that has been made public points to a number of additional substantive concerns regarding the coherence of the Brazilian development policies and the risks associated with the proposed modalities of Bank support. These risks were underscored in a second April 22 letter to Makhtar Diop, the World Bank Country Director in Brazil. Among those risks outlined in greater detail below, are the lessons not apparently learned about uneven performance of past WB policy loans to achieve improved environmental performance, the backpedaling on strategic environmental analysis tools for the energy sector, the gaps in arguments favoring expedited environmental licensing, and the absence of any public consultation plan for the formulation of a social-environmental institutional policy for BNDES.

Despite the best intentions of the World Bank to have the SEM DPL provide positive incentives for environmentally sustainable development policy in Brazil, the operation is constrained by the troubled nature of DPOs within the World Bank and the mistakes made so far in how the operation has been prepared and implemented. The Brazilian SEM DPL offers an important test for how the World Bank will be able to deploy new knowledge based instruments in complicated policy contexts.

BACKGROUND TO THE BRAZILIAN DPL

It is important to understand the context from which the SEM DPL emerged, which reflects a fundamental shift in power relations between the Brazilian government and the interests that have historically controlled the World Bank. In the current Country Partnership Strategy, the Bank was obliged to confess that it would no longer act like a “shadow government” to its Brazilian partners. This public act of remorse was in part motivated by the poor performance of the past Country Strategy, where only 53% of the projects defined (18 of 34) in first 2 years ever materialized, and a remarkable 15% of projects defined (4 of 26) ever materialized in the final 2 years.⁸ In short, the World Bank had seen lending drop to Brazil and the past business model would no longer work to restore the share of In this context of a shifting balance of power between the Bank and Brazil, the World Bank stated that a four-year plan made little sense. Instead the CPS would focus on defining new rules of engagement between the Bank and the Government. The immediate emphasis would be on greater lending to State governments and subnational or private sector actors. Of the US\$ 5 billion envelope of expected lending for 2008-2009, only 15% was scheduled to go to the Federal government.

While few new Federal loans were planned before 2010, the financial crisis reversed these plans and the SEM DPL emerged on a fast track. The SEM DPL series follows prior World Bank analytical and financial support for GoB efforts to promote the sustainable management of Amazon agricultural lands, forests, and water resources; reduction of deforestation in the Amazon; reduction of the environmental degradation of land, water, and other resources which are key determinants of the well-being of the poor; and promotion of renewable energy.⁹

Many of the conditions included in the SEM DPL were first included in an earlier DPL. The WB prepared and then approved a first Environmental PRL DPL in 2004 for \$500 million.¹⁰ That earlier loan was designed as a three phase policy loan to be disbursed over 2 years and to be completed before Lula’s first term ended. A related Environmental Technical Assistance Loan (ENV TAL) was approved on Sep. 15, 2005.

The Brazilian Government decided to end all SAL (adjustment loans) in 2006 and redirected WB lending to the state level. Various WB loans were placed in the freezer at this time, including the planned second two phases of the PRL loan.

The current SEM DPL is officially new loan, not a continuation of the prior DPL despite the resemblance. The time expired to complete the prior DPL and over 40% of the ENV SAL was cancelled also. In 2008, Brazil decided to unfreeze the DPL, preserving many of the same objectives and triggers of the prior loan. No evaluation of the first ENV PRL was conducted in time, so there is relative lack of clarity or accountability regarding the potential lessons of that earlier DPL.

Civil society organizations in Brazil and elsewhere have questioned the lack of transparency in the preparation of the SEM DPL to BNDES as well as many of the substantive goals of the loan in a context of hostility originating from conventional “developmentalist” interests that predominate within the Lula administration toward advocates for more stringent Amazon sustainability criteria.

The SEM DPL represents an important test case for the World Bank, not only for the effectiveness of this new breed of DPOs that support environmental policy reforms, but also for the coherence of the Bank’s development strategy in general.

BNDES AND THE WORLD BANK

BNDES has experienced phenomenal growth in overall disbursements over the past five years. Annual disbursements have doubled since 2001 to over US\$40 billion – over ten times the combined lending to Brazil by the World Bank, IDB and CAF. BNDES finances one third of all infrastructure in Brazil, only 12% of which is through public institutions. BNDES is the central financing mechanism for Brazil’s ambitious \$300 million Accelerated Growth Program (PAC) that focuses primarily on infrastructure.

With that growth in public investment (in addition to increased foreign investment) Brazil has been able to reduce borrowing from the IFIs. The growing profile of BNDES has also inspired the confidence of Northern donor support for the Amazon Fund, a sovereign Brazilian trust fund managed by BNDES to support climate friendly activities in the legal Amazon.

In the context of the current financial crisis that has cut foreign direct lending for infrastructure and trade finance by BNDES to compensate for frozen credit markets. Facing certain limitations in the allocation that BNDES receives from the Worker’s Assistance Fund (FAT), it will

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increasingly have to rely on international markets to sustain the annual increases in lending of the past years.¹¹ BNDES is also increasingly exposed to the same public attention regarding transparency, accountability and participation that was often reserved for the IFIs.

The rapid growth of BNDES, which is a reflection of the strength of the Brazilian economy, could stimulate Brazil's rapid recovery from the ill effects of the financial crisis. BNDES also allows Brazil to assert greater sovereignty in the evolving debate over the reform of global finance. Over the past year, governance reforms at the IFIs have been deeply influenced by the emerging leadership of BRIC countries for voice and representation reforms. Threats to withhold demand for new lending and support for core initiatives, such as the World Bank's largest climate funds, have been issued by BRIC countries to ensure commitments in the G-20 resolutions favoring reforms of the global finance system.

