



INITIATIVE:





SUPPORT:





Monthly Outlook Report September 2021

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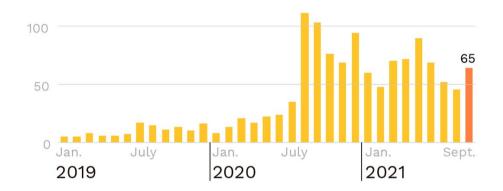
This is the Monthly Outlook Report on the Brazilian federal government' signals relevant to climate and environmental policies detected by our Government Actions Tracker (1. Executive Branch), and on the new proposals presented at the Federal Congress, identified by our Legislative Initiatives Database (2. Legislative Branch) in September 2021. We analyse Federal Official Gazette publications daily and classify relevant content using an actions typology<sup>1</sup> we have developed which allows us to understand trends in the government's agenda. This current edition brings an outlook on the number of relevant actions, their types and a sector-by-sector analysis, followed by an assessment of the current political state in Brazil (3. Analysis) and a discussion of the main trends for the coming month (4. Trends). To quote from this report, please refer to our terms of usage (5. Terms of Usage and Contact Information).

<sup>&</sup>lt;sup>1</sup> The typology for the Legislative Branch is being tested and will soon be published.

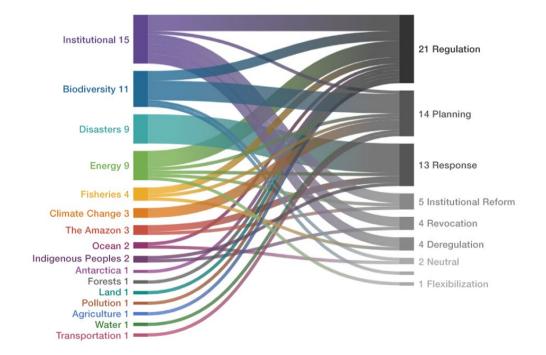


## 1. Executive Branch

In **September**, our Government Actions Tracker identified **65 actions** relevant to environmental and climate change policies from the federal Executive branch published in the *Federal Official Gazette*.

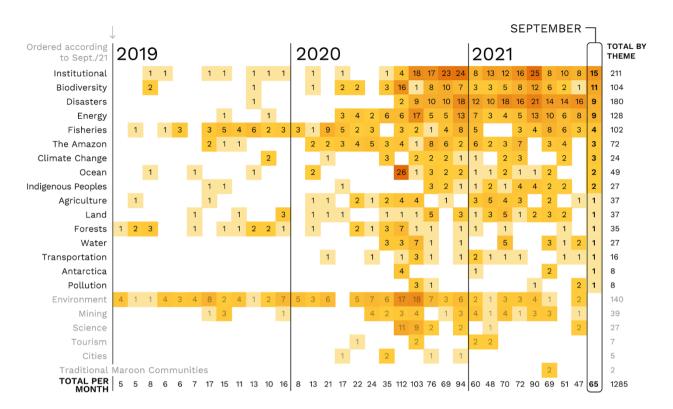


## 1.1 Classification of Executive branch actions



September 2021





## 1.2 Themes of Executive branch actions

## 1.3 Analyses by type and by theme



highlight the creation of the Brazilian Nuclear Energy Participations and Bi-national Company – ENBpar, a state-owned company linked to the Ministry of Mines and Energy (MME), in charge of maintaining federal control over the operation of nuclear power plants and of managing federal assets managed by Eletrobras (Centrais Elétricas Brasileiras S.A.).

Four actions were listed under *Fisheries*, among which we highlight the operational procedures to be established by the Ministry of Agriculture, Livestock and Food Supply's (MAPA) Aquaculture and Fisheries Secretariat and by the Secretariat for Coordination and Governance of Federal Assets (SPU), of the Special Secretariat for Privatization, Divestment and Markets of the Ministry of Finance, for the delivery and subsequent grant of use of physical spaces in federal water bodies for aquaculture.

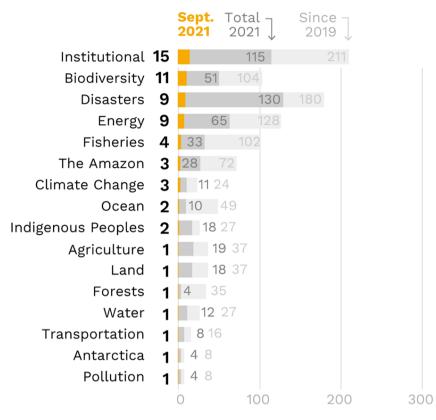
There were 3 actions listed under *Climate Change* and 3 under *The Amazon*. Among these, we highlight the creation of 3 Technical Groups within the Inter-ministerial Committee on Climate Change (CIM), aiming at: (i) developing the proposal for the National Policy on Climate Change (PNMC) update; (ii) assessing the first cycle and developing guidelines for the second assessment cycle for the National Climate Change Adaptation Plan (PNA); and (iii) following up and contributing to the elaboration of Brazil's Fifth National Communication to the United Nations Framework Convention on Climate Change (UNFCCC).

There were 2 actions listed under *Indigenous Peoples*, and 2 under *Ocean*. A relevant action extended for 6 months the restrictions on entry, locomotion and permanence of people outside the National Indian Foundation (FUNAI) staff in Piripkura Indigenous Lands, in Mato Grosso.

There was one relevant action identified in September for each of the following themes: *Antarctica, Forests, Land, Pollution, Agriculture, Water* and *Transportation*. We highlight the creation of the Territorial Governance Platform for land title procedures for areas of Incra (National Institute of Colonization and Agrarian Reform) agrarian reform projects or for federal lands subject to land tenure regularization by Incra or the federal government. The Forest+Bioeconomy was created, one more subprogramme of the Floresta+ (Forest+ programme), related to Payment for Environmental Services (PSA).



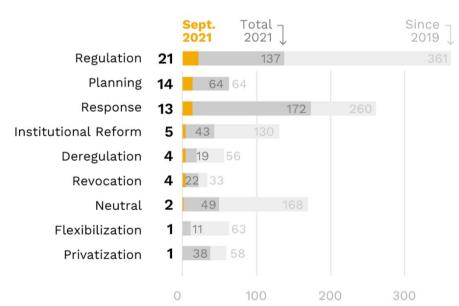
## ACTIONS BY THEME - SEPTEMBER



No actions were tracked in September for: Environment, Mining, Science, Tourism, Cities and Traditional Maroon Communities.



revocation within ICMBio (Chico Mendes Institute for Biodiversity Conservation), IBAMA (Brazilian Institute for the Environment and Renewable Natural Resources), FUNAI (National Indian Foundation) and the Presidency, accounting for over 1,000 (a thousand) rules revoked altogether. There were 2 actions listed under *Neutral*, in September, and 1 action listed under *Flexibilization* and 1 action under *Privatization*, among which we highlight the Partnership for Investments Programme Council's (CPPI) favourable opinion regarding the qualification of Restinga de Jurubatiba National Park (RJ), Serra da Canastra National Park (MG), Serra do Cipó National Park (MG), Caparaó National Park (MG/ES) and Ipanema National Forest (SP) conservation units under the Partnership for Investments Programme (PPI), and their inclusion in the National Privatization Plan.



## ACTIONS BY TYPE - SEPTEMBER

No actions were tracked in August for: Privatization, Retreat and Law Consolidation.

## **Theme: Institutional**

## ORDINANCE SEDGG/ME No. 10,641, of 2 SEPTEMBER 2021 -

#### Regulation

Authorizes the civil-service examination for 568 staff positions at the Brazilian Institute for the Environment and Renewable Natural Resources (IBAMA). The examination notice shall be published within six months.



#### ORDINANCE SEDGG/ME No. 10,644, of 2 SEPTEMBER 2021 -

#### Regulation

Authorizes the civil-service examination for 171 staff positions at the Chico Mendes Institute for Biodiversity Conservation (ICMBio). The examination notice shall be published within six months.

