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1 - Introduction

This is the Tracking and Analysis of the federal government's signals relevant to climate and environmental policies detected in JANUARY, 2021 by our Government Actions Tracker. We analyze *Federal Official Gazette* publications daily and classify relevant content using an actions typology 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 for January, followed by an assessment of the current political state in Brazil, and a discussion of the main trends for the coming month.

2 – Number of actions

In January, our Government Actions Tracker identified **60 measures** relevant to environmental policy and climate change from the Federal Executive Branch published in the *Federal Official Gazette*. No proposals were listed in the monitoring of actions from the Congress since its recess lasts until February 1st.

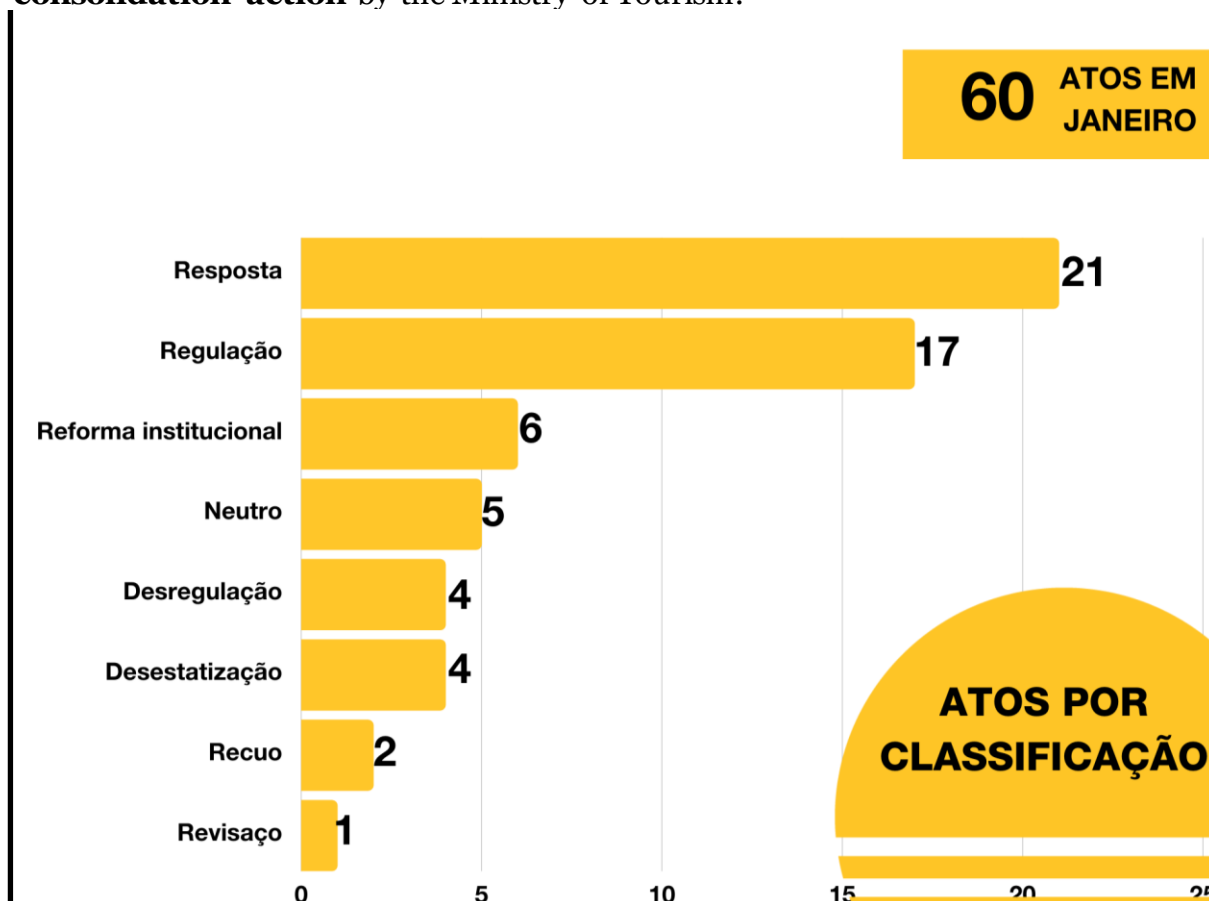
2.1 - Classification

Regarding classification, we highlight 21 **response** actions in January, most of which (12) related to the acknowledgment of emergency declarations from municipalities affected by environmental disasters and extreme weather conditions, under the theme disasters. Besides these norms, we identified response actions under different themes such as The Amazon, Land, Energy and Fisheries – referring to government reactions to domestic or international public opinion, besides the Coordinates Publication of areas embargoed due to deforestation. There were 17 **regulation** actions this month covering various themes, among which we highlight the establishment of the National Policy for Payment for Environmental Services, besides the creation of working groups such as GT Piracatinga from MAPA (Piracatinga Working