

Framework Document

Policy Advocacy Network for Latin America *for Clean Brick Production* (PAN LAC)



Terms of Reference:

Deliverables #5. Framework Document of the Policy Advisory Network for Latin America on Clean Brick Production (PAN LAC) and Medium and Long Term Goals Work Plan

Note: This document was the basis of (and metamorphosed into) the PAN LAC Regional Strategy (Deliverable 9) and as such some repetition of content is likely between these two documents.

May 2015

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Context

As derives from the key objectives of the Climate and Clean Air Coalition (CCAC) in its recent 5-year plan, the central objective of the CCAC is to help avoid the *near-term impacts* of global warming over the next few decades through the reductions of short-lived climate pollutants (SLCPs) – most notably methane, black carbon and hydrofluorocarbons (HFCs). One of the focus industrial sectors identified by the CCAC to achieve SLCP reductions, is the **traditional brick manufacturing sector** due largely to its significant local impacts to air quality, health conditions of workers, and to the general *informality* of the sector, making it a significant policy and governance challenge to address. To this end, the CCAC enabled the creation of the Policy Advocacy Network for Latin America on Clean Brick Production (PAN LAC), a network bringing together public officials and brick sector experts across the region to discuss public policies that are available or that are needed to engage and address the social, economic and environmental impacts of traditional brick production.

One of the tasks of the PAN LAC is to *analyze and compile existing public policy frameworks for brick-related industries in Latin American countries, based on previous and current findings of the Bricks Initiative, and from current assessments being carried out in the region.* This document (the *Framework Document*) seeks to define long term goals and strategy to ensure the sustainability of the network.

Some of the background, sector characterization and strategic content of this document is taken from and/or derives from the *PAN LAC's Framework Strategy* document, which outlines the key public policy deficiencies and the principle strategic components of the PAN LAC. These documents are inter-related and should be considered in conjunction with one another, as together they conform the integral strategy of the PAN LAC in search of transformational change of the sector.



Black Carbon and other global green house toxic fumes are a common byproduct of inefficient brick production

Opportunities for Introducing Policy Tools for the Traditional Brick Production Sector

Undoubtedly, from the initial research and engagement work done to date in the Bricks Initiative, opportunities and demand exist today from producers and from public officials, for the CCAC to bring innovation to Latin America's Brick Sector policy environment.

Largely driven by increasing public and international pressure to address air quality and a growing recognition of the importance of devising climate change scenarios and strategies, governments at the national, regional and local level are looking for ways to improve atmospheric conditions, by reducing air pollution. In tandem, governments are keen to develop strategies for private enterprise modernization and job creation, and the progressive economic marginalization and systemic informality of small traditional brick producers who must compete with larger brick industries with growing inequality and disadvantage, is on the radar screen of a growing number of government agencies and public officials. Together these driving forces, coupled with large transformative potential of the sector to modernize and attain significant reductions in emissions

and gains in energy and economic efficiency, make public policy intervention in the traditional brick production sector very attractive to public officials.

Building on work to date in the Bricks Initiative, as well as recent engagement of the PAN LAC with public officials, (see *PANLAC Framework Strategy Document*) the following areas have been identified for potential engagement on public policy reforms:

- Assist governments to design traditional brick production sector inventories and analysis to better grasp brick sector characteristics and production dynamics;
- Assist governments to develop strategic plans to intervene in the traditional brick production sector with specific and targeted policy tools to address the particular dynamics and issues of the sector;
- Assist governments in identifying multi and inter-ministerial stakeholders to promote a broader public policy engagement in the traditional brick production sector, including ministries such as environment, production, health, labor, social development, etc.
- Encourage governments to develop clear and strategic land use policies which establish the geographical scope of brick kiln activity, including setting prohibition and/or viability uses for the sector according to physical location;
- Assist governments to design basic air quality regulations, emissions limits and monitoring systems tailored to the traditional brick sector;
- Assist governments to identify technical capacity building they can promote with producers in the sector to improve energy efficiency, product quality and to lower burning emissions;
- Assist governments to identify the key design and mechanical innovations (and investments) they should promote with producers to improve energy efficiency and reduce emissions from kiln burning;
- Assist governments to consider the best oven designs (from an energy efficiency and emissions standpoint) they should promote in their national sector context;
- Assist governments with an the economic analysis needed to identify investment opportunities and financing schemes and resources to help guide, attract and facilitate investments in the sector;
- Further deepen scientific understanding of the traditional brick sector, including conducting new or deepening existing studies on energy efficiency, contamination, productivity, and other relevant areas of academic importance to underpin the policy and technical evolution of the sector;