## ORDINANCE No. 423, of 6 SEPTEMBER 2021 – Institutional

#### Reform

Designates the Internal Special Control Advisory (AECI) as the new Integrity Management Unit within the Ministry for the Environment (MMA), replacing the unit previously assigned by Ordinance No. 137, of 10 MAY 2018. The Integrity Management Unit shall: I – coordinate the structuring, execution and monitoring of the MMA's Integrity Programme and Integrity Plan, to prevent and mitigate eventual vulnerabilities, aiming at prevention, detection and combating the occurrence of misconduct in public office; II – to guide and train MMA civil-servants regarding the Integrity Programme and Plan; and III – to promote other actions related to integrity management, together with other areas within the MMA. It revokes Ordinance No. 137, of 10 MAY 2018. Ordinance No. 423 is a continuation of Ordinance MMA No. 296, of 7 JULY 2021, which established the MMA's Governance Policy (PG-MMA), being yet another unfolding of the MMA's new institutional arrangement, already published.

### ORDINANCE No. 416, of 8 SEPTEMBER 2021 – Revocation

Ordinance No. 416 revokes 45 regulatory acts from the Ministry for the Environment (MMA). Some of these acts refer to expired institutional goals, and some refer to CFC emissions and the ozone layer, and are outdated. However, as in all *revocations*, we do not have access to all revoked regulatory acts, which must be requested via the Access to Information Law (LAI).

## ORDINANCE No. 582, of 20 SEPTEMBER 2021 – Institutional Reform

Ordinance No. 582 approves the Internal Regulations of the Chico Mendes Institute for Biodiversity Conservation (ICMBio). It revokes Ordinance ICMBio No. 1,162, of 27 DECEMBER 2018. It's worth mentioning that it determines that the General Coordination of Public Use and Business (CGEUP) will work with climate change issues, as described in Article 70, items VII to X: , "to elaborate, coordinate, support and execute programmes, projects and activities related to the Reduction of Greenhouse Gas Emissions from Deforestation and Forest Degradation, the Conservation of Forest Carbon Stock, the Sustainable Management of Forests and the Increase of Forest Carbon – REDD+



with the aim to implement Management Plans of federal conservation units"; "to raise funds for payments from REDD+ results at sustainable use federal conservation units"; "to support the implementation of the National Strategy for the Reduction of Greenhouse Gas Emissions from Deforestation and Forest Degradation, the Conservation of Forest Carbon Stock, the Sustainable Management of Forests and the Increase of Forest Carbon - ENREDD+ at federal conservation units", and "to plan for the management of REDD+ contracts aiming at implementing the Management Plans of federal conservation units".

#### ORDINANCE No. 599, of 14 SEPTEMBER 2021 – Revocation

Ordinance No. 599 revokes 58 regulatory acts from ICMBio and IBAMA, including Ordinances and Normative Instructions. Most revoked regulatory acts relate to Conservation Units and had already expired. Likewise, all revoked management plans had already been replaced. We highlight the revocation of the Ordinance that had created the Partnerships Assessment and Monitoring Standing Committee, that has not yet been recreated. Moreover, it revoked the rule that addressed procedures for the investigation of administrative infractions, that had been partially revoked by Normative Instruction IN 02/2020, which maintained Articles 33 to 37 in force. With the express revocation of the rule, these Articles are no longer in force and leave without regulation the issue of seized assets, the release and sale of pets or exotic animals, the donation of seized assets, and the destruction of seized assets under de custody of ICMBio or at its warehouse.

#### RESOLUTION BCB No. 139, of 15 SEPTEMBER 2021 – Regulation

Resolution No. 139 established that financial institutions and institutions with authorization to operate by the Central Bank, included in segments 1, 2, 3 and 4 (established by Resolution No. 4,553, of 30 JANUARY 2017) shall publicize their Social, Environmental and Climate Risks and Opportunities Report (Relatório GRSAC). It establishes mandatory and optional information for the report. The report shall be publicized yearly and must be available at the institution's website at a single place, with public access and easy to find, for 5 years, and as open data, only required to start in December/2023. The rule comes into force in 1 December 2022.

#### RESOLUTION BCB No. 140, OF 15 SEPTEMBER 2021 - Regulation

Resolution No. 140 creates Section 9 (Social, Environmental and Climate Impediments) in Chapter 2 (Basic Conditions) of the Rural Credit Manual, characterizing enterprises with restricted access to rural credit due to legal or infra-legal provisions related to social, environmental and climate issues.



#### RESOLUTION CMN No. 4,943, of 15 SEPTEMBER 2021 -

### Deregulation

Resolution No. 4,943 amends Resolution CMN 4,557/2017, which addressed the risk management and the capital management structures, amending it and including many provisions, including social, environmental and climate risks in the "risk management structure".

## RESOLUTION CMN No. 4,944, of 15 SEPTEMBER 2021 -

### Deregulation

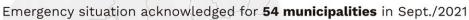
Resolution No. 4,944 amends provisions from Resolution CMN No. 4,606, of 19 October 2017, which addressed the simplified optional methodology for determining the minimum Simplified Regulatory Capital (PRS5) requirements, the requirements for adopting this methodology and the additional requirements for the continuous risk management simplified structure.

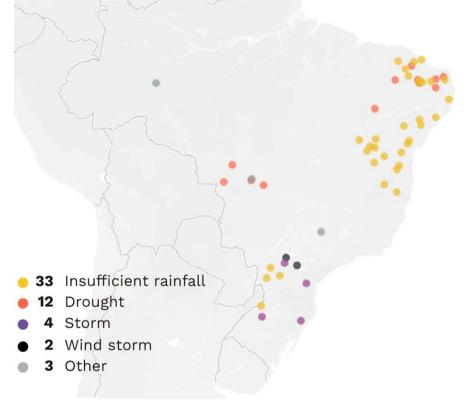
### RESOLUTION CMN No. 4,945, of 15 SEPTEMBER 2021 – Regulation

Resolution No. 4,945 addresses the Social, Environmental and Climate Responsibility Policy (PRSAC) and actions for its effectiveness, determining that financial institutions and institutions with authorization to operate by the Brazilian Central Bank (BCB) included in Segment 1 (S1), Segment 2 (S2), Segment 3 (S3), Segment 4 (S4) and Segment 5 (S5) shall create the PRSAC and implement actions for its effectiveness. The PRSAC shall be unified for institutions from the same prudential conglomerate, which does not exempt each institution integrating the cooperative credit system from the responsibility of managing the implementation of actions aiming at the effectiveness of the PRSAC. It also determines that the documentation regarding the creation of the PRSAC and the implementation of actions aiming at its effectiveness shall be available to the Brazilian Central Bank for 5 years.



#### DISASTERS





### List of affected municipalities:

INSUFFICIENT RAINFALL – Brotas de Macaúbas/BA, Jeremoabo/BA, Boquira/BA, Cotegipe/BA, Fátima/BA, Guanambi/BA, Poções/BA, Rafael Jambeiro/BA, Bertópolis/MG, Três Passos/RS, Irajuba/BA, Paratinga/BA, Hidrolândia/CE, Alexandria/RN, Lagoa da Canoa/AL, Itiúba/BA, Livramento de Nossa Senhora/BA, Serra Preta/BA, Boa Viagem/CE, Pombos/PE, Cascavel/PR, Mato Rico/PR, Moreira Sales/PR, Major Sales/RN, São Fernando/RN, Barra do Choça/BA, Sítio do Mato/BA, José da Penha/RN, Tangará/RN, Beberibe/CE, Capistrano/CE, Comercinho/MG, Piquet Carneiro/CE;

DROUGHT – Choró/CE, Parambu/CE, Cáceres/MT, Arenápolis/MT, Guiratinga/MT, Jaciara/MT, Tenente Laurentino Cruz/RN, Ruy Barbosa/RN, São Raimundo Nonato/PI, Equador/RN, Paraná/RN e São Miguel/RN

STORM (hail) – Jandaia do Sul/PR, Ijuí/RS, Campo Largo/PR, São José dos Ausentes/RS.