The extent to which all of this indicates a break with past dependence on the IFIs for BNDES and Brazil remains an open question. One emblematic example of this new autonomy is BNDES recent experience with support to the cattle sector after reports linking the sector with illegal deforestation in the region. In an unusual step, the IFC broke with its Brazilian client, Bertin, when it became clear that cattle processing operations supported by the loan were clearly identified as a driver of Amazon deforestation. The worldwide negative attention that has led to demands of certification by international buyers such as Nike and Walmart were initially ignored by BNDES – even though it is the foremost financial supporter of the cattle industry in Brazil and owned equity in Bertin.¹²

The shock came when BNDES was denied the terms of credit that it was seeking on the international market largely due to concerns associated with the perceptions of its role in supporting the maladies of Amazon livestock. Taken aback, BNDES has been forced to reconsider the implications of not upholding industry standards associated with a financial institution of its stature, such as social and environmental safeguards (e.g the Equator Principles, of which BNDES is not a signatory). Over the past several years, particularly under the leadership of Luciano Coutinho, BNDES has contemplated several profound institutional reforms. However, the increased pressure to expedite funding for infrastructure investment timetables and volume over consensus and results.¹³

In recent months, BNDES has attempted to diffuse criticism of its perceived lack of rigorous sustainability criteria by announcing support for climate friendly mitigation schemes that are clearly not available for near-term implementation. At a climate and cattle conference, a BNDES

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representative touted a newly formulated cattle certification scheme in order to buy time to think through the complexities of such a system. Earlier in June, the Bank announced investment in a carbon capture sequestration system for the recently funded Pecem coal fired energy plant, again promising to deliver a technology that is not close to commercial operation.¹⁴

Perhaps in light of these types of public pressures, BNDES has apparently sought the eagerly peddled advice of the World Bank to respond to calls to reform its lending practices by adopting social and environmental screening and design criteria that are closer to development bank industry standards.¹⁵

DPL ANALYSIS

In this uncertain context, the World Bank and GoB have designed the SEM DPL to support nine ambitious policy objectives (outlined in the Development Policy Matrix in annex I). The proposed policy actions touch nearly every aspect of the climate debate in Brazil and in the Amazon region specifically. Several of the proposed policy actions include:

- the formulation and approval of a new Environmental and Social Institutional Policy for BNDES that incorporates the National Climate Change Action Plan, the Green Protocol, and application of this new policy to BNDES full portfolio.¹⁶
- the drafting of investment guidelines for BNDES to manage social and environmental risk for 60 sub-sectors of the economy (including energy, agriculture and transport)¹⁷
- the filling of 600 vacancies at IBAMA, MMA and ICMBio, to support the Ecological Economic Zoning plans outlined in the National Sustainable Amazon Program (PAS),
- informing the regulatory design for the new Amazon Fund, and to implement the Water Resources National Plan.

The outcomes for the SEM DPL include the following objectives:

- Improving the environmental licensing process by decreasing the number of licenses challenged in the courts by the Public Prosecutor's Office by 20% compared with 2002-2007 period average.

- Increase planned greenhouse gas emission reductions to 20 million tons of CO₂ equivalent/year through the CDM, BNDES and National Climate Action projects
- To have 100% of projects submitted directly to BNDES screened, approved and monitored according to the new Environmental and Social Policy
- Increase the Sustainable Natural Forest Management of private and public areas from 27,000 km² to 50,000 km².
- Reduction in average annual rate of deforestation in the Amazon for 2008-2010 to 20% below the annual average rate for 2005-2007 (14,800 km²).
- An area of 500,000 ha. receiving Amazon Fund support for promoting sustainable land use activities.
- Water quality monitoring results released to the public for 90,000 km of main rivers.
- Reduction of 110,000 tons of pollution loads discharged into rivers due to approved BNDES sanitation projects
- The production of 60,000 tera joule per year of renewable energy or saved by energy efficiency projects supported by BNDES.



As warranted as the WB SEM DPL and other DPLs may seem, the lack of transparency about how the loan was prepared is directly related to more substantive underlying concerns associated with the policy preferences inherent in these loans. Are the development policy triggers the most appropriate options? Are they ambitious enough? Was there adequate public consultation in design of the loan, or in the validation of whether the prior conditions were met? Was the loan amount justified in relation to the cost of carrying out the reforms? Does the loan contribute at all to addressing chronic budgetary constraints of environmental agencies? Should the DPL trigger the World Bank's social and environmental safeguard policies and formalize requirements for disclosure, public consultations and grievance recourse mechanisms? Is the system for M&E rigorous enough? These questions and others were conveyed in two letters to the World Bank as well as a follow up meeting with the DPL loan task managers on Aug. 23, 2009 and have yet to receive adequate answers.

In a letter dated March 5th 2009, various civil society organizations from Brazil, together with the Bank Information Center, stated reasons for

opposing immediate approval of the Brazil SEM DPL by the World Bank Executive Directors. The Bank's March 12th letter of response, subsequent to Board approval of the loan, essentially restated information from the program document, failing to address key substantive and process problems identified in the initial letter of civil society organizations. Such an evasive response, in and of itself, raises concerns about the Bank's commitment to improving dialogue and transparency regarding its operations in developing countries.

One of the primary civil society concerns is the lack of transparency and accountability regarding the performance and shortcomings of past World Bank energy sector and environment loans in Brazil, within a context in which loans were never subjected to public scrutiny or serious evaluation. The SEM DPL refers to the achievements and learning of a past Pilot Program to Conserve the Rainforest (PPG7) Amazon grant program as a strategic input into the SEM DPL design. However, the relative success of the PPG7 is contested by some and several components were cancelled by the Government. The World Bank has not produced the project evaluations of the entire program (beyond the Pilot program) to explain how the performance of the PPG7 loan would inform the design of the SEM DPL. Nor has the Bank adequately addressed a recent IEG Evaluation of World Bank environmental programs that suggested shortcomings in moving from projects to mainstreamed environmental incentives, weak M&E systems, lack of coherence between IBRD and IFC operations, and most relevant to the SEM DPL – problems in strengthening institutional capacity.¹⁸

The Bank conducted only a Simplified Implementation Completion Report for the First Environmental PRL in 2005 that provides only projected results for 2007.¹⁹ Given the significance of this loan as one of the first Environmental DPLs in World Bank history and for Brazil, an analysis of the results is warranted. However the SEM DPL seems to have been designed without full access to this evaluation.