Group from the Ministry of Agriculture, Livestock and Food Supply) and the GT Interministerial (Inter-ministerial Working Group) to review the National Maritime Policy. **Institutional reforms** accounted for 6 actions this month. Among them is the establishment of the Integrated Information System of

the Sector Plan for the Consolidation of a Low-Carbon Economy in Agriculture – SIN-ABC/MAPA, listed under the theme “Climate Change”. From the five remaining institutional reforms, two relate to ‘Biodiversity’ (connected to changes in the advisory boards of Conservation Units), two to ‘Institutional’, and one, listed under the theme ‘The Antarctic’, relates to the National Committee on Antarctic Research – Conapa.

We identified 4 **deregulation actions** in January, with a spotlight on deregulation on the theme “Fisheries”, with the definition of criteria and standards for the sustainable use of native fish from continental, marine and estuarine waters, for ornamental and aquarium purposes.

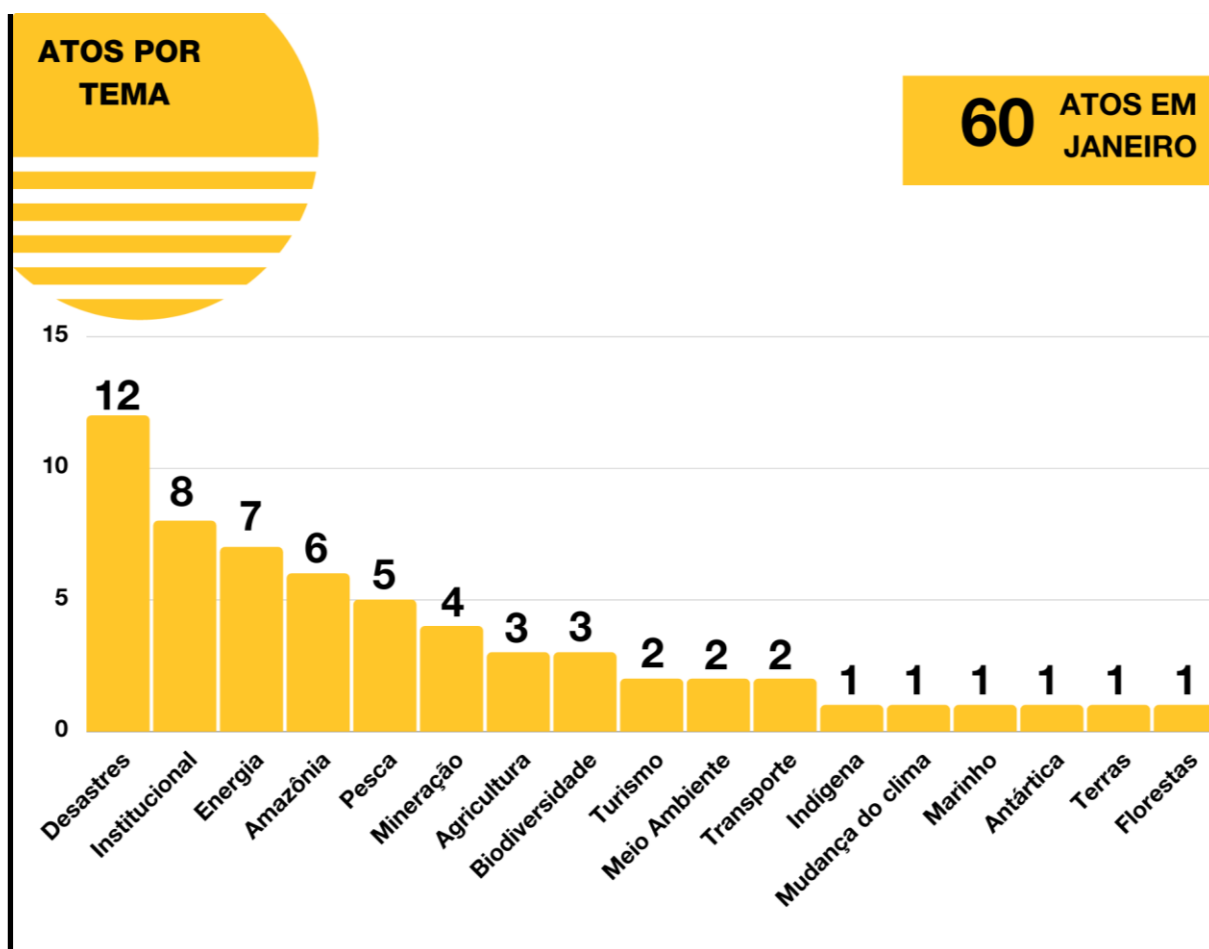
Four **privatization** norms were identified this month, three of which with favorable opinions regarding the qualification of enterprises to the Investment Partnership Program (PPI) and one (1) norm establishing the onerous assignment of Federal property, the Natural Cavity called "Gruta do Lago Azul" (Blue Lake Cave), to the municipality of Bonito/MS, aiming at the regularization of commercial exploitation of visitation and contemplation modalities. We identified 5 actions listed as **neutral**, which we continue to monitor in order to identify future signals from them. Finally, we observed 2 **retreat actions** (one in ‘Agriculture’ and one in ‘Energy’), and 1 **law consolidation action** by the Ministry of Tourism.