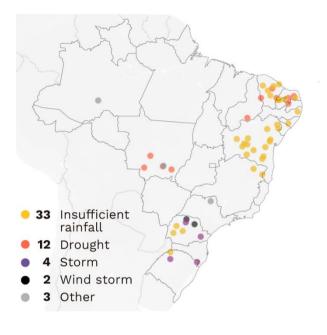
WIND STORM – Figueira/PR; Jaguapitã/PR

OTHERS (forest fire, river margin erosion) – Dom Aquino/MT, Morro Agudo/SP; Canutama/AM.



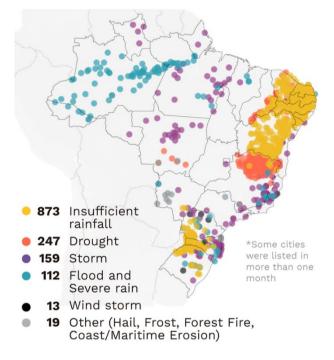
#### DISASTERS IN SEPTEMBER

Emergency situation acknowledged for **54 municipalities** in September/2021



#### TOTAL FOR 2021

Emergency situation acknowledged for **1,423 municipalities\*** between Jan. and Sept. 2021



## **Theme: Energy**

### DECREE No. 10,791, of 10 SEPTEMBER 2021 – Institutional Reform

Decree No. 10,791 creates the Brazilian Nuclear Energy Participations and Bi-national Company – ENBpar, a state-owned company linked to the Ministry of Mines and Energy (MME), organized as a corporation. Its competences include: (i) maintaining federal control over the operation of nuclear power plants; (ii) managing federal assets managed by Eletrobras (Centrais Elétricas Brasileiras S.A.); (iii) managing the current account named National Programme for Energy Conservation (Procel); (iv) managing contracts for marketing of energy generated by enterprises contracted within the Incentive Program for Alternative Sources of Energy (Proinfa). In relation to Itaipu, it establishes that the ENBpar aims at "maintaining ownership of capital and the acquisition of electricity services of Itaipu Binacional by an institution or an entity of the federal administration", as well as instituting as one of ENBpar's funding sources "resources from "capital income and reimbursement of administration and supervision charges from Itaipu Binacional".



## **Theme: Biodiversity**

#### ORDINANCE No. 372, of 2 SEPTEMBER 2021 - Response

Ordinance No. 372 authorizes the use of the National Public Security Force (FNSP) to support the state of Mato Grosso, on an episodic and planned basis, in fighting forest fires and intentional fires throughout the state in civil defence activities to defend the environment and in services essential to the preservation of the public order and the safety of people and property, as part of the "Biome Guardians" operation, for 30 days. The <u>Biome Guardians</u> inter-ministerial operation for prevention and combating forest fires is in force until November and includes the transportation of NFSP agents to the biomes most affected by fires.

#### ORDINANCE No. 567, of 2 SEPTEMBER 2021 – Neutral

Publishes the half-yearly list of priority Conservation Units for land tenure regularization: Jamanxim National Forest (Amazon Biome); Iquiri National Forest (Amazon Biome); Altamira National Forest (Amazon Biome); Fernando de Noronha National Marine Park (Coastal Marine Biome); Lençóis Maranhenses National Park (Coastal Marine Biome); Jericoacoara National Park (Coastal Marine Biome); Iguaçu National Park (Mata Atlântica Biome); Tijuca National Park (Mata Atlântica Biome); Aparados da Serra National Park (Mata Atlântica Biome); Serra Geral National Park (Mata Atlântica Biome); Chapada dos Guimarães National Park (Cerrado Biome); Brasília National Park (Cerrado Biome); Chapada dos Veadeiros National Park (Cerrado Biome); Serra da Canastra National Park (Cerrado Biome); Mapinguari National Park (Amazon Biome); Jamanxim National Park (Amazon Biome); Cazumbá Iracema Extractive Reserve (Amazon Biome); Ituxi Extractive Reserve (Amazon Biome); Verde para Sempre Extractive Reserve (Amazon Biome); Chico Mendes Extractive Reserve (Amazon Biome); Nascentes da Serra do Cachimbo Biological Reserve (Amazon Biome); Terra do Meio Ecological Station (Amazon Biome).

### ORDINANCE No. 577, of 17 SEPTEMBER 2021 - Planning

Ordinance No. 577 creates the group for managing the MMA 001/2021 Technical Cooperation Agreement, an agreement signed between the Chico Mendes Institute for Biodiversity Conservation (ICMBio) and the Ministry for the Environment (MMA). The Managing Group is responsible for managing the partnership; overseeing its observance; coordinating, organizing, promoting, following up, monitoring and overseeing the actions taken within the scope of the agreement, as well as sending and receiving requests, scheduling meetings, and documenting all communication. The Heads of the Conservation Units



that benefit from the actions of the Forest+ Communities Programme shall contribute to and participate in the production of reports of activities connected to their respective Units, indicating products and executions and helping the Managing Group when requested.

## RESOLUTION No. 197, of 25 AUGUST 2021 - Privatization

Resolution No. 197 approves the inclusion of the following Conservation Units in the Partnership for Investments Programme (PPI) and the National Privatization Programme (PND), for concession: I – Restinga de Jurubatiba National Park, located in the state of Rio de Janeiro; II – Serra da Canastra National Park, located in the state of Minas Gerais; III – Serra do Cipó National Park, located in the state of Minas Gerais; IV – Caparaó National Park, located around the Minas Gerais and Espírito Santo state lines; and V – Ipanema National Forest, located in the state of São Paulo. The concession includes the provision of public services supporting visitation and provisions for the cost of actions to support conservation, protection and management of the Conservation Units. This indication is now subject to the President's opinion.

## **Theme: Forests**

### ORDINANCE MMA No. 414, of 31 AUGUST 2021 - Regulation

Ordinance No. 414 creates the Forest+ Bioeconomy modality, aiming at fostering the bioeconomy focused on payment for environmental services, and is understood as the set of activities of improvement, recovery, monitoring and conservation of native vegetation in all biomes. The Forest+ Bioeconomy modality is valid for the whole country.

## **Theme: Fisheries**

## ORDINANCE SAP/MAPA No. 387, of 9 SEPTEMBER 2021 – Regulation

Ordinance No. 387 determines that it is forbidden to catch, to transport and to market the *Gramma brasiliensis* species all over the country. This rule does not apply to individuals from aquacultures or aquaculture enterprises duly registered with the General Fishing Activity Registry and with a valid aquaculturist license. The *Gramma brasiliensis* is a marine ornamental species, endemic to Brazil, that used to be intensely captured, almost to extinction for aquarist marketing. In 2004 it was included in the endangered species list (Normative Instruction IN MMA 05/2004) and its capture has been forbidden ever



since. This prohibition allowed for a population recovery in recent years, and the species was removed from the 2014 Red List of Endangered Fauna Species. However, the ornamental fish market is underregulated, there are no catch limits or, when present, they are understated. The prohibition arose from a request by the Brazlian Ichthyology Society – SBI made to the Aquaculture and Fisheries Secretariat (SAP) on 10 October 2020, requesting the prohibition of catch and marketing of *Gramma brasiliensis*, demonstrating its bioecological characteristics and explaining the possible impacts of Normative Instruction (IN) No. 10/2020 to the species (IN No. 10 was already indicated as a problem in the Pesca por Inteiro publication). Thus, this prohibition is a necessary precautionary measure. It remains to be seen if the species will be included in the next Red List which is currently being assessed by the National Biodiversity Commission, CONABIO, as addressed here by Política por Inteiro.