Partly due to Government decisions to cancel or delay significant parts of prior World Bank loans or ignore commitments established in these projects, sustainability planning for key sectors such as hydroelectricity have been weakened. For example, the impacts of a unilateral decision by the Ministry of Mining and Energy's (MME) to abandon a cooperative effort with the Ministry of the Environment (MMA) in carrying out Strategic Environmental Assessments (SEA) for hydro-projects at the river basin level, as called for in the policy matrix of the First Programmatic Reform Loan for Environmental Sustainability (Loan No. 7256-BR) was never subjected to serious analysis and public debate.²⁰

Another fundamental problem concerns the generalized lack of prior, broad and informed consultation with Brazilian society organizations during the preparatory process of the SEM DPL. The loan document refers to broad consultation upon which the National Climate Change Action Plan (NCCAP) and the Sustainable Amazon Plan (PAS) were based. (see annex I for more on NCCAP). For the development sub-sector investment guidelines, including the most dynamic and challenging sectors for the Government's stated objective of reconciling development and conservation in the Amazon, there is no public review scheduled.

The BNDES Social and Environmental Policy and related sub-sectoral guidelines are the centerpiece of the SEM DPL. Numerous aspects of formulating such a policy are controversial and require open public debate, but are being discussed selectively with consultants and hand-picked private sector experts. To avoid the perception of bias and to field the best advice, the draft policy should have at least a 90 day public comment period and related public hearings.



Another issue relates to the fact that BNDES provides 70% of its finance to private sector intermediaries, which represents a challenge for enforcing policy commitments. Similar to other IFIs that lend to private sector clients, such as the World Bank Group's International Finance Corporation, the preparation and monitoring and evaluation phases of the project cycle are entirely non-transparent. How BNDES will hold financial intermediaries and other private sector companies accountable through commonly available recourse mechanisms such as participatory oversight councils, inspection panels, independent evaluations, all require greater transparency commitments.

Another issue is how the new BNDES Social and Environmental Policy will address the indirect and cumulative impacts of proposed projects as part of its risk assessment process. Large infrastructure projects in the Amazon, such as many of the 80 hydroelectric dams planned in Brazil under the Growth Acceleration Program (PAC), typically require analysis of the cumulative impact of several dams and related transmission lines or river locks that often follow. The Brazilian National Electric Company, Eletrobras, is conducting Integrated Basin Assessments for the 10 largest river basins. However, these integrated basin assessment tools (IBATs) tend to serve as a prospective inventory of hydroelectric potential rather than an assessment of cumulative impacts. Seven dams are being planned on the Tapajós River, totaling 14, 245 MW of total installed capacity and the total area of rainforest flooded would be over 3,000 km². Nearly half of the flooded area is within federally protected areas.²¹ The IBAT is designed to identify which of the seven dams might be the most politically safe dam to begin construction on. Eletrobras and the National Electric

Energy Agency, ANEEL, have not explained how the IBAT analyzes the cumulative impacts of the seven Tapajós River dams together or the other indirect impacts that construction inevitably will have on this part of Amazonas state. The highly flawed EIA for the Madeira projects has also lowered confidence in the ongoing IBATs.²²

The sub-sectoral investment guidelines are intended to help BNDES and investors identify and assess social and environmental risks. Of the 60 sub-sector guidelines underway, the World Bank is providing technical advice on 8 (which includes hydroelectric energy). However, early drafts of these guidelines also reportedly lack any guidance or trigger for conducting strategic environmental assessment (SEAs). Rather, each project is viewed in isolation, which undermines the effectiveness of the guideline (“checklist”) approach when assessing many multi-sectoral projects.

The World Bank has proposed that BNDES consider the IFC performance standards as a model for the new Bank Social and Environmental Policy. The IFC Performance Standards are considered by some to be the most robust of the IFI safeguards, and have led to the creation of the Equator Principles for private banks. However, even given the short life of the IFC PS application (since 2006), specific concerns have emerged as to their effectiveness in ensuring development impact and sustainability. Stated concerns with the IFC PS include no reporting on project level development outcomes and weak disclosure rules in general, no free and prior informed consent (FPIC) commitments for affected indigenous groups, inconsistent risk categorization, inadequate extractive industry disclosure requirements, and no overarching focus on climate change.²³ The recent disastrous experience with IFC’s support for the Bertin cattle processing project, despite widespread criticism by civil society organizations, signals that the application of even the best standards may be inadequate in the context of Amazon development projects and deserves careful public consideration.²⁴

The World Bank and GoB have indicated that some type of public consultation is planned for the BNDES safeguard policy in late 2009, but no details have been provided. On the SEM DPL contribution to the climate debate in Brazil, the support for the NCCAP is clouded by the loan’s inadequate attention to strengthening the coherence of the government’s Amazon strategy. The World Bank has advised the Brazilian Government to fix the environmental licensing process, which suffers from jurisdictional confusion, poor EIA design, and in turn acts as a disincentive to investors.²⁵ The Bank has identified several factors that lead, in their view, to the unnecessarily high frequency of judicially challenged licenses. These factors include lack of capacity within IBAMA, the Federal agency charged with licensing, to prepare quality EIAs; the confusion and duplication of roles

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among local, state and federal licensing authorities, the lack of clear rules for licensing that lead to greater politicization and general lack of transparency of the process.²⁶ The solution promoted by the SEM DPL is to add staff capacity to IBAMA, MMA and ICMBIO and to draft a new law that clarifies decentralized licensing functions. What these measures fail to acknowledge are the steamrolling of all environmental regulatory authority by prioritized PAC projects, regardless of the social and environmental impacts. Would the decentralization of environmental licensing address the problem of ambiguous criteria or prevent the politicization of controversial projects? Would more IBAMA staff and clearer licensing guidelines have prevented the firing of the head of IBAMA's technical review team when they rejected the Madeira EIA?

While the SEM DPL suggests support for the Sustainable Amazon Plan and advances the touted macro and micro – scale zoning processes, it seems to ignore numerous examples of conflicting policies in the Brazilian Amazon are a cogent illustration of the non-functioning of the PAS. The agency responsible for overall coordination of PAS, the Secretariat for Strategic Affairs (SAE) has not assumed its role. Rather, it has limited itself to specific measures which are often highly controversial, even within the federal government.

For example, the loan's risk analysis fails to adequately address the implications of a recent amendment to Brazil's land law (MP 458, Lei 11.952), which is widely viewed as a giveaway to illegal land grabs. The new land law will legalize hundreds of thousands of illegal Amazon farms that occupy more than a quarter million square miles of protected forest, legitimating land speculators and grileiros, while intensifying social conflict and deforestation.