2.2 - Themes

The theme with the highest number of measures this month was Disasters (12), followed by Institutional (8), Energy (7), The Amazon (6) and Fisheries (5). We also monitored actions listed under: Mining (4), Agriculture (3), Biodiversity (3), Environment (2) Tourism (2), Transportation (2), The Antarctic (1), Land (1),

Climate Change (1) Ocean (1), Indigenous peoples (1), and Forests (1). There were no records in January of actions under the following themes: Water, Science, Cities, Pollution, Maroon populations.



All actions, their classification and implications may be checked on [our website](#), as well as the [methodology](#) developed by POLÍTICA POR INTEIRO.

3 – Analyses by type and by theme

Institutional

Many of the norms published in January fit under the theme “Institutional”. Regarding the National Indian Foundation (FUNAI), RESOLUTION No. 1, of 31st DECEMBER, 2020 establishes recommendations and guidelines for the execution of FUNAI’s public policies, having the Executive Institutional Monitoring Report as reference. POLÍTICA POR INTEIRO’s team listed the norm under “Regulation” since it provides guidance regarding public policies within the institution.

Moreover, the publication of PUBLIC NOTICE No. 1/2021 made public the call for the drawing of representatives from environmentalist entities that will constitute the Conselho Nacional do Meio Ambiente – CONAMA (National Council for the Environment) for the term of 1 (one) year. The norm was listed under “Institutional Reform” since, according to POLÍTICA POR INTEIRO’s methodology, it comes in the wake of the structural and regulatory reform promoted by the Federal Government via Federal Decree 9,806/2019 and Ordinance 630/2019. The drawing of seats for

representatives from environmentalist entities is a modality established by the new CONAMA rules of procedure (Ordinance 630/2019).

DECREE No. 10,609, of 26 JANUARY 2021, established the National State Modernization Policy and the National Forum for State Modernization. According to the norm, this Policy aims at guiding governmental efforts towards increasing efficiency and modernizing public administration, the provision of services and the business environment in order to better serve the citizens' needs. Still, it aims at the integration, articulation, monitoring and assessment of modernization policies, programs, actions and initiatives from the Federal Executive Branch. The Policy's pillars are: (i) prosperous business environment; (ii) modern State capabilities; (iii) evolution of public services; (iv) cooperation and articulation among public and private agents; (v) digital government and society. This Policy may significantly affect the themes of climate change and the environment if effectively implemented, and if it considers participation and transparency as pillars of modern public administration. Considering that earlier norms aiming at the modernization of the public service were replaced by this one, POLÍTICA POR INTEIRO's team listed this norm under "institutional reform".