## JOINT ORDINANCE SAP/MAPA – SPU/SEDDM/ME No. 396, of 16 SEPTEMBER 2021 – **Deregulation**

Joint Ordinance No. 396 determines the operational procedures to be established by the Aquaculture and Fisheries Secretariat (SAP) of the Ministry of Agriculture, Livestock and Food Supply (MAPA) and by the Secretariat for Coordination and Governance of Federal Assets (SPU), of the Special Secretariat for Privatization, Divestment and Markets, for the delivery and later grant of the use of physical spaces in federal bodies of water for aquaculture. In December 2020, Política por Inteiro prepared an exclusive analysis of Federal Decree No. 10,576/2020, addressing the grant of use of physical spaces in federal bodies of water for aquaculture.

## **Theme: Climate Change**

## RESOLUTION No. 2, of 17 AUGUST 2021 - Planning

Resolution No. 2 approves the creation of the Temporary Technical Group (GTT) aiming at developing a proposal for the National Policy on Climate Change (PNMC) update. The GTT shall be composed by a member and a substitute, nominated by each of the Ministeries that compose the Inter-ministerial Committee on Climate Change (CIM). The GTT shall work for 60 days, counting from the date of its first meeting, extendable for 60 more days by a decision of its coordinating body. The National Policy on Climate Change (PNMC) update proposal shall contemplate guidelines for the implementation of Brazil's NDC



with the United Nations Framework Convention on Climate Change (UNFCCC).

## RESOLUTION No. 3, of 17 AUGUST 2021 - Planning

Resolution No. 3 creates the Temporary Technical Group for assessing the first cycle and developing guidelines for the second assessment cycle of the National Climate Change Adaptation Plan (PNA). The GTT shall be composed by a member and a substitute, nominated by each of the Ministeries that compose the Inter-ministerial Committee on Climate Change (CIM), without the participation of the civil society or the academia. The GTAdapta shall work for 180 days, counting from the date of its first meeting, extendable for 180 more days by a decision of its coordinating body.

## RESOLUTION No. 4, of 17 AUGUST 2021 - Planning

Resolution No. 4 approves the creation of a Temporary Technical Group aiming at following up and contributing to the elaboration of Brazil's Fifth National Communication to the United Nations Framework Convention on Climate Change (UNFCCC). The GTT shall be composed by a member and a substitute, nominated by each of the Ministeries that compose the Inter-ministerial Committee on Climate Change (CIM), without the participation of the civil society or the academia. The GTT shall work for 180 days, counting from the date of its first meeting, extendable for 180 more days by a decision of its coordinating body.

## Theme: Land

### ORDINANCE No. 1,423, of 13 SEPTEMBER 2021 - Regulation

Ordinance No. 1,423 creates the semi-automated Territorial Governance Platform for land title procedures for areas of Incra (National Institute of Colonization and Agrarian Reform) agrarian reform projects or of federal lands subject to land tenure regularization by Incra or the federal government, aiming at allowing the automated analysis of land title requirements conformity with the applicable laws. Instructions for online applications and for using the Territorial Governance Platform shall be established in a Manual, to be published within 30 days. The system had been delivered to the government in 2019 and only now becomes operational.

## Theme: The Amazon

RESOLUTION No. 4, of 31 AUGUST 2021 – Institutional Reform



Resolution No. 4 approves the Internal Regulations of the National Council for the Legal Amazon (CNAL). It made a specific change, including the National Committee on the Amazon Cooperation Treaty Organization and the Ministry of Communication (MCOM) in the Council's composition. It revokes Resolution No. 1 of 17 JUNE 2020.

## ORDINANCE No. 363, of 2 SEPTEMBER 2021 – Response

Ordinance No. 363 authorizes the use of the National Public Security Force to support the state of Amazonas, on an episodic and planned basis, until 11 November 2021, to fight forest fires and intentional fires in the municipalities of Humaitá, Lábrea, Apuí and Boca do Acre, in civil defence activities to defend the environment and in services essential to the preservation of public order and the safety of people and property, within the "Biome Guardians" operation.

## Theme: Water

## ORDINANCE No. 439, of 16 SEPTEMBER 2021 - Planning

Ordinance No. 439 creates the Rios+Limpos (Cleaner Rivers) Programme within the National Urban Environmental Quality Agenda, to be implemented by the Ministry for the Environment (MMA) and may receive support from states, municipalities, public consortia, public agencies and companies, civil society organizations and the private sector. The Programme's specifics shall be published on the MMA's website. It is important to keep in mind that the MMA's competence over water resources themes was removed in January 2019 when the National Water Agency (ANA) was transferred to the Ministry of Regional Development (MDR), just like environmental analysts who worked with this theme at the MMA were transferred by default to the MDR. In the new MMA structure, revised in August/2020, the word "water" was brought back, with the creation of a new Air and Water Quality Management department within the Environmental Quality Secretariat, without, however, bringing back the technicians who used to work with the theme.

## **Theme: Indigenous Peoples**

## ORDINANCE No. 390, of 16 SEPTEMBER 2021 - Response

Ordinance No. 390 extends for 6 months the restrictions on entry, locomotion and permanence of people outside the National Indian Foundation (FUNAI) staff in the area of 242,500 hectares and the approximate perimeter of 284 kilometres of the Piripkura Indigenous



Lands in the municipalities of Colniza and Rondolândia, in the state of Mato Grosso, aiming at continuing the work of territorial and physical localization, monitoring and protection of the Piripkura indigenous people (Isolated Indigenous Peoples Registry n°55 – Igarapé dos Índios). The issue has been monitored by indigenous organizations that urged for the renewal of the ordinance, considered as fundamental for the protection of isolated indigenous peoples. The Piripkura live in lands under pressure from mining expansions, lands that were recently mapped by the Geological Survey of Brazil (CPRM) as an area of interest for the prospection of precious metals.



# 2. Legislative Branch

POLÍTICA POR INTEIRO's Legislative Iniciatives Database, a tool for monitoring new legislative proposals related to the environment and climate change, identified **7 relevant legislative proposals** in September. All of them were Bills of Law (PLs).

It is important to mention that after the holiday of 7 September (Brazil's Independence Day), and in the aftermath of Jair Bolsonaro's statements, there have been impacts in the activities of the National Congress.

In the Chamber of Deputies, we highlight the voting on the new electoral rules. Marcelo Ramos (PL/AL), vice-president of the Chamber of Deputies stated that "the legislative year is over", in reference to Bolsonaro's demonstrations and their possible impacts. In the Senate, president Rodrigo Pacheco (DEM/MG) virtually paralyzed works for lack of an "atmosphere" for decisions, even for priority decisions for the pro-government base.

## 2.1 Proposals Presented

We highlight the following proposals identified in September 2021:

- Bill of Law (PL) 3,266/2021, by senator José Agripino (DEM/RN), aiming at amending Law No. 8,629, of 25 February 1993, which "addresses the regulation of constitutional provisions relative to the agrarian reform, as of Chapter III, Title VII, of the Federal Constitution", in order to allow settlers, upon authorization by the federal agency in charge of executing the National Agrarian Reform Programme, to explore the renewable energy potential – wind, solar, hydro and bioenergy –, to supplement agricultural-forestry-livestock activities or extractive activities conducted in the rural property.
- Bill of Law (PL) 3,269/2021, by representative Ricardo Silva (PSB/SP), aims at amending Decree-Law No. 2,848, of 7 December 1940 (Penal Code), to establish as a sentence enhancing factor for the crime of arson, when it is perpetrated in an Environmental Preservation Area (APA) or a Permanent Preservation Area (APP).