Changes to the legal reserves on private landholdings that weaken the 80% reserve requirement is another concession related to the Brazilian Forestry Code and other legal attempts to change its contents. In practice, the 80% reserve requirement is poorly enforced. Still, the new law simply relaxes the requirement with little reciprocal benefit except for political support in the coming Presidential election. The analysis in the Program Document offers only blanket endorsement of the PAS, which many view as paralyzed by the land laws, cattle and soy expansion, and unmitigated advance of the PAC. Lack of governance in large parts of the Amazon and contradictory legislative initiatives both highlight the absence of a more detailed risk analysis of the factors that could impede the SEM DPL outcomes.

The SEM DPL support for designing regulations for the newly formed Amazon Fund also deserves greater scrutiny given the ongoing efforts by

the World Bank to position itself as a broker in the global climate negotiations.²⁷ The Strategic Framework on Climate Change and Development, which was launched in 2008, lays out a blueprint for a massive accumulation of power and wealth in the form of an arsenal of international climate trust funds and projections for energy and carbon finance expenditure that would launch the World Bank into a position of parallel authority to the UNFCCC. Concerns raised by civil society organizations about the World Bank's climate strategy argue that it will serve as a protection scheme for the largest polluting donor countries and a proponent of questionable carbon finance solutions.

Brazil, China, Russia and other middle income countries have challenged the Bank's climate agenda just as they have questioned any Bank efforts to weaken the autonomy of member countries in all aspects of World Bank governance. Member support for any World Bank climate strategy, particularly by BRIC countries, has become a bargaining chip in the overall negotiations for governance reforms in voice and representation at the World Bank. The creation of the Amazon Fund might be viewed as a measure to ensure Brazilian control over its own reduced deforestation, emissions and climate adaptation strategy, but also as a bargaining chip with donor countries in negotiating contexts such as the World Bank governance reforms arena. The World Bank's interest in clarifying the guidelines for the Amazon Fund can not be viewed only as a technical input, but as getting to know the competition in the unfolding competition for loyalties over approaches to carbon finance.

As noted in another article in this bulletin, the World Bank study on Amazon die-back,²⁸ which was only casually referenced in the draft of the SEM DPL loan document, seems to have disappeared from the SEM DPL as a technical input or a relevant feature of any outcome. The World Bank's climate team that prepared the Amazon die-back study over the past several years was reportedly not involved in the design of the SEM DPL. Given the significance of the findings of this Bank study and the clear indications of incoherence between the PAC and sustainability programs supported in the DPL, its absence is more than a casual oversight.

A serious lack of transparency and accountability regarding numerous components of the loan nullify any claim to authentic consultation. The policy conditions in the SEM DPL results matrix include such controversial issues as a lack of effective public consultation regarding the MME's Ten-Year National Energy Plan for 2008-2017²⁹, recent attempts by the Executive and Legislative branches to dismantle environmental legislation in the name of "simplifying" licensing procedures³⁰, and a persistent lack of transparency within the National Bank for Economic and Social Development (BNDES) regarding social and environmental criteria used to

justify the approval of huge and unprecedented loans for mega-hydroelectric projects (e.g. Rio Madeira) and beef-processing facilities in the Amazon, in contrast to the mostly ineffective guidelines of the "Green Protocol" signed in August 2008 within the context of the Bank's first environmental sector loan to Brazil (Loan no. 7256-BR).³¹

With regard to the proposed outcomes of the DPL, the central issue here seems to be that of World Bank additionality/relevance. Take for example the proposed outcome of increasing reductions of CO₂ by 20 million tons per year. In what sectors will these reductions be achieved, and does this constitute a net reduction given planning projections? Does it include reductions in deforestation? The 2008-2017 electrical energy plan is proposing to build 82 new thermoelectric plants which implies that emissions from the sector will grow from 14.4 to 39 millions of tons (25 millions in 10 years). In 2030 the share of fossil fuels in the Brazilian electrical energy matrix shall increase from 8% (2005) to 13%. The transportation sector is planning more railroads and waterways, but in practical terms investments are massively going to roads. So, this reduction is solely based on deforestation reduction targets assumed by the climate change plan (5,000 km² by 2017).

For the indicator of increasing private and public areas sustainably managed from 27,000 km² – 50,000 km², there is a need for a more precise qualification. Will public areas include extractive reserves (RESEX) such as Chico Mendes, which alone is 10,000 km² in size? Concessions to private management are much more complicated in terms of compliance with sustainable management criteria. One single indicator may be unsuitable for both types of conservation goals. In addition there is no consensus on how to measure sustainable management, which goes far beyond the counting of hectares of national parks created. Indicators of sustainable management involve financial stability, security of land tenure, participatory land use planning, robust M&E processes, etc. Some clarification is necessary to judge the ambition of this goal.

The DPL suggests a deforestation target for the Amazon of reducing the rate for 2008-2010 to 20% below the prior period average of 14,800 km². However, this target of 11,840 km² is above what the climate change plan targets: in 2009 maximum of 9,200 km², for 2010-2013 and 2014-2017 reduction of 30% for each period, in 2017 maximum of 5,000 km².

For energy outcomes, the DPL will contribute to 60,000 tera joules per year produced by RE or saved by EE projects supported by BNDES. A rough conversion of this target would be 2,000 MW per year.³² Consider that for the wind power auction scheduled for November in Brazil, there may already be as much as 11,000 MW in projects registered. There is also

a high potential for exploiting carbon neutral energy from sugar cane bagasse, estimated to total between 6,000 to 9,000 MW.³³ So, even without the DPL, Brazil may be well above the DPL target, raising the question of how SEM DPL will actually contribute to such an outcome, or how issues of causality will be addressed (e.g. counterfactual) in the DPL evaluation.

