

Socioterritorial Infrastructure Taxonomy for the Brazilian Amazon: Executive summary

June, 2023

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The first edition of the publication 'Socioterritorial Infrastructure Classification System: a Proposal for the Brazilian Amazon' introduces the fundamentals of a taxonomy to assess existing or planned infrastructures from a sustainable development perspective, considering the region's specific characteristics. This research and publication were conducted by the Center for Sustainability Studies of the Fundação Getulio Vargas (FGVces) in partnership with WWF-Brasil and in collaboration with the Working Group on Socioterritorial Infrastructure of the initiative Uma Concertação pela Amazônia.

Why a taxonomy?

- Green taxonomies have emerged as a crucial tool within the realm of "sustainable finances", aiming to align investments and financial flows with environmental and climate objectives.
- At the regional or national level, these taxonomies facilitate coordination between infrastructure projects and substantive public policy objectives encompassing environmental, climate, and socioeconomic aspects. They also support international commitments related to sustainable development (SDG) and the Paris Agreement. Currently, over 20 countries and regions have implemented or are developing such taxonomies.
- The primary purpose of taxonomies is to enhance evidence-based decision-making by addressing transparency, consistency, and comparability issues, all while enabling the potential for independent verification.
- In Brazil, the integration of high-level socioenvironmental criteria into infrastructure planning throughout the project lifecycle remains limited. Moreover, criteria and parameters vary widely and lack transparency, with minimal engagement of the public in the decision-making process.

Why socioterritorial?

- The work conducted is grounded in two complementary lenses: sustainable development and the territorial approach to development.
- The repeated cycles of large infrastructure investments in the Amazon have not yielded significant positive changes in the human development framework or ensured effective conservation of forests and ecosystems.

The prevailing top-down approach, favoring macroeconomic and sectorial targets, fails to automatically prioritize shared prosperity, the reduction of inequalities, or environmental protection in line with the unique ways of life and collective territories found in the Amazonian reality.

- In light of these challenges, there is an urgent need for essential technologies and services, such as basic sanitation, clean and accessible energy, digital inclusion, social housing, and improved public transportation.
- Additionally, fostering new governance arrangements that prioritize institutional coordination, transparency, and effective participation is crucial to accommodating the particularities of each territory in infrastructure planning and implementation processes. These measures are essential for promoting sustainable and context-sensitive development initiatives.

Innovation

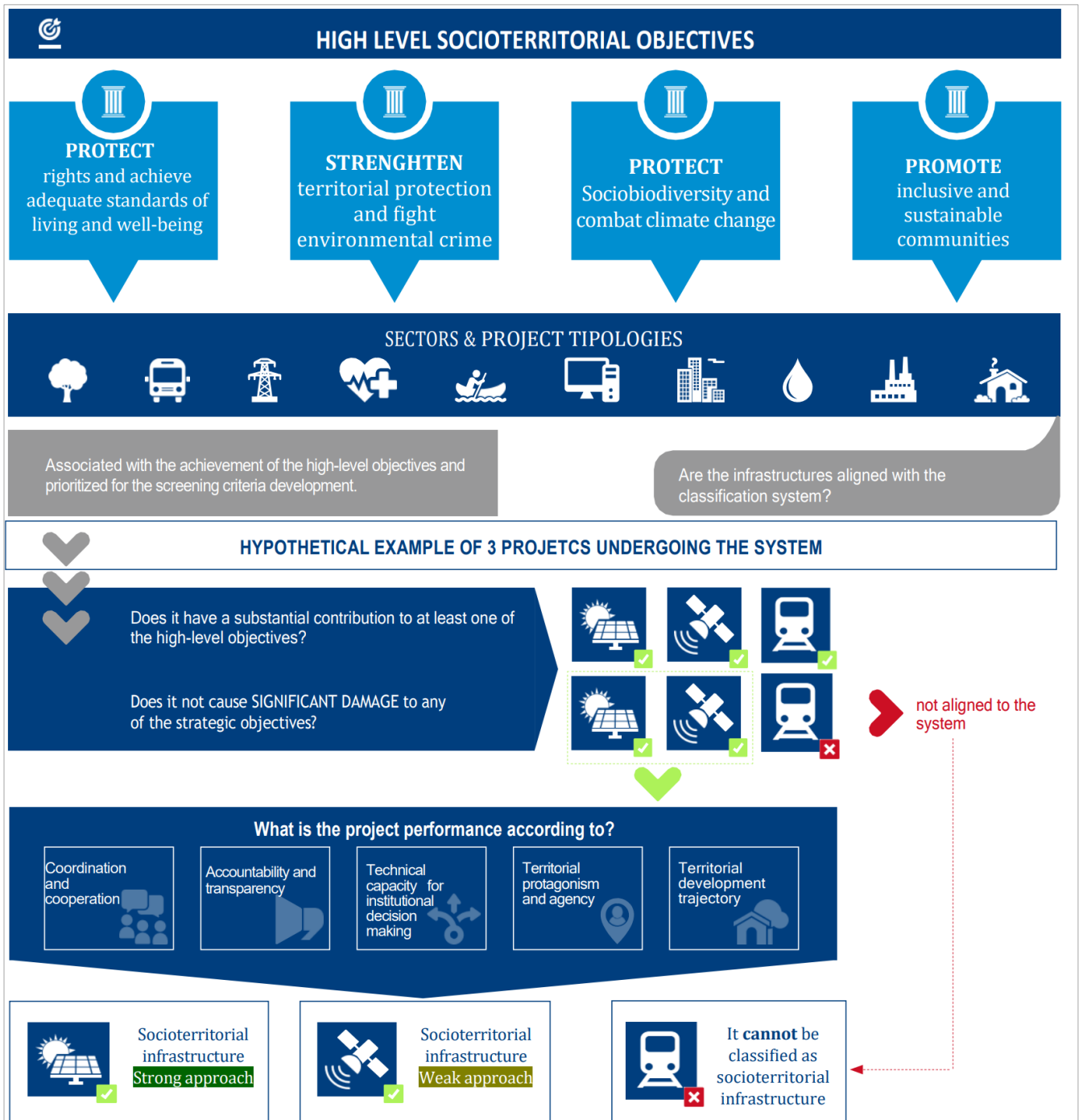
Regarding the main experiences in taxonomies for infrastructure in the world, the following differentials are worked on:

- Structure entirely designed according to the particularities of the Amazon region, combined with the best international practices;
- It embraces a complementary approach, integrating social development criteria and objectives on par with typical environmental and climate parameters;
- The evaluation process adopts a territorial approach, involving an additional step to assess how projects are managed over time. This involves a set of social-territorial process criteria that prioritize the evaluation of participatory governance and alignment with local aspirations;
- In this way, our proposal becomes applicable to the entire Brazilian Amazonian context, while allowing for the consideration of specific priorities, trajectories, and preferences within each distinct territory.

- Taxonomies typically undergo progressive development as insights are gained over time.
- In this initial version, a preliminary design of the taxonomy's operating logic is presented, encompassing the components below.
 - *Strategic vision*: which qualifies the tool as a reference for the future, an instrument for change and a facilitator of new narratives;
 - *Users*: beyond policy makers and financial agents, the taxonomy considers networks of social actors in the Amazonian territories as potential users;
 - *High-level objectives for the Brazilian Amazon*: aligned with the SDGs and the main public policies for human and sustainable development, these objectives serve as the foundation for evaluating projects;
 - *Screening component*: this phase involves the selection and prioritization of sectors and projects based on their substantial contribution to at least one high-level objective, without causing significant harm to the others;
 - *Territorial approach component*: the inaugural version includes a set of socio-territorial process criteria organized into five dimensions and supported by guiding checking questions. These criteria emphasize the importance of considering the social and territorial context in the evaluation process.

Proposed taxonomy operating logic

To illustrate how the taxonomy functions, presented below is a hypothetical schema for classifying three types of infrastructure projects.



Opportunities and next steps

- With the established structure of the taxonomy proposal, there is immense potential to shift the focal point of infrastructure planning towards the Amazon region. Rather than merely pursuing isolated macroeconomic and sectoral goals, this approach prioritizes achieving adequate standards of living and well-being, territorial protection, fostering a new socially inclusive and regionally rooted bioeconomy, and safeguarding sociobiodiversity through the strategic selection of sectors and types of infrastructure that align with these objectives.
- The ultimate goal is to promote widespread adoption of this standardized approach, serving as a common language for both national and subnational executive and funding entities. Additionally, organized civil society actors in the Amazonian territories should be empowered to embrace this language, using it as a tool to enhance social organization and participate effectively in decision-making processes.

Agent/Users	Potential uses
Territorial agents	<ul style="list-style-type: none"> ▪ Fostering coordination between territorial governance and infrastructure governance, promoting a cohesive approach to development; ▪ Prioritizing environmental, climate, and social concerns, thereby reinforcing the concept of sustainable development within the territory; ▪ Rigorously assessing infrastructure project proposals to ensure they align with the territory's priorities and values; ▪ Providing clear guidance to policy makers, developers, and investors, directing their attention towards projects that align with the territory's identified priorities and objectives.
Policy makers	<ul style="list-style-type: none"> ▪ Serve as a valuable reference for policy makers, guiding the formulation of sectoral and development strategies tailored to the specific needs of the territory; ▪ Identify areas with underinvestments, pinpointing disparities compared to the territory's high-level objectives; ▪ Compile a portfolio of sustainable socioterritorial projects, presenting innovative proposals that align with the territory's vision for development; ▪ Evaluate existing projects, providing inspiration for enhancing licensing processes and fostering continuous improvements in project implementation.

Agent/Users	Potential uses
Green bond issuers, certifiers, verifiers, etc.	<ul style="list-style-type: none"> ▪ Identify eligible activities that align seamlessly with thematic and territorial linkages, facilitating easier funding opportunities; ▪ Serve as a crucial reference point for establishing standards and labels that are directly linked to the unique characteristics and needs of the territory.
Investors	<ul style="list-style-type: none"> ▪ Identify sustainable socioterritorial opportunities that align with specific criteria and objectives; ▪ Gain insights into portfolio exposure and craft investment policies that cater to the preferences of customers and beneficiaries while remaining consistent with sustainability goals.

- Substantial work lies ahead in defining screening criteria to assess both the contribution to high-level objectives and the aspect of "doing no significant harm" for each typology and sector to be prioritized.
- Additionally, there is a need to enhance collaboration with potential target audiences to refine the evaluation criteria.
- Expanding collaboration among stakeholders is essential to develop a comprehensive advocacy strategy that integrates both technical expertise and political relevance.
- In the short term, FGVces and WWF-Brasil are eager to foster partnerships for the technical completion of the tool, aligning it with other ongoing research efforts, and actively seeking input and contributions from potential users.