- Bill of Law (PL) 3,240/2021, by representative Joenia Wapichana (REDE/RR), addresses the prohibition of authorizations for probing and mining concession for mineral deposits in areas located inside Indigenous Lands, and enhances sentences for the illegal extraction of environmental resources located therein.
- Bill of Law (PL) 3,209/2021, by representative Joice Hasselmann (PSL/SP) and representative Rogério Peninha Mendonça (MDB/SC), aiming at amending the Forest Code (Law No. 12,651/2012), which addresses the protection of native vegetation, to address Permanent Preservation Areas (APP) located in restingas (forest on sandbanks).

## 2.2 Relevant Actions

Climate Change in Congress: We highlight the discussion session that took place in the Senate to analyse the Assessment Report of the Inter-governmental Panel on Climate Change (IPCC). The session was chaired by senator Jaques Wagner, president of the Environment Committee, and attended by Governor Renato Casagrande, coordinator of the Governors Forum for the Climate; of Dr. Fiona Clouder, COP 26 Ambassador; of Dom Walmor Oliveira, from the National Conference of Bishops of Brazil (CNBB), of Sir David King, Chair of the Centre for Climate Repair at Cambridge; of Swedish environmental activist Greta Thunberg and of Samela Sateré Mawé, from the Coordination of Brazilian Amazon Indigenous Organizations (COIAB), who directly spoke about the march of indigenous women. Greta, known worldwide for her activism, was emphatic in her speech and said that what Brazilian leaders are doing to indigenous peoples is shameful and that Brazil needs to take responsibility for doing its share regarding the climate crisis. Política por Inteiro followed the event and selected the main speeches.

Bill of Law (PL) 528/21, which sets the rules for the Brazilian Emissions Reduction Market (MBRE), was discussed in the Chamber of Deputies with the participation of representatives from the Ministry of Science, Technology and Innovation (MCTI), the Ministry of Finance, the Ministry for the Environment (MMA), the National Confederation of Industry (CNI), the Confederation of Agriculture and Livestock of Brazil, the Belém Letter Group, INPA, CEBDS and Tiago Ricci. It's noteworthy that there are political differences around the importance of the use of the carbon market tool, and around the timing for its implementation. At the same time, the need for conceptual alignment among stakeholders was evident, aiming at more transparent and



efficient discussions on the challenge of carbon pricing. Later, a request was approved demanding that a Public Hearing be held to analyse and discuss the Bill of Law (PL).

**Energy Crisis:** parties nominated senators to compose the Temporary Water Crisis Commission, requested by senators Jean Paul Prates (PT/RN), Antonio Anastasia (PSD/MG) Jaques Wagner (PT/BA), Zenaide Maia (PROS/RN), and Carlos Fávaro (PSD/MT). The collegiate body will be composed of "11 members and 11 substitutes, and will also follow the work of the Chamber of Exceptional Rules for Hydroenergy Management (Creg), and propose solutions that guarantee energy security and tariff affordability to the Brazilian Electrical System (SEB)". The following senators were nominated to compose the collegiate body: Lucas Barreto (PSD/AP), Angelo Coronel (PSD/BA), Carlos Favaro (PSD/MT), Carlos Viana (PSD/MG), Carlos Portinho (PL/RJ), Marcos Rogério (DEM/RO), Jayme Campos (DEM/MT), Jean Paul Prates (PT/RN), Jaques Wagner (PT/BA) and Acir Gurgacz (PDT/RO).

Still, regarding the energy crisis, the Senate's Infrastructure Services Committee (CI) will discuss the theme after a request by senator Eduardo Braga (MDB/AM) for a public hearing.

**The Amazon**: A <u>meeting was held</u> by the Amazon Cooperation Treaty Organization Group, created in March/2021 and chaired by senator Nelsinho Trad (PSD/MS). According to a <u>report</u>, "members of parliament discussed ways to promote collaboration and the sustainable development of the Amazon" and "defined the agenda to be addressed at COP 26".

**Pantanal**: The Pantanal Protection Standing Subcommittee was created in the Senate by request of senator Wellington Fagundes (PL-MT). Its purpose is to "study themes related to the protection of the Pantanal biome and to propose legislation enhancements, public policies and other actions for the protection of this national heritage".

Administrative Reform: The Constitutional Amendment Proposal PEC 32 was approved by 28 votes in favour and 18 against at the special committee in the Chamber of Deputies, amid manifestations from various civil-servant associations. PEC 32 was much criticized by analysts, and it establishes restrictions to stability in civil-service careers and typical Public Administration careers yet to be defined. The opposition criticized the section that addresses rules for temporary hiring for up to ten years. Arthur Maia (DEM-BA), the Rapporteur, highlighted that temporary contracting will undergo an impersonal, simplified process, and those who are hired will enjoy labour rights.



#### Permanent Preservation Areas (APPs): Bill of Law (PL)

1709/2019, by representative Capitão Alberto Neto (PRB/AM) was approved by the Chamber's Committe on the Environment and Sustainable Development (CMADS). It aims to amend the Forest Code (Law No. 12,651/2021), to rule over permanent preservation areas in urban zones, reducing in half the minimum width of marginal strips of perennial water courses like rivers and streams, considered as Permanent Preservation Areas (APP). The proposal will now be assessed by the Chamber's Committee on the Constitution and Justice and Citizenship (CCJC). The Chamber's Committee on the Environment and Sustainable Development rejected Bill of Law (PL) 5,086/20, by representative Nilto Tatto (PT/SP), that aimed to include in the Forest Code (Law No. 12,651/2021) the contents of the National Council for the Environment (CONAMA) Resolutions 302/2002 and 303/2002, on the protection of restingas (forests on sandbanks), dunes and Permanent Preservation Areas around artificial reservoirs. The project Bill was rejected according to the opinion of representative Evair Vieira de Melo, the Rapporteur, with an opposing vote by representative Rodrigo Agostinho.

**Nuclear Energy**: The Senate ratified the creation of the National Nuclear Security Authority without changes to the text from the Chamber of Deputies. It is now subject to presidential sanction.

**Environmental Licencing:** Bill of Law (PL) 2,159/2021, that addresses environmental licensing, included 11 amendments presented by senator Fabiano Contarato, of which 6 are changes and 5 are additions.



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## 3. Analysis

## Crises / Setbacks / Controversy

Jair Bolsonaro: The 7 September (Brazil's Independence Day holiday) demonstrations placed democracy in the spotlight. In a heated speech, Bolsonaro shook the relations with the other branches with statements considered as anti-democratic and unconstitutional. In the Judiciary, as a response, judge Luiz Fux, president of the Federal Supreme Court (STF), made a point to highlight the role of the STF in maintaining justice and rights: "Offending the honour of STF members and urging the population to disseminate hate against the STF configures anti-democratic and illegal practices". The 8 September speech came in the wake of Jair Bolsonaro's attacks to judge Alexandre de Moraes and to judicial decisions, even stating that he would not comply. The president of the STF still emphasized that such statements qualify as an "impeachable offence". However, despite possible consequences, Bolsonaro seemed willing to insist on attacking the STF. He issued an Official Note stating "it was never his intention to offend any of the Branches". Reaffirmed his "respect for the institutions of the Republic" and said he has always been "willing to keep permanent dialogue with the other Branches for maintaining their harmony and independence".

Official Letter from the Ministry of Finance ("Brazil Cost"): an official letter from the Ministry of Finance (ME) became public in May 2021, still during the Salles administration, demanding information from the Ministry for the Environment (MMA) regarding many agenda items aimed at weakening environmental rules such as evironmental licensing and Atlantic Forest intervention, and their observation. This information relates to what is called the "Brazil Cost", aiming at enabling economic activities domestically. It is interesting to note that in the "Reduction of the Brazil Cost" Project, the Ministry of Finance lists as one of the critical areas the issue of Brazil's adherence to the Organization for Economic Co-operation and Development (OECD). "The Brazil Cost Mandala: it contemplates areas listed in the study as essential for the competitiveness of the business sector and compares these themes with average values for OECD countries". However, they forget to consider that, the weaker the country's environmental legislation, the farther we will be from being accepted at the OECD.