The PAN LAC's Strategy Framework document divides these types of foreseeable public policy interventions in the traditional brick production sector into the following categories or typologies:

(1) Regulatory Functions: eg. Policies/Laws/Standards/Monitoring/Multi-Agency Engagement

(2) Information development or dissemination: Stock Taking / Inventories

(3) Capacity building: Clay preparation / Brick Drying / Burning

(4) Infrastructure innovation: Press/Cutter (Extruder)/ Burning Equipment / Kiln Design

(5) Commercial: Market Model Analysis / Investment / Business model / Organization / Marketing

(6) Social impacts: Labor standard/Human Rights Impact Assessment/Health

Traditional Brick Sector Public Policy Work To Date of the PAN LAC

The PAN LAC Network was officially created in 2014. The first step and product of the PAN LAC advocacy network was to develop a list of public policy contacts in the brick sector, building on an already growing list of technical experts amassed by the CCAC as well as government contacts taking from CCAC members. The challenge was *and continues to be*, identifying the potentially interested public officials from ministries (such as Health, Labor, Mining, Production, and others), which are not generally associated to the brick sector and which would need to collaborate in order to develop effective public policies to address the complex and multi-sector dynamics of brick production and its related impacts. This list now includes some 100+ contacts in over 20 countries of Latin America, and is growing.

The next step and important step was to begin bring together public officials from the region to begin to debate brick kiln and sector strategies and issues. Some previous meetings focused on technical aspects of brick production had already been held (for example in Guanajuato México in 2013). We should note that the PAN ASIA network has also been carrying out similar parallel efforts.

The PAN LAC Network, officially created in 2014, held it's first meeting in October of 2014 in Cuzco Peru as a "4th day" side event during a technical workshop on brick production organized by CCAC partner Swisscontact.



First meeting of the PAN LAC in Cuzco Peru to discuss potential public policies related to the brick sector. October 2014

Over 50 of some 150 workshops participants, representing government agencies from a number of countries throughout Latin America attended the side event, and eagerly expressed their interest *and need* to participate in a space focused *not on technical issues* related to brick production (which was already occurring), but rather specifically on *public policy* designed to address the governance challenges of the sector.

During the Cuzco meeting, several issues, governance gaps and priorities were identified as possible focus areas for the PAN LAC public policy network.

- The development of regulatory frameworks for air quality and emissions
- Developing best practice guidance for brick production
- Focusing on the informality of the brick sector
- Attention to land use in the sector
- Developing a multi-agency approach to intervening in brick production
- Producing more information and sector studies
- Capacity building and Awareness Building
- Attending the social dimensions (such as poverty/labor/child labor/health, etc)
- Focusing on improving the economics of brick production for small producers
- Regulating/monitoring/controlling air emissions

The Cuzco workshop was the beginning of the PAN LAC's Framework Strategy discussion, which greatly informed the development of PAN LAC's Framework Strategy document. At the Cuzco meeting, representatives from several countries, including Mexico, Colombia, Peru, and Chile, expressed their strong desire, not only to further engage with the PAN LAC but also to offer their countries and localities as possible hosts to the network's official meeting, originally scheduled to be held in early 2015.

After Cuzco, the government of Chile approached the CCAC and CEDHA (the coordinator of the PAN LAC), taking firm steps to plan and hold the inaugural meeting of the PAN LAC, which occurred in April of 2015, in Maule Chile. The CCAC quickly engaged with its focal point for Chile, acting at its' highest level to make this meeting possible. Government officials from Chile's Environment Ministry and from the Maule region, home to about 50% of Chile's traditional brick production, thanks to the encouragement of the CCAC, have identified bricks as a significant problem for achieving improved air quality. They immediately understood the value of holding the PAN LAC meeting in Chile, as a potential opportunity to bring knowledge, experts and gain expertise themselves to develop a strategy and program to address the negative impacts of brick production.

The Maule, Chile workshop was the first official and inaugural meeting of the PAN LAC network, and the first meeting of its kind at a global level specifically bringing public officials together to solely to discuss public policy related to traditional brick production. This inaugural meeting of the PAN LAC provided a space for public officials from countries throughout Latin America, to gather to discuss public policy barriers and opportunities to address some of the more salient social, economic and environmental problems with traditional brick production.