Missing from the list of proposed performance indicators was certification for the cattle sector, which may be the most important driver of Amazon deforestation. Brazil must reduce illegal ranching activities/illegal slaughter (estimated 15%), which depends on increasing "rastreadabilidad," or traceability of beef sourcing. A major obstacle is the lack of any complete or reliable registry of all properties. Brazil exports beef to over 180 countries, complicating further the goal of achieving an umbrella pact that prevents leakage. One possible short-term indicator could be to simply increase the number of cattle ranchers geo-referenced as proposed by the attorney general of Pará and supported by the Ministry of Agriculture and BNDES.

Within a context of deficient dialogue with CSOs and transparency in the planning process, combined with loan disbursements that are linked to prior actions that might have happened independent of the DPL, plus vague triggers/indicators for further disbursements (that don't include protection against severe budget cuts for environmental agencies) it's unclear what the real benefits of DPLs are for the environment and society in Brazil. This ambiguity extends to issues of clarity regarding the World Bank's role and value-added to the status quo.

FINAL THOUGHTS

The effective implementation of the World Bank's disclosure policy, as well as Brazilian legislation regarding transparency and accountability of public institutions,³⁴ requires immediate public access to a series of documents referenced in the Program Document (PGD). These include, *inter alia*, i) draft BNDES Environmental and Institutional Policy, including operational guidelines for specific sectors (e.g. forest management, hydroelectric energy); ii) evaluation report for Environmental Sustainability Agenda Technical Assistance Project (7331-BR ENV TAL),³⁵ iii) an Evaluation (ICR) for the 1st ENV PRL; iv) Project Information Document (PID) for new Environmental Sustainability Agenda Technical Assistance Project (ENV TAL) and v) the mid-term review of the Country Partnership Strategy. Without public access to such documents, no World Bank claims to adequate public consultation can be sustained. As such, these and other relevant documents should be released to the public prior to any

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forthcoming Board decision on the second tranche disbursement for the SEM DPL I or a second scheduled SEM DPL.

A structural problem with DPLs/DPOs is the inability to track their entirely unearmarked funds to know what relation, if any, the actual Bank finance has on the fulfillment of policy actions. While the IMF assessment of Brazil's macroeconomy is generally positive, an accumulating internal public debt remains a concern for credit rating stability. The SEM DPL points out that a key motivating factor behind the Government's request for the SEM DPL was to ensure adequate credit resources to the financial system. The DPL would contribute to "dollar liquidity."³⁶ In a context in which BNDES has negotiated the two largest loans in the Brazilian Bank's history to finance the San Antonio and Jirau hydroelectric dams, the liquidity challenges for BNDES are arguably associated with such commitments. Civil society organizations have asserted that the SEM DPL provides indirect support to BNDES to free funding for Amazon mega-projects like the Madeira hydroelectric Complex. While the World Bank disputes any direct association between the DPL and Madeira, the inability to track the funds makes it impossible to refute the claim.

The SEM DPL raises a series of questions in terms of process and substance for which adequate answers from the Bank and Brazilian authorities are still lacking. Examples of such questions include the following:

- 1) What level of public participation will be ensured in the vetting/review of the new BNDES Environmental and Institutional Policy (trigger for second tranche of DPL I) including sub-sectoral guidelines in such areas as sustainable agriculture and renewable energy?
- 2) How will compliance with the first two DPL-II triggers related to BNDES social and environmental policy be effectively measured, especially with regard to high risk projects already in the pipeline, such as the Santo Antonio and Jirau hydroelectric dams?
- 3) How will the qualitative aspects of DPL triggers and outcome indicators be effectively evaluated, given the vague wording throughout much of the Development Policy Matrix?
- 4) What criteria were used in defining the value of DPL I at US\$ 1.3 billion, and DPL II at US\$ 700 million? If estimates of program cost, such as the recurrent expense of 600 new positions at IBAMA, ICMBio and MME for 20 years, why weren't these esti-

mates included in the loan appraisal or final document? How can a sectoral loan for environmental management be justified in a context in which no additional funds will be made available to MMA and other environmental agencies, while at the same time their operating budgets are repeatedly slashed?³⁷

- 5) What is the World Bank's understanding of how DPL SEM funds will actually be invested? How will such investments be monitored to ensure compliance with World Bank standards and Brazilian legislation regarding corruption?
- 6) Given the apparent lack of clarity regarding the use of finance resources from DPL SEM, how will the World Bank ensure that the use of loan proceeds does not violate operational policies and directives (e.g. Environmental Assessment/Disclosure, Involuntary Resettlement , Indigenous Peoples)?

Such unanswered questions and absent documentation underscore a serious lack of transparency and accountability during the process of preparation and approval of the first tranche of SEM DPL I. It is the belief of the ten organizations that signed the letter opposing the approval of the SEM DPL that until practices of transparency and dialogue between the World Bank, the Brazilian government and civil society organizations are truly adopted, the laudable goals of the SEM DPL will not be achieved.³⁸

ANNEX 1: BRAZIL ENVIRONMENTAL AND DEVELOPMENT PROGRAMS

The **Green Protocol** is a marked improvement over the 1995 version and strengthens the GOB'S commitment to support environmentally sustainable activities. The signatory banks have agreed to promote policies and procedures aimed at financing development with environmental responsibility through lines of credits and programs that enhance the quality of life of the population, promote the sustainable use of natural resources and the environmental protection. In addition, the current GP 2008 defines clear guidelines for each one of these principles. For example, the harmonization principle calls for a common governance mechanism among the signatories to exchange experiences and monitor the effective application of the GP, the development of a standard approach to get socio-environmental information from clients, and the continuous improvement of the GP through a biennial review of the principles and guidelines of the GP 2008.

NCCAP - the National Climate Change Action Plan is undergoing a public consultation process to receive contributions for the final version to be approved by the GOB. The detailed actions of the Plan might be modified as a result of the consultations but its general and specific objectives should not change much. The NCCAP aims at the mitigation of and adaptation to Climate Change, to be achieved by: (i) promoting an increase of efficiency of the productive sector to reduce the carbon content of the country's GDP, (ii) maintaining the relatively high contribution of renewable energy to generation of electricity, (iii) increasing the contribution of biofuels as a source of energy for the transport sector (iv) seeking a sustained reduction of the deforestation rate, on quadrennial basis, for all Brazilian biomes with a goal of zero illegal deforestation, (v) reaching zero net deforestation (no decrease of overall forest cover) by 2015, and (v) identifying impacts caused by Climate Change and developing a strategy to minimize the social and economic adaptation costs for the country.