"What predominates today is president Jair Bolsonaro's negative weight with his environmental policies". Specifically, regarding the OECD, it's worth noting that the Chief of Staff has created a Brazil-OECD Council with no seat for the Ministry for the Environment (MMA), which might explain the monocratic way in which the government looks at Brazil's adherence to OECD. On the other hand, the Ministry of Finance argues that the call for revoking or changing 14 environmental laws and rules is based on studies conducted in partnership with the Competitive Brazil Movement (MBC), composed by companies like Gerdau, Itaú, Microsoft and others. The MMA, during the Joaquim Leite administration, requested IBAMA (Brazilian Institute for the Environment and Renewable Natural Resources) to provide the information requested by the ME's Official Letter by 30 September. In an official letter to which we had access, IBAMA replied on 23 September that "demands from the private sector listed in the Annex of Official Letter SEI No. 123,719/2021/ME, refer to governmental actions (Public Policies) outside the scope of IBAMA, an institution that executes the National Environment System, so that the assessment of proposals shall be conducted by the competent government bodies, which include agencies outside the Executive branch". Given all its repercussion, on 1 October the MBC issued a communication affirming that "the information that has been conveyed by some of the press since Wednesday, 22 September, on the MBC's position regarding the environmental issue in Brazil is untrue", and highlighting that "the MBC did not take part in the elaboration nor in the discussions of propositions mentioned by the Ministry of Finance's Official Letter". It's worth mentioning that in a Technical Note developed by more than 70 environmental experts, the conclusion states that "it is evident that proposals from Official Letter SEI No. 123,719/2021/ME are inappropriate in all regards, they represent a serious threat to already established governmental policies and, if inadvertently implemented, they will create an enormous social and environmental cost, absolutely incompatible with contemporary civilization challenges".

**17<sup>th</sup> round:** The suspension of the 17<sup>th</sup> Bidding Round for Blocks located in the ocean sedimentary basins of Campos, Pelotas, Potiguar and Santos was requested before the Federal District's Federal Justice (Action No. 1068148-31.2021.4.01.3400). It was to be conducted by the National Agency for Petroleum, Natural Gas and Biofuels (ANP). Its suspension was requested due to the impact of the activity in the ocean biodiversity. It is on behalf of the blue whale. Additionally, a series of demonstrations, public hearings and public-interest civil actions that are being filed by the Attorney General's Office representatives and environmental organizations is trying to stop the 17<sup>th</sup> round of the oil



auction from happening. The 17<sup>th</sup> round offers 92 blocks located in extremely environmentally sensitive areas, like the underwater hills that form the Fernando Noronha archipelago and the Atol das Rocas, the sole atoll in the whole South Atlantic. It is worth keeping in mind that 9 companies have already qualified for the auction, that shall take place on 7 October.

## GLO (Guarantee of Law and Order) and Deforestation: The

monitoring of deforestation in areas covered by the Samaúma Operation, concluded on 31 August, indicated that the deforestation reduction was greater in municipalities not included in the area covered by the armed forces operation. Check out the complete analysis and the timeline of GLO (Guarantee of Law and Order) Operations here. According to deforestation warnings from the Real-time Deforestation Detection system (DETER), there was a 28% reduction in deforestation in the Legal Amazon in August 2021 if compared to August 2020. However, data from the Institute of Man and Environment of the Amazon (Imazon) show an increase trend of 7% for the same period. This discrepancy in data had been observed in preceding months and may be justified by the different methodologies and imaging techniques between INPE (National Institute for Space Research) and Imazon satellites. The DETER system warnings indicate changes in the landscape for more precise comparisons of deforestation trends. Preferably, the yearly consolidated data from the Prodes System (Amazon Deforestation Calculation Programme) would be used.

**Fires:** Over <u>23 thousand hectares</u> have burned in the Chapada dos Veadeiros. The <u>central area</u> of the Chapada dos Veadeiros National Park has been affected. Fires have been spreading since 7 September and the ICMBio, the IBAMA, the Federal District Fire Department and the Goiás State Fire Department have been <u>working together</u> to fight the fires. The IBAMA also <u>fought</u> fires at Mata do Mamão, in the southern section of the Araguaia National Park, in the state of Tocantins. According to <u>IBAMA data</u>, the agency has hired 1,501 fire brigade members so far, and is expected to hire 172 more in November to work in the state of Roraima and in the south of Bahia.

**Civil-service examinations**: The Ministry of Finance (ME) authorized civil-service examinations for staff positions at IBAMA (568 positions – 96 Environmental analysts, 40 administrative analysts and 432 environmental technicians) and ICMBio (171 positions – 61 environmental analysts, 110 environmental technicians). Despite the long wait for these examinations, they fail to fulfil the agencies' staffing needs. As reported, for IBAMA alone, the staffing need, according to a 2020 survey, was of at least 1,306 undergraduate civil-servants. The



IBAMA had requested the Ministry for the Environment (MMA) to hold examinations to hire 2,311 civil-servants. We don't have official data on the ICMBio's demand, but civil-service examination related websites suggest that the MMA's request to the Ministry of Planning in 2018 was for at least 1,179 civil-servants to be hired.

**Indigenous Peoples**: The trial of Extraordinary Appeal (RE) 1,017,365 continues, addressing the definition of the legal-constitutional status of the ownership relations of traditional indigenous occupation areas, also addressing since when this occupation shall prevail, the socalled time framework. The vote of Judge Edson Fachin, the rapporteur, was fully open, defending the indigenous rights as fundamental rights originating from the lands they traditionally occupy. He dismissed the argument that the premises from the trial of Petition (PET) 3,388, relative to Raposa Serra do Sol Indigenous Land demarcation, would allegedly be applicable to all indigenous land demarcation cases. Judge Fachin defended, in his vote, that the demarcation process is merely declaratory and does not constitute ownership of the lands occupied by the indigenous peoples. After his conclusion, Judge Nunes Margues spoke. He talked about traditionality and original rights of indigenous peoples to their lands. Due to time constraints, he requested continuation of votes to be adjourned to the next session, which took place on 15 September, when he fully disclosed his vote. He opposed the rapporteur's vote stating, among other arguments, that the solution reached by the Federal Supreme Court (STF) in the Raposa Serra do Sol case (PET 3,388) was the best in terms of conciliation of involved interests. Moreover, he indicated that the constitutional protection of indigenous peoples depends on the time framework, i.e., there should be proof of occupation of the area by the indigenous peoples at the date of promulgation of the 1988 Federal Constitution, or that they have been displaced due to conflict. Therefore, he voted for the time framework and against the expansion of the Xokleng indigenous land. Judge Alexandre de Moraes spoke next and requested to see the record and, therefore, adjourned the trial, not yet scheduled to resume. Still on the Indigenous Peoples theme, Michelle Bachelet, the UN's High Commissioner for Human Rights, emphasised that the attacks suffered by the Yanomami and Munduruku peoples in Brazil are alarming, all actions of illegal miners in the Amazon. The "attempts to legalize the access of companies to indigenous lands" cause great concern to the UN's Human Rights Council. And there is more: in a letter sent to president Jair Bolsonaro, fifty members of the European Parliament also criticized the Brazilian Government for its standing in the indigenous issue.



## **Ongoing Policies**

**Brazilian Central Bank (BCB):** Another major highlight in September was the Brazilian Central Bank's announcement of the Agenda BC# Sustainability measures during a virtual event. Five new rules were introduced related to social, environmental and climate risk. You will find a thorough analysis on the subject on Política Por Inteiro's blog. In spite of a few necessary adjustments, these rules represent a significant step for financial institutions and institutions with authorization to operate by the Central Bank, an important step towards the inclusion of urgent and relevant issues in the country's financial realm.