Vice Minister of Environment of Chile opens the PANLAC inaugural meeting in Maule, Chile. April of 2015

Representatives from Mexico, Guatemala, the Dominican Republic, Colombia, Peru, Chile, Argentina, Paraguay, and Brazil, and from the several international agencies, including the World Bank, the Pan American Health Organization, the United Nations Coalition for Climate and Clean Air (CCAC) attended and directly engaged the workshop. In addition representatives from key Chilean government agencies, including the Ministry of Environment, the Development Promotion Corporation (CORFO), as well as municipal and provincial authorities and NGOs as well as local brick producers and academic representatives were also present and actively participated in discussions.



Presentation at PANLAC's Inaugural Meeting discussed National Strategies, Health Impacts, Labor Codes, and Case Studies

The two-day workshop included a site visit to two localities (Cauquenes and Linares), where approximately 50% of Chile's traditional brick production takes place, to visit brick kilns in production. Several panel presentations reviewed the state of the art and evolution of brick production in several countries in the region, as well as diverse dynamics related to brick production including labor standards, health, finances, environmental, labor and other strategic public policy directed at addressing the various dynamic and impacts of brick production.



A two-day site visit allowed public officials to visit brick-producing localities and see first hand how bricks are produced

Finally, the workshop offered a space to discuss and propose ways to help Chile address its brick production impacts and develop a public strategy to address the sector as well as an opportunity for participants to contribute to a future strategy for the PAN LAC network and its Framework Strategy.

Conclusions from PAN LAC's inaugural workshop are key inputs to the development of the Strategic Framework for PAN LAC. Some of these include:

- The workshops help public officials better understand the oftentimes “invisible” problems generated by traditional brick production including severe air contamination, health impacts, labor code violations, as well as incongruences and economic imbalances.
- In these events, public officials were exposed to and learn of public policy challenges and potential solutions to gaps, as well as identifying opportunities to advance more effective public policies for the brick production sector.
- At these gatherings, public officials from different countries across the region can consult with experts as well as their peers on ways that they have addresses some of the same challenges of the sector
- The broad discussions of the workshop allows public officials to gain a broader understanding of the bricks sector in order to better address the complexities of the sector before developing strategies and launching implementation programs back home
- The workshop provided key exchanges and learning opportunities for public officials present which they can in turn use at their places of origin to address brick production, aim at reducing negative environmental, social and economic externalities from brick production.
- The workshop solidified the interest and political intent of numerous countries to participate, engage and implement policies and programs to address the negative externalities caused by brick production.
- The workshop generated much interest by other counties (eg. Mexico, Paraguay, Peru, Dominican Republic) to seek further assistance from the PAN LAC network and from the CCAC to design and implement policies for reducing environmental and other impacts the brick sector.
- The workshop provided Chile the political scenario for taking a firm stance on brick sector impacts and to place in motion an effort to design a program to address impacts from the sector. Chile announced US\$50 million in investments (during and at the workshop) to address air pollution and reduce contamination 70% in the next 10 years.
- As a consequence of the workshop, Chile requested further assistance from the CCAC to develop a brick sector strategy to reduce sector impacts.
- The workshop provided a space to discuss future activities and opportunities for the PAN LAC.

Three very important points in relation to the work of the PAN LAC network to date are:

first that the PAN LAC (complimented by the PAN ASIA) is the only such network and space at a global level (and also at the regional level) where public policy is discusses in relation to brick production.

Second, the work-to-date (including the two meetings of the PAN LAC) have created fundamental building blocks for policy work in the future.

And **third**, the PAN LAC has *already* generated tangible requests (demand) from governments for assistance to develop intervention strategies and policies to address brick production contamination.

The Future Evolution of Traditional Brick Sector Public Policy

Addressing the negative externalities of traditional brick kilns from a public policy standpoint, despite the complexities of the sector, is a manageable task and can have many benefits, including climate benefits as well as social and economic improvements for brick producers, workers and the communities where they are located.