PAS - the Sustainable Amazon Plan, launched in May 2008 by the GOB and the state governors of the Amazon region aims at promoting the sustainable development of the region and improving the quality of life of the population through the support of activities which generate jobs and income compatible with the sustainable use of natural resources and rainforest biome conservation. The specific objectives of the PAS are: (i) to promote territorial planning and environmental management, including zoning and land administration, (ii) to support incentive programs for sustainable use of natural resources, including activities that add value

locally, to respect traditional knowledge and ensure food security, (iii) to support the planning and implementation of infrastructure for development (transportation, energy, communications and urban), and (iv) to strengthen social inclusion and decrease social inequality by improving the access to education, health and social security services. The PAS was designed by a committee comprised of 13 ministries and representatives of all Amazonian states. It underwent an extensive public consultation process which included ten state and regional meetings with all sectors and the resulting recommendations were integrated into the final document. The PAS includes and integrates in a single framework all other regional or sub-regional programs such as the Sustainable Development Plan for the BR-163 region and the PPCDAm, and is coordinated by the Secretariat of Strategic Affairs under the President's Office.

PAC - the Program for Accelerated Growth plans for investments of R\$ 646 billion (\$323 bn), of which about R\$ 220 billion (\$110 bn) is in sanitation and housing projects, that require partnerships with States and cities. Two thirds of the investments will be used for infrastructure projects like energy, highways, railroads, ports and airports. The government has reported that 77% of its nearly 2500 infrastructure projects are on schedule and 14% have been concluded. According to official data, 7% of the projects require attention and 2% present problems. The report indicated that through the end of April, 335 projects had been completed, representing investments of 62.9 billion reals (\$32 bn).

Amazon Fund

The GOB created the Amazon Fund as its alternative to receive compensation for reducing CO₂ from deforestation without having to rely on market-based mechanisms. The Amazon Fund, created by a Presidential decree, will support the prevention, monitoring and combating of deforestation, and the promotion of conservation and sustainable use of natural resources in the Amazon, fully in line with the Sustainable Amazon Plan (PAS) and the Plan to Prevent and Combat Deforestation in the Amazon PPCDAM). The Fund will operate through grants focusing on the following activities: (i) forest management in public lands; (ii) management of protected areas; (iii) monitoring and enforcement on environmental laws; (iv) sustainable use of forest resources; (v) zoning and land regularization; (vi) biodiversity conservation and sustainable use; and, (viii) rehabilitation of degraded areas.

The Fund, which is operating with a starting donation of \$145 million from Norway but with projected donations of \$21 billion, is managed by BNDES

and will be capitalized only through donations from bilateral and multilateral agencies and the private sector. An expected steady flow of \$1 billion per year and \$500 million to \$1.5 billion in annual disbursements. Donations will always be conditioned to the decrease of the annual deforestation rate when compared to the average annual rate of the past five years. Each donor will receive a non-tradable diploma stating the amount of the donation and the amount of carbon “saved” as a result of reduced deforestation. This information will be available to the public. A Technical Committee will be created to evaluate the methodologies to measure deforestation and the amount of carbon “saved” per hectare.

The Amazon Fund has a Managing Committee comprised of 24 members (nine from the federal government, nine from the Amazonian states, and six CSOs). Its first task is to define the Fund’s bylaws and operational policies. The Committee is also responsible for monitoring the portfolio to ensure that it is indeed supporting the PAS and PPCDAM, and periodically review its adherence to the Fund’s bylaws and operational policies.

Annex 2: Development Policy Matrix

Key Issues and Objectives	DPL I - First Tranche Prior Actions (Completed)	DPL I - Second Tranche Release Conditions	DPL II Triggers	Outcome Indicators for Program 2011
Sub-objective A: Improving the Overall Brazilian Environmental Management System				
<p>Improve effectiveness of government agencies in implementing mandated Brazilian environmental and social management procedures</p>	<p>MMA and its affiliates restructured to support the implementation of environmental policies, processing of environmental licenses and enforcement of environmental regulations through: i) the establishment of a new institutional structure for MMA, ii) the creation of the National Biodiversity Management Institute (Instituto Chico Mendes - ICMBio) and the Brazilian Forest Service (SFB), iii) the restructuring of IBAMA to focus on environmental licensing and enforcement, and iv) increase staffing of MMA and IBAMA</p>		<p>Formal Selection and hiring process to fill 600 vacancies to staff ICMBIO and SFB concluded</p>	<p>Improve the environmental licensing process using as proxy the 20% decrease of the number of judicially challenged licenses by Public Prosecutor's Office compared with the number of environmental licenses issued at the Federal level during 2002-2007</p>
<p>Mainstream Climate Change in public and private sector investments</p>	<p>National Climate Change Action Plan drafted by the Inter-ministerial Committee for Climate Change and submitted for public consultation</p>	<p>National Climate Change Action Plan, approved by the Inter-ministerial Committee, after public consultation</p>	<p>BNDES' clean development and carbon funds programs (in equity investment funds) approved and operating in accordance with the national Climate Change Action Plan and its New Environmental and Social Institutional Policy</p>	<p>Increase planned signed reductions of 20 million tons of CO₂ equivalent/year from i) CDM projects, ii) other selected BNDES projects, and iii) other actions monitored under the National Climate Change Action Plan</p>
<p>Improve the effectiveness of environmental and social management systems in BNDES and other financial institutions</p>	<p>Revised Green Protocol Approved and signed by GOB and all federal public Brazilian Banks, including BNDES</p>	<p>New Environmental and Social Institutional Policy, which includes the provisions of the Green Protocol, is approved by the BNDES Board of Executive Officers and applied to BNDES' directly financed operations</p>	<p>BNDES' new Environmental and Social Institutional policy applied to its Full Portfolio through procedures specified differentially for each type of operation</p>	<p>100 percent of the projects submitted directly to BNDES screened, approved and monitored according to the new Environmental and Social Institutional Policy.</p>