**The Amazon**: According to an opinion poll, the environmental protection of the Amazon will be a decisive factor in the 2022 elections for 85% of Brazilians. Among the interviewees, 58% said they are more prone to voting for a presidential candidate with a specific plan for the preservation of the forest. Likewise, 71% of Brazilians see the protection of the Amazon as key to the country's economic development. On the Amazon Day, celebrated on 5 September, we launched the "Amazônia por Inteiro" Report. A "picture" of the present moment is put together using the identification of actions directly or indirectly related to the theme and published on the *Federal Official Gazette* between 2019 and 2020, as well as using the identification of legislative proposals at the National Congress during the same period. The Amazonia por Inteiro Report focuses on the current context and lists present and future challenges.

**Energy:** The GNA I Thermoelectric Plant, at Porto do Açu (RJ) <u>started</u> <u>operations</u>. It is the second largest thermoelectric plant in operation in Brazil, and it is gas-powered.

**Climate Change:** The Inter-ministerial Committee on Climate Change (CIM) published 3 rules creating Temporary Technical Groups, about which you will find more details in the Executive Branch section. It is important to highlight the lack of representation from the civil society and the scientific community in all three groups. Resolution No. 2 proposes to update the National Policy on Climate Change, which was established by federal Law No. 12,187/2009. Any amendments to laws shall go through the National Congress. However, the federal Executive may regulate on many provisions in the Law. The Resolution promises active transparency on the meetings agenda, minutes and final documents created, and public consultation on the final proposal.

**Forest+**: The Forest+ Programme (and all its sub-programmes) remains only in speeches by the Ministry for the Environment (MMA),



especially the Floresta+Bioeconomia programme, launched in September. It had been mentioned by minister Joaquim Leite during public hearings at the Chamber of Deputies and the federal Senate in August. Ordinance No. 577/2021 created the management group for the Technical Cooperation Agreement MMA 001/2021 (signed between the MMA and the ICMBio in April for the implementation of the Forest+Communities Programme, particularly related to traditional communities that benefit from federal sustainable use conservation units). However, there is a lack of information on the progress, activities and effectiveness of the Programme and its sub-programmes, including the Forest+Carbon, constantly referred to due to the proximity of COP 26.

## Rehearsal

Green Growth Programme: The federal government announced the launch of the Green Growth Programme, spearheaded by the Ministry of Finance (ME) and the Ministry for the Environment (MMA), with participation of the ministries of Agriculture, Infrastructure, Science, Technology and Innovation and the Chief of Staff. The programme would have three pillars: economic incentives, institutional transformation, and prioritization policy. According to the communication to the press, the MMA expects jobs to be created in the renewable energy, sustainable agriculture, low-emission industry, basic sanitation, waste treatment and eco-tourism sectors. There are signs that a study by the Ministry of Science, Technology and Innovation (MCTI), based on macroeconomic and integrated epidemiological models from the University of São Paulo (USP) and of the Oswaldo Cruz Foundation (FIOCRUZ) is the technical foundation of said Programme. There is also indication that the federal government will try to package this programme in a partnership that the Brazilian Development Bank (BNDES) has been negotiating since 2018, as reported, for an investment of funds from the New Development Bank, the BRICS bank, of around R\$ 2.5 billion. So far, when the minister for the Environment mentions the Green Growth Programme, there is a mix of the expected BNDES funds and funds from said package. It is expected the Plan will be launched by the beginning of November to be introduced at COP 26 and included as part of the Brazilian NDC Implementation Plan. It is important to emphasize that, differently form the Amazon Fund and Climate Fund resources, which are "donations" and are frozen by the MMA, the recently announced funds will be a "loan".



## On Hold

**IBAMA/ICMBio merger Working Group:** The Working Group was created by Ordinance 524/2020, aiming at conducting studies and analyses of potential synergies and administrative efficiency gains in the case of an eventual merger of IBAMA (Brazilian Institute for the Environment and Renewable Natural Resources) and ICMBio (Chico Mendes Institute for Biodiversity Conservation). According to information accessed via the Access to Information Law (LAI), 26 meetings were held between October 2020 and May 2021. There has been no information since then, and the deadline for activities expired in June 2021. The Working Group report was launched in September, including data and information on possible synergies between the Institutes, but concluding that "the Federal Agencies, i.e., IBAMA and ICMBio, shall be strengthened so that this important service provided to an ever-demanding society be provided in observance of all applicable legal and technical requirements". Thus, from what it seems, there will be no merger of the two agencies, but an attempt to strengthen their structures.

Adopt a Park: The Adopt a Park Programme, one of the main publicity icons of the Salles administration at the Ministry for the Environment, still has no news to present to society. No public session was held in September for the presentation of adoption proposals, and no more information was presented regarding proposals already presented, work plans, implementation status, among others. In spite of its name, so far, no Park has received an adoption proposal. It seems that the Programme has been losing strength after Ricardo Salles' removal from office, and due to reports from traditional populations living in the "adopted" units, who had never been heard.

**Judiciary:** In the Federal Supreme Court (STF), important lawsuits related to socio-environmental and climate guidelines are pending decision, having been held up for months, such as:

- *ADPF 623 (Petition of Non-compliance with Fundamental Precept)* requires the declaration of unconstitutionality of Decree No. 9,806/2019, which changed the composition of the National Council for the Environment (CONAMA)
  - Trial started on 5 March 2021, but was adjourned on 10 March by Judge Nunes Marques' request to see the record Awaiting return to the Plenary for decision.
- *ADPF 708 (Petition of Non-compliance with Fundamental Precept)* Federal government omission by not adopting



administrative measures for the functioning of the "CLIMATE FUND".

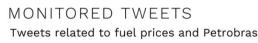
- After public hearings on 21 and 22 September 2020, transcriptions of public hearings were added to the records on 16 March 2021, and a decision is awaited since then.
- *ADPF 760 (Petition of Non-compliance with Fundamental Precept)* omissive and commissive acts by the federal government are making it impossible to effectively carry out the State policy aimed at fighting deforestation in the Legal Amazon and the Action Plan for Prevention and Control of Deforestation in the Legal Amazon ("PPCDAm").
  - Awaiting decision.
- ADPFs 747, 748 and 749 (Petition of Non-compliance with Fundamental Precept) - request the unconstitutionality of CONAMA Resolution 500/2020 (which revoked CONAMA Resolutions CONAMA 284/2001, 302/2002 and 303/2002) and CONAMA Resolution 499/2020 (licensing the activity of coprocessing waste in clinker production rotary furnaces) and, on a subsidiary basis, the resolutions on the agenda of the 135<sup>th</sup> Ordinary Meeting of CONAMA.
  - After preliminary injunction granted by Judge Rosa
    Weber on 20 October 2020 and Plenary confirmation on 30 November 2020, awaits decision.
- *ADO 59* (Direct Action of Unconstitutionality by Omission) omission of the Federal government regarding the adoption of a measure aiming at interrupting the standstill of the "AMAZON FUND".
  - $\circ$  Awaiting decision.

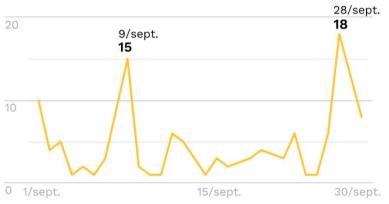
## On the Radar

**Park Concessions:** The Partnership for Investments Program Council (CPPI), via Resolution No. 197/2021, approved the inclusion of Conservation Units in the Partnership for Investments Programme (PPI) and the National Privatization Programme (PND), for concession, including the provision of public services supporting visitation and provisions for the cost of actions to support conservation, protection and management of the following Conservation Units: (i) Restinga de Jurubatiba National Park (RJ), (ii) Serra da Canastra National Park (MG), (iii) Serra do Cipó National Park (MG), (iv) Caparaó National Park (MG/ES) and (v) Ipanema National Forest (SP).