Fisheries

The theme "Fisheries" was very relevant in January. **ORDINANCE SAP/MAPA No. 328, of 31 DECEMBER, 2020** by SAP/MAPA (Secretariat for Aquaculture and Fishing/Ministry of Agriculture, Livestock and Food Supply) opened for public consultation the proposal for changing the minimum depth allowed and the disposition of gear for octopus (*Octopus spp.*) fishing in the Southeast and South Regions in Brazil, as established by Normative Instruction no. 26, of 19 December, 2008, from the Special Secretariat for Aquaculture and Fisheries from the Presidency. Regarding the previous norm, there is (i) a proposal for diminishing the allowed depth (it was formerly 70 meters and the current proposal is for 35 meters) and (ii) changes in requirements for the installation of longlines or open pots (previously at a minimum distance of 250 meters and now 1 nautical mile – 1,852 meters –, besides the removal of the obligation for installation to take place at "fishing operation" areas). Thus, considering that the new norm changes the previous regulation specifically altering its determinations, POLÍTICA POR INTEIRO's team listed this action under Deregulation.

Still, with **ORDINANCE SAP/MAPA No. 9, of 14 JANUARY, 2021**, the Mapa (Ministry of Agriculture, Livestock and Food Supply) suspended the use of all trawls pulled by motorized vessels within the 12 nautical miles of the maritime strip of the coastal zone of Rio Grande do Sul State, until the beginning of the implementation of the Trawling Fishing Sustainable Resumption Plan along the Coast of Rio Grande do Sul State (RS), to be developed. This measure is the government's response after a meeting with the sector. It doesn't mean that Mapa's SAP (Secretariat for Aquaculture and Fishing) has changed its understanding on trawling fishing at Rio Grande do Sul: the Sustainable Resumption Plan for Rio Grande do Sul will probably allow it again, with environmental damage to the region's ecosystem. POLÍTICA POR INTEIRO has been following this issue and prepared **specific material** on this topic last month.

It is important to highlight that there is a dispute at the STF (Federal Supreme Court) between the interests of industrial fisheries entrepreneurs (supported by the federal government) and the government of the Rio Grande do Sul State (supporting the Fisheries Sustainable Development State Policy, developed by various local sectors and unanimously passed at the RS State Assembly). In 2019, Judge Celso de Mello had denied the preliminary injunction for suspending the state prohibition of trawling fishing in Rio Grande do Sul. However, in December, 2020, Judge Kassio Nunes Marques granted a preliminary injunction once again allowing this predatory fishing modality, accepting the request from Direct Action of Unconstitutionality 6,218, proposed by PL, the Partido Liberal (Liberal Party). Action 6,218 questions the legal-constitutional legitimacy of the sole paragraph of article 1 and of item “e” of clause VI of article 30, both from State Law no. 15,223/2018, from the State of Rio Grande do Sul, “establishing the Fisheries Sustainable Development State Policy for the State of Rio Grande do Sul, and creating the State Fisheries Fund”. Said articles refer to: (i) the enforcement of the norm for “all fishing activity conducted in the State of Rio Grande do Sul, including the maritime strip of the coastal zone”; and (ii) the prohibition of fishing using “all and any trawls pulled by motorized vessels, for all the territory of the State of Rio Grande do Sul, including the 12 nautical miles of the maritime strip of the State’s coastal zone”.

With the preliminary injunction, the Judge suspended the “applicability of article 1, sole paragraph; and article 30, clause VI, item ‘e’, both from Rio Grande do Sul State Law no. 15,223, of 5 September, 2018”. As mentioned before, the preliminary injunction had been overruled by Judge Celso de Mello in December last year, as described in the report of the monocratic ruling by Judge Nunes Marques. Thus, POLÍTICA POR INTEIRO’s team listed this norm as “Response”.