Key Issues and Objectives	DPL I - First Tranche Prior Actions (Completed)	DPL I - Second Tranche Release Conditions	DPL II - Triggers	Outcome Indicators for Program 2011
Subobjective B: Integrating Principals of Sustainable Development in Key Sectors				
B.1. Natural Resource Management and Conservation				
Improve sustainability of natural resource management	Forest legal framework strengthened through the enactment of three key legal acts: i) Public Forest Management Law which promotes forest management in public land, ii) Atlantic Forest Law which promotes conservation of this highly endangered biome, and iii) Resolution 3545 of the National Monetary Council that regulates bank lending to agribusiness	BNDES programs on forest management, forest plantations, agriculture and associated processing industries restructured to provide incentives for long-term forest management and sustainable land use, and three sub-sectoral guidelines and the REFLORESTA Program are designed to ensure coherence with the new forest legal framework and BNDES' new Environmental and Social Institutional Policy.		Sustainable Natural Forest Management of private and public areas expanded from 27,000 km ² to 50,000 km ²
Improve Amazon regional planning for sustainable development and reduced deforestation	National Sustainable Amazon Program (PAS) approved by GOB and the governors of the Amazon region		Ecological Economic Zoning at the macro scale (1.1 million) of the Amazon Region, based on PAS concluded	Reduction in average annual rate of deforestation in the Amazon for the period 2008-2010 to 20 percent below 2005-2007 average annual rate of deforestation (14,800 km ²)
Improve Rainforest Conservation	Presidential decree regulating the Amazon Fund issued, to support grant activities that promote sustainable use of natural resources, rehabilitated degraded areas or prevent/combat deforestation		Amazon Fund operational policies approved by its managing committee (COFA), Amazon Fund operational, and Presidential decree regulating the Atlantic Forest Fund, including its operational mechanisms, issued	An area of 500,000 hectares receiving support from the Amazon and Atlantic Forest Funds for activities that promote sustainable use of natural resources and biodiversity conservation, rehabilitate degraded areas or prevent/combat deforestation
B.2. Water Resource Management				
Improve management and quality of water resources	The Water Resources National Plan (PNRH) and the National Water Quality Evaluation Program (PNQA) approved by GOB	ANA signs cooperation agreements with five states for the purpose of implementing the National Water Quality Evaluation Program (PNQA) at the state level	ANA signs cooperation agreements with five additional states for the purpose of implementing the National Water	Water quality monitoring and evaluation for 90,000 km of main rivers being executed and publicly released on a regular basis, with results used for prioritization of investments for improved water quality

Key Issues and Objectives	DPL I - First Tranche Prior Actions (Completed)	DPL I - Second Tranche Release Conditions	DPL II - Triggers	Outcome Indicators for Program 2011
Subobjective B: Integrating Principals of Sustainable Development in Key Sectors				
B.3. Environmental Sanitation				
Reduce environmental impacts through improved water, wastewater treatment, and solid waste services	Law 11.445/07 on National Guidelines for Water Supply and Environmental Sanitation enacted	BNDES ensures that programs for water and environmental sanitation are coherent with the new legal framework and with BNDES' new Environmental and Social Institutional Policy	PRODES rules and regulations governing payments for wastewater treatment updated and approved by ANA, in accordance with the new legal framework. BNDES' two sub-sectoral guidelines on environmental sanitation designed to ensure coherence with the new legal framework and with BNDES' Environmental and Social Institutional Policy	Projected reduction of 110,000 tons of pollution loads (tons of bio-chemical oxygen demand - BOD per year) discharged into rivers: i) from approved BNDES environmental sanitation projects reviewed under new BNDES social and environmental guidelines; and ii) from the updated PRODES program
B.4. Renewable Energy				
Promote renewable energy potential	Integrated Environmental Assessment (IEA) methodology for improving the environmental and social sustainability of the hydroelectric sector included in the handbook of the Electricity Sector's inventory and applied in ten river basins	BNDES ensures that the program for energy efficiency and renewable energy are coherent with BNDES' new Environmental and Social Institutional Policy	BNDES' six sub-sectoral guidelines for renewable energy designed to ensure coherence with BNDES' new Environmental and Social Institutional Policy	60,000 terajoules per year (TJ/year) to be produced by renewable energy sources or saved by energy efficiency projects supported by BNDES, once they are fully operational

Notes and Resources

¹ This article benefited from comments and suggestions from Roland Widmer and Brent Millikan of Amigos da Terra – Amazonia; Pedro Bara-Neto, World Wildlife Fund-Brazil; Josh Lichtenstein, BIC; Ricardo Verdum, INESC; Gabriel Strautman, Rede Brasil; Glenn Switkes, International Rivers; Adriana Ramos, Instituto Socioambiental; Mark Lundell, World Bank; and Garo Batmanian, World Bank.

² For a summary of the controversy, see Koberle, Stephan (2003), *Should Policy-Based Lending Still Involve Conditionality?*, The World Bank Research Observer, Vol. 18, pp. 249-73.

³ The implementing agencies are the Ministry of Finance, the Ministry of Environment and BNDES.

⁴ See First Programmatic Development Policy Loan for Sustainable Environmental Management (P95205), which as of August 20, 2009 has not disbursed.
<http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/0,,countrycode:BR~menuPK:64820017~pagePK:64414648~piPK:64414956~subTitle:All%20Loans~theSitePK:40941~pageNo:1~pageSize:Show%20All,00.html>

⁵ For more on the Amazon Fund, see www.fondoamazonia.gov.br

⁶ To read correspondence between civil society and the Bank on the DPL, see www.bicusa.org...

⁷ See Feb. 27, 2009 letter to WB Vice President Pamela Cox signed by ten Brazilian and international organizations. The approach paper for the proposed revision to the World Bank information disclosure policy suggests that future draft Program Documents, such as the PGD for the SEM DPL, would be made public prior to Board approval. However, there is no commitment to publish related technical documents, aide memoires, or monitoring reports.

⁸ World Bank (2008) Brazil Country Partnership Strategy (2008-2011), pg. 1, pg.13. The CPS also noted the long average lag between concept approval and loan signing of 30 months (Fig. 10, pg 22), which resulted in delayed disbursements.