**Signs on Twitter:** in partnership with the Folha de São Paulo newspaper, Política por Inteiro <u>identifies</u>, in an automated way, tweets from over 350 Brazilian authorities (the president, ministers, congressmen, and others) and experts, using key-words related to environmental policies categorized in subgroups, such as the Amazon, transportation or energy. In September, the most prominent theme in our monitoring was energy: a total of 137 tweets related to the price of fuels and to Petrobras. Peaks happened mainly on the dates of diesel price readjustments and the truck drivers' demonstrations in support to the president, on the 7 September acts (see the graph below).





## On the Radar (international agenda)

**UNFCCC Report on NDCs:** the United Nations Framework Convention on Climate Change (UNFCCC) published, shortly before the General Assembly, a report with the sum of all decarbonization plans and promises by 2030 updated by signatory countries of the Paris Agreement. The study revealed a significant difference between decarbonization need and ambition: at the current pace, we will reach 2030 with only 12% of global emissions reduction in relation to 2010, while the recommendation of the Inter-governmental Panel on Climate Change (IPCC) is of a 45% cut. Brazil is one of the countries in the spotlight of the international community due to its significant contribution to this problem: the government took a step back regarding the existing goal, allowing for an increase in emissions during this decade.

**76th UN General Assembly:** António Guterres, UN Secretary-General, in the opening speech, was emphatic when stating that "*the climate alarm bells are also ringing at fever pitch*" and that "the *recent* 



Inter-governmental Panel on Climate Change (IPCC) Report was nothing less than a code red for humanity".

The US committed to doubling their public funding for climate to US\$ 11.4 billion per year until 2024. They also launched the joint US-EU Methane Pledge, which, although mild, sends a strong signal on the need for fast action to reduce short lived pollutants.

Xi Jinping, China's president, made the significant announcement that China will no longer fund new coal-fired plants abroad. This announcement ends international funding for coal from G20 countries.

**Bolsonaro at the General Assembly**: Amid demonstrations and criticism, the president's speech was full of questionable statements. Some even say that Bolsonaro's speech at the Assembly shows that he "has already thrown in the towell". Natalie Unterstell, coordinator of Política por Inteiro, <u>reminded that</u> the President has not yet formalized the commitment to climate neutrality by 2050 and intends to implement an NDC with more deforestation in 2030 than the current rates. Política Por Inteiro's team followed Bolsonaro's speech in real time and produced exclusive material in which we analyse his speech in 5 topics ("emission reduction goals", "climate change", "biodiversity", "democracy and rights" and "funding") with 13 indicators, which can be accessed here.

**Food Systems Summit:** raised the importance of food as an issue for heads of state, but now it will be key to guarantee that it translates into significant actions that benefit people, nature and the climate.

**OECD**: In harmony with the current Brazilian federal administration's wish, there is movement in the OECD towards enabling the adherence of six new countries: Brazil, Argentina, Peru, Romania, Bulgaria and Croatia. In case these new members are accepted, however, these countries would still depend on the observation of OECD-specific rules. Especially regarding Brazil, countries like France, for instance, show resistance due to the Brazilian government's environmental actions. Nonetheless, no country has officially declared to Brazilians that they oppose Brazil's adherence to the OECD. Actually, there is formal support from all sides, but there is no rush in negotiations with the country.



# 4. Trends

In the international scenario, the Pre-COP in Rome in the beginning of the month, and the G20 meeting on 30 and 31 October, in the wake of the UN General-Assembly held at the end of September, all create an enormous "green pressure".

It is expected that all countries, including Brazil, improve their emission reduction offers, increase funding available to poor countries and also politically recognize the role of adaptation and loss and damage.

The US committed to doubling their public funding for climate to US\$ 11.4 billion per year until 2024 – which adds to the EU's commitment to contribute with additional US\$ 4 billion until 2027. These investments may lead to more announcements to fill the US\$ 20 billion gap in the climate funding identified by the last OECD report (in relation to the US\$ 100 billion promised per year, starting in 2020). But it should not please most vulnerable countries, which ask for the US\$ 100 billion to be the "floor" and not the "cap" for climate funding.

In addition to the delivery of US\$ 100 billion, the recognition of largescale adaptation funding (which is growing, but still insufficient) is expected, together with concrete measures to fight the debt crisis faced by many developing countries.

In the COP-26 agenda, coal and forests are the main "targets": the former as the problem, and the latter as the solution.

China's commitment to interrupt the construction of new coal-fired plants abroad and to "increase the support to other developing countries in developing green low-carbon energy" also sent a strong political signal regarding the need for a definite transition from coal. It may serve as a springboard for a total G20 moratorium on new coal exploration.

Other announcements, like the launch in Denmark and Costa Rica of the 'Beyond Oil and Gas Alliance' Programme, the 'No New Coal' Compact, and Malasia's promise not to build new coal-fired thermoelectric plants add significant momentum to the net zero path designed by the International Energy Agency in May 2021. Such scenario points towards no new oil and gas field and no new coal mine (besides those already commissioned) being explored from 2021 onwards.



This way, the COP 26 agenda promises to include among its decisions the "phasing out", i.e., the discontinuity of the fossil source.

Regarding forests, a new agreement is being developed around new ways to support tropical countries. However, this agenda seems to be more a political agenda than a negotiation agenda item. It's necessary to be aware of signals sent in October so as to understand the scenario outlook prior to Glasgow.

Brazil is in the hot seat of climate ambition, so the federal government intends to launch a series of initiatives to improve its image and to foster greater confidence among Brazilians themselves. On 5 October, the Ministry of Science, Technology, Innovation and Communication (MCTIC) promises to launch a mitigation measures simulator during a joint live transmission with the Ministry for the Environment (MMA). Later, the Inter-ministerial Committee on Climate Change (CIM) shall launch the Green Growth Programme and a Brazilian NDC Implementation Plan. There is no public schedule defined yet for the National Policy on Climate Change (PNMC) update. Therefore, October shall be full of events for launching initiatives from the federal government.

Domestically, it is possible that Bill of Law (PL) 528/2021 (Brazilian Emissions Reduction Market - MBRE) moves forward in the Chamber of Deputies, since it was proposed by the Chamber's vice-president (Marcelo Ramos) and Arthur Lira, the Chamber's president, has publicly stated his interest in the matter. The "stone in the shoe" is Carla Zambelli, the Rapporteur and chair of the Environment Committee who, in spite of having fostered public hearings last month, seems to be in line with the obstruction intended by the Ministry for the Environment (MMA). The latter declared to oppose the progress of the Bill of Law before the COP 26, allegedly because it fears it may reduce Brazil's bargaining power in negotiations – which doesn't make any sense.

On the other hand, negative agendas stand a chance of being approved in Congress. It is possible that many legislative proposals move forward until the COP 26, like Bill of Law (PL) 2,159/2021 (Environmental Licensing) and Bill of Law (PL) 510/2021 (Land Tenure Regularization). However, it is important to emphasize that, if approved, such proposals will impact the country's image at COP 26, since they go against a positive policy, both from the socio-environmental and the climate points of view. Moreover, Brazil's adherence to the OECD may suffer, especially since Brazilian environmental legislation and policies were



considered, to a large extent, not in line with requirements from the recent report launched by the OECD.

Additionally, an important item in October's agenda is the 62<sup>nd</sup> Extraordinary Meeting of the National Council for the Environment (CONAMA), aiming at deciding on the review of CONAMA Resolution No. 382/2006, which sets the cap for atmosphere pollutants emissions for fixed sources. The proposal for amending it comes from a request made by the Ministry of Mines and Energy (MME) at the 136<sup>th</sup> Ordinary Meeting, in August 2021. It will add tension to the environmental and energy agendas, on a topic also relevant to the climate agenda.





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