ORDINANCE No. 9, of 13 JANUARY 2021, established, for the Ministry of Agriculture, Livestock and Food Supply (Mapa), a Working Group for consultation and aiming at identifying sustainable techniques and methods for the practice and control of piracatinga (*Calophysus macropterus*) fishing activities, the Piracatinga MAPA Working Group. It is essential to follow the developments of this Working Group and of this topic in the first semester, since the moratorium on the fishing for the species ends on July 1st. This is a problem issue, since fishermen illegally catch the Amazon River dolphin (*Inia geoffrensis*) and the tucuxi dolphin (*Sotalia fluviatilis*) to use them as bait for fishing the piracatinga. These dolphin species are in the Red List of Threatened Species, and their fishing has been forbidden since 1987 (Law no. 7,643/1987, Law no. 9,605/1998, Decree no. 6,514/2008). In spite of the prohibition, these dolphins are caught for being considered as the best bait for drawing large quantities of piracatinga in a short time. Another species used as bait is alligators, but fishing using alligators as bait has a lower yield. After a lot of controversy and reports, the MPF (Federal Attorney’s Office) made a recommendation, in a Public Civil Inquiry, for the investigation of the killing of dolphins and alligators for use as bait in the Amazon region. In this context, Inter-ministerial Normative Instruction MPA/MMA 06/2014 established a moratorium on fishing and trade of piracatinga (*Calophysus macropterus*) in Brazilian waters and on all Brazilian territory, for five years, starting on 01/01/2015. The moratorium expired on January 1st, 2020, and six months after the expiry, in June last year, Mapa issued a one-year extension of the prohibition (IN SAP/MAPA no. 17/2020), valid until July 1st, 2021. For further details, check the **exclusive material** on this topic prepared by POLÍTICA POR INTEIRO’s team. This norm was listed under “Regulation”.

Lastly, ORDINANCE SAP/MAPA No. 17, of 26 JANUARY 2021, establishes norms, criteria and standards for the sustainable use of native fish from continental, marine and estuarine waters, for ornamental and aquarium purposes. It revokes Normative Instruction no. 10/2020 from Mapa's Secretariat for Aquaculture and Fishing, published less than one year ago. IN (Normative Instruction) 10/2020 presented many problems, which are not corrected and are hardly changed by this week's Ordinance. Basically, it simply organizes the text and corrects language mistakes. Among various problems and distortions, we highlight:

- The change in the list of situations when capture, transportation and commercialization of living specimens of native fish would not be allowed. IN 20/2020 stated that this prohibition would apply "when the species has a specific characteristic that requires regulation measures for its use, to be defined by technical opinions from experts endorsed by a Scientific Society, covering the specific taxon". The current norm removed the above restriction, changing to living specimens of native fish from continental, marine and estuarine waters "included in Official Lists published by the Ministry of Agriculture, Livestock and Food Supply's Secretariat for Aquaculture and Fishing and made available on the website". This change further expands the list of species permitted for capture, transportation and commercialization, depending on MAPA's "Official List".
- A section was removed from IN 10/2020. It specifically addressed MAPA's SAP's obligation to constantly update and make available on the website a list of species forbidden for ornamental and aquarium purposes.

Therefore, the ordinance further affects the lack of protection for native fish species from continental, marine and estuarine waters with ornamental and aquarium purposes, that's why POLÍTICA POR INTEIRO listed it as Deregulation.

Disasters

As in the previous months, acknowledgments of emergency situations in Brazil were constant in January. Droughts and lack of rain hit many cities from the South and the Northeast, affecting agricultural harvest and involving the civil defense. We highlight the publication of ORDINANCE MMA No. 20, of 14 JANUARY 2021 from the Ministry for the Environment, approving norms and procedures for using resources from the substitutive agreement to environmental fine from Vale for the breaking of the Córrego do Feijão dam in Minas Gerais. The Regulation for the Application of Resources from the Substitutive Agreement to Environmental Fine no. 1/2020 was approved at the National Agenda for Environmental Quality. The **substitutive agreement** was signed between Vale S/A and Ibama (Brazilian Institute for the Environment and Renewable Natural Resources), at the Federal Courts of Minas Gerais. The agreement and the norm published this week may still be questioned, since they are a conversion of payment of administrative environmental fines into services, a situation that is forbidden by law in the case of environmental offenses that caused deaths. Check a more in depth analysis by POLÍTICA POR INTEIRO's team [here](#).