⁹ See National Environmental Project (NEP 1) 1991-1998; NEP II Phase I APL - \$30 million; Pilot Program to Conserve the Rainforest (PPG 7) 1994-present); Amazon Regional Protection Project (ARPA) \$30 million in 2002; First Programatic Reform Loan for Environmental Sustainability DPL (2004) - \$600 mn; ENV TAL I (2005) - \$8 mn; Pará Integrated Rural Development Project (2006) - \$60 mn; Amazon Region Cartography Project (2007) \$5 mn; Alto Solimoes Basic Services and Sustainability (2008) -\$24 mn; Acre Sustainable Development Loan PROACRE (2009) - US\$ 120 mn; Land Administration ESW (2007, 2009); NEP II Phase II;

¹⁰ World Bank, "First Programmatic Loan for Environmental Sustainability, approved Aug. 24, 2004.

¹¹ Fabio Giambiagi, Fernando Rieche, Manoel Amorim (Jun 2009) "As Financas do BNDES: Evolucao Recente e Tendencias," Revista do BNDES. 16:31, pg. 3-40. The FAT contribution to BNDES assets reached a maximum of 59.7% in 2006 and has declined to 46.3% in 2008 as BNDES turns to other financing sources. Multilateral Bank share of BNDES assets has also declined steadily from 18.4% in 2001 to only 7% in 2008.

¹² See Greenpeace (June 2009) "Slaughtering the Amazon," <http://www.greenpeace.org/international/press/reports/slaughtering-the-amazon>; Amigos de Terra – Amazonia (Jan. 2008) "Time to Pay the Bill," http://www.amazonia.org.br/english/guia/detalhes.cfm?id=313449&tipo=6&cat_id=85&subcat_id=413. See also, "IFC withdraws loan from Brazilian cattle corporation, Bertin," <http://www.bicusa.org/EN/Article.11258.aspx>

¹³ RHETT BUTLER (AUG. 10, 2009) "Controlling the Ranching Boom That Threatens the Amazon," Yale Environment 360, <http://e360.yale.edu/content/feature.msp?id=2176>

¹⁴ See Alana Gandra (May 21, 2009) "IDB funded Brazilian Thermal-Electric Plant to use Carbon Capture Technology," *Brazzil Forum*. <http://www.brazzilmag.com/content/view/10775/1/>

¹⁵ As with many IFI policy based operations, it is not clear whether the World Bank, BNDES or other agencies of the Brazilian government acted as the impetus for including BNDES reforms in the SEM DPL.

¹⁶ See Appendix for summary of key Brazil programs

¹⁷ SEM DPL PGH, p.14-15

¹⁸ World Bank IEG (2008) Evaluation of WBG Support for the Environment.

¹⁹ World Bank (June 29, 2005) "ICR for First PRL for Environmental Sustainability," Report No. 32299-BR.

²⁰ See World Bank, Simplified ICR (June 29, 2005) First Programatic Reform Loan for Environmental Sustainability, Report 32299-BR.

²¹ See Glenn Switkes, "Preliminary Report on the Tapajos Basin Hydroelectric Inventory" (June 5, 2009) International Rivers. <http://www.internationalrivers.org/en/latin-america/amazon-basin/preliminary-report-tapaj%C3%B3s-basin-hydroelectric-inventory>

²² See IRN and FOE Amazonia (2007) "Studies that don't hold water," a report that outlines 30 errors in the Madeira EIA process. <http://www.internationalrivers.org/en/latin-america/amazon-basin/madeira-river/studies-don%C2%B4t-hold-water>; See also BICECA Madeira project page, <http://www.bicusa.org/es/Project.aspx?id=10138>

²³ For more on the IFC Performance Standards Review process, see Bank Information Center www.bicusa.org/ifcreview.

²⁴ See fn 8, Greenpeace and Amigos da Terra Amazonia reports.

²⁵ World Bank (Mar. 28, 2008) Licenciamento Ambiental de Empreendimentos Hidrelétricos no Brasil: *Uma Contribuição para o Debate*. Relatório Nº 40995-BR

²⁶ SEM DPL PGD, pg 19.

²⁷ See annex for description of the Amazon Fund

²⁸ See World Bank press release, "Climate Change: Latin America Is Part of the Solution,"
<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/LACEXT/0,,contentMDK:21928261~menuPK:2246555~pagePK:2865106~piPK:2865128~theSitePK:258554,00.html>

²⁹ See recommendation of Federal Prosecutor's Office to MME, following a public hearing on the Ten Year Energy Plan (PDEE 2008-2017): Recomendação Conjunta no. 01/09, 4ª e 6ª CCR e PFDC/MPF, 09 March 2009.

³⁰ See, for example, recent declarations by former Environment Minister and Senator Marina Silva in the Brazilian Senate (April 16th) and in an article published in the *Folha de São Paulo*, "Motoserra na Legislação" (April 20, 2009).

³¹ See May 13, 2009 Civil Society letter to the World Bank, which raises these issues.

³² A tera joule is equal to the energy of one watt of power for a duration of one second. The rough equivalent of 60,000 TJ per year would be close 2,000 MW.

³³ V Forum Instituto Acende Brasil, Mudancas Climaticas e o Setor Electrico, 25 Aug. 2009. Brasilia. http://www.acendebrasil.com.br/archives/20090825_VForum_Rev7.pdf

³⁴ See, for example, the "Environmental Information Law" (Lei no. 10.659 de 16/04/2003)

³⁵ In the World Bank, June 15, 2009 response, it states that the ENV TAL evaluation will be completed in 2010.

³⁶ SEM DPL PGD, pg. 9

³⁷ For example, authorizations for expenditures by MMA have been reportedly slashed by the ministries of planning and finance (MPOG, MF) to 43% of the 2009 budget approved by the Brazilian Congress.

³⁸ The May 13 Letter to the World Bank was signed by Amigos da Terra Amazônia Brasileira, Associação de Mulheres da Amazonas (AMA), Bank Information Center (BIC), Greenpeace Brasil, International Rivers, Instituto Brasileiro de Análises Sociais e Econômicas (IBASE), Instituto de Estudos Sócioeconômicos (INESC), Instituto Políticas Alternativas para o Cone Sul (PACS), Instituto Sócioambiental (ISA), S.O.S Mata Atlântica, Rede Brasil sobre Instituições Financeiras Multilaterais