These can include for example, immediate reductions of toxic emissions, including black carbon which will both help address climate change and have a very positive contribution to reducing health risks and impacts to brick workers and local communities. Introducing efficiency gains in the production process can also have an immediate and direct impact on raising income and lowering poverty, since small changes to techniques can not only lower emissions (reducing income losses due to health illness) but also improve fuel efficiency and product quality, which in turn lowers the number of discarded bricks that cannot be sold, lowers expenses on fuel, and provides higher income from sales.

States are in need of and demanding engagement from a public policy perspective to address emissions and other social and environment impacts of traditional brick production. The CCAC is poised to assist with this engagement and help lead public policy reforms in the sector that can achieve emissions reductions and improvements to social, environmental and economic conditions related to the sector.

From a public policy standpoint, the thrust of public policy evolution of the sector would ideally focus on:

1. Catalyzing government (public official) engagement to recognize and strategically address the significance of the traditional brick production sector in their national sphere;
2. Encouraging a characterization, quantification and qualification of traditional brick production;
3. Assisting governments with guidance on measuring emissions and energy efficiency;
4. Promoting the incorporation into public policy of actions to engage on the social impacts and economic productivity of the sector;
5. Assisting governments in the design of government programs aimed at reducing emissions, improving energy efficiency, and raising social and economic indicator of the sector;

6. Explore ways in which other sectors in which the CCAC is invested (transport, energy, etc.) can benefit from holistic strategies on emissions reductions;

The PAN LAC has *and can continue to deliver effective results* in accompanying this transformational change of the traditional brick production sector, in the following *five* areas:

1. *Policy Dialogues*. PAN LAC should continue to program and carry out policy dialogues similar to those already held in Cuzco Peru (2014) and Maule Chile (2015) at a steady and recurring rate of **one or two per year**. These workshops serve to build public policy knowledge and visibility to the sector and to the aims of the CCAC to work to reduce emissions from brick production. It will have the added benefit of assisting governments to acquire ideas of how to design and implement policies in their home countries. It will also help sustain and strengthen the PAN LAC as a viable and recurring place for governments to find solutions to their challenges in the brick sector.
2. *Model Guidance on Public Strategy for Brick Production*. The PAN LAC should further develop the Framework Strategy document, producing a *Model Policy Guidance Document for the Traditional Bricks Sector*, which member States could use to sort out their thinking and preparation for the development of an intervention strategy for the brick sector. We should note that several governments requested such a guidance manual from the PANLAC.
3. *Assisting Member Countries Develop Intervention Plans and Strategies*. Identify member countries that wish to tangibly and strategically engage in addressing brick kiln contamination. The CCAC can identify and target willing governments for strategic assistance to address the brick sector. This will imply assisting governments in planning out a strategy and taking the initial steps to implement that strategy. The PAN LAC would ideally be working on **at least one and maybe two strategic plans** in specific member States per year.
4. *Assistance in Implementation*. Through the contacts and membership in the PAN LAC, the CCAC can help identify and coordinate experts to assist engaged States in the implementation of programs designed for the brick sector. This will imply offering technical expertise on issues such as regulation design, monitoring systems, technology, brick kiln design, market analysis, and finance. This work will be especially important to States at the initial stages of program design and launch.
5. *Economic and Scientific Studies*. The CCAC can further encourage the development of scientifically based and economic studies to underpin brick sector policy evolution.

Medium and Long Term Public Policy Goals for Traditional Brick Production

In the short and medium term, public policy evolution in the region must achieve:

- Member State engagement in policy dialogues
- Member State steps towards developing public policy and tools to target the sector
 - Sector analysis
 - Inventories
 - Strategic Planning

In the medium to long term, public policy evolution in the region must achieve:

- Actions by engaged States in the implementation of policies and plans to address contamination of the traditional brick sector
- Establishment and implementation of Brick Sector Strategies in countries of intervention



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- Establishment of laws/regulations and other standards addressing emissions and other social/environmental indicators for the sector
- Catalyze sector changes, including visible steps (such as, but not limited to):
 - advancements in measuring and quantifying emissions from the sector
 - production of trustworthy sector data on number of kilns, location, emissions, etc.
 - innovations carried out in techniques of brick production at participating kilns
 - infrastructure investments made to reduce emissions at participating kilns
 - measurable reductions in black carbon and other emissions at participating kilns
 - reduction of informality of the sector where the CCAC has engaged
 - improved working and health conditions for workers and communities
 - improvements in economic returns of production where the CCAC has engaged
 - improved energy efficiency of kilns where the CCAC has engaged