It is important to remember that January 25th marks the second anniversary since the collapse of the Córrego do Feijão dam at Brumadinho/MG. Since the accident, a

Special Inquiry Committee (CPI) was created to investigate the facts, and norms were published increasing control on mining activities, and especially prohibiting upstream dams (Federal Law 14.066/2020).

Energy

There were few relevant norms under “Energy” in January. We highlight the **PRESIDENTIAL ORDER** approving Resolution CNPE 11/2020 (National Energy Policy Council), on the 17th Bidding Round for oil and natural gas exploration and production blocks in the concession regime. According to the new norm, Resolution CNPE 24/2019 was changed to reduce the offer from the original 128 blocks in the Marine Sedimentary Basins of Pará-Maranhão, Potiguar, Campos, Santos and Pelotas (a total area of 64.1 thousand km²) to 92 blocks in the Marine Sedimentary Basins of Potiguar, Campos, Santos and Pelotas (a total area of 53.9 thousand km²).

The reduction in the number of blocks is owed to two reasons, according to the MME (Ministry of Mines and Energy): unification of the identification of blocks (“in consonance with the sector’s best practices, increasing the attractiveness of the areas and reducing future risks of production individuation processes”) and the removal of 8 blocks located at the Pará-Maranhão basin and 24 blocks from the Pelotas basin (“due to conclusions on environmental aspects from the Joint Manifestation by MME-ANP/MMA-IBAMA, and in consonance with Resolution CNPE no. 17/2017”). It is important to remember the significant movement contrary to the offer of oil and natural gas in the Amazon region, as reported by the **press**. Thus, this norm was listed by POLÍTICA POR INTEIRO’s team as “Retreat”. The bidding round shall take place in the second semester of 2021.

Agriculture

Few relevant norms were published under the “Agriculture” theme.

ORDINANCE No. 196, of 8 JANUARY, 2021, is worth mentioning. It refers to the risk classification for economic activities depending on governmental actions for approval under the responsibility of the Secretariat for Agricultural and Livestock Defense from the Ministry of Agriculture, Livestock and Food Supply (Mapa), as well as to the deadlines for deeming its tacit approval. Annex I lists the situations when, after the indicated deadline, tacit approval is given to the economic activity. Annex II lists activities not subject to tacit approval. It is important to highlight that this norm revoked Ordinance SDA/MAPA no. 43, of 21 February, 2020, which approved the tacit registration of pesticides and the like, among other matters, and quoted Decree no. 10,178, issued as one of the regulations of the Economic Freedom Law. This ordinance from last year was questioned at the STF (Federal Supreme Court) by ADPF 658 (Petition of Non-compliance with Fundamental Precept). The STF granted a preliminary injunction in June determining the suspension of effectiveness of several items, notably related to pesticides, fertilizers, correctives, among others. The tacit approval of such items ended up being removed from MAPA’s new ordinance after the Court’s ruling. Therefore, this norm was listed as “retreat”.

However, in spite of the removal of fertilizers from the above-mentioned norm, **DECREE No. 10.605, of 22 JANUARY 2021** established an Inter-ministerial Working Group for developing the National Fertilizers Plan, with the duration of 120 days starting from the first meeting, expansible once for the same duration.

It is important to remember that the federal government has constantly created Working Groups for the most varied themes, ever since last year, such as: for revising

the National Policy for the Development of Space Activities (PNDAE) (ORDINANCE No. 3,248, of 2 SEPTEMBER, 2020); for the creation of the National Plan for Nuclear Emergency Situations (RESOLUTION GSI/PR No. 8, of 10 SEPTEMBER, 2020); for the study and analysis of potential synergies and gains from a possible merger of IBAMA (Brazilian Institute for the Environment and Renewable Natural Resources) and ICMBio (Chico Mendes Institute for Biodiversity Conservation) (ORDINANCE No. 524, of 1 OCTOBER, 2020).

Transportation

Norms related to railroads were published under the theme “Transportation”.

Firstly, **ORDINANCE No. 13, of 5 JANUARY, 2021**, approves the framework for the Transnordestina project, proposed by Transnordestina Logística S.A. (TSLA), within the Special Incentive Regime for the Development of Infrastructure (REIDI). Transnordestina aims at developing the New Transnordestina Railroad, between Missão Velha/CE – Salgueiro/PE (SMV), Salgueiro/PE – Trindade/PE (TS), Trindade/PE – Eliseu Martins/PI (EMT), Salgueiro/PE – Porto de Suape/PE (SPS), Missão Velha/CE – Porto de Pecém/CE (MVP), totaling 1,753 km, in the States of Ceará, Pernambuco and Piauí, in reference to the Concession Contract signed on 22 January, 2014. ANTT’s (National Land Transport Agency) Superintendency of Infrastructure and Railroad Cargo Transportation Services had declared via **ORDINANCE No. 81, of 14 APRIL, 2020**, for the purpose of compliance with REIDI, that TSLA (Transnordestina Logística S.A.) complies with requirements from article 6 of Ordinance no. 512, of 27 September, 2018, from the Ministry of Infrastructure.

In the same week, **ORDINANCE No. 10, of 12 JANUARY, 2021** was published on Thursday, establishing the Environmental Performance Index (IDA) and the methodology for its calculation, in order to assess and foster good socio-environmental practices related to federal railroad concessions. The norm established that the assessment of IDA shall be conducted yearly, for the period of January 1st to December 31st. The final classification of the Environmental Performance will be communicated on ANTT’s website, and it may also be communicated on other media. Both norms were listed by POLÍTICA POR INTEIRO’s team as “regulation”.

Biodiversity

With **ORDINANCE No. 1,054, of 11 NOVEMBER, 2020**, ICMBio (Chico Mendes Institute for Biodiversity Conservation) created the Integrated Advisory Board of the Antonina-Guaraqueçaba Integrated Management Nucleus (NGI). It consists of representative sectors from the Government and Civil Society, taking into account regional specificity and observing the criterion of equal representation. This norm changes the composition of Advisory Boards created individually at the Guaraqueçaba APA (Environmental Protection Area), Guaraqueçaba ESEC (Ecological Station) and Superagui PN (National Park), created by ICMBio’s Ordinances 065/02; 003/12 and 011/14, respectively.

Still regarding boards, the National Iguazu Park Advisory Board was altered by **ORDINANCE No. 1,138, of 14 DECEMBER, 2020**. There were, formerly, only two divisions (government and civil society), with nominal members, according to ICMBio Ordinance No. 129, of 4 December, 2014. The current norm does not mention the name of each member and splits the seats between the government and

regulators of the use of the territory of influence of the conservation unit; users of the territory of influence of the conservation unit; surrounding communities, collegiate bodies and civil organizations; and education, research and extension institutions. It also establishes that the Board will develop its Action Plan and will assess the effectiveness of its activities.

The creation of both Advisory boards was listed by POLÍTICA POR INTEIRO's team as "Institutional Reform".

It is important to mention, still on this topic, that **RESOLUTION ME No. 162, of 2 DECEMBER, 2020**, of the Council of the Investment Partnership Program (CPPI), expresses the organ's favorable opinion and forwards to the President's decision the qualification, within the Investment Partnership Program (PPI), of Balata-Tufari, Pau Rosa, and Jatuarana National Forests, located in the State of Amazonas for the purpose of forest concession.

Tourism

ORDINANCE SPU No. 496, of 12 JANUARY, 2021 authorized the onerous assignment of the Natural Cavity called "Gruta do Lago Azul" (Blue Lake Cave) to the municipality of Bonito/MS, aiming at the regularization of commercial exploitation of visitation and contemplation modalities. The minimum yearly retribution value is set at R\$ 33,995.88, which the Assignee must pay as remuneration for the private use with economic exploitation of Federal property, in addition to the monthly transfer of 20% of the total amount collected each month by visitation ticket sales for the Gruta do Lago Azul Monument. The assignment is valid for 20 years, starting on the date of the signature of the assignment contract. This norm is listed under **privatization**. In October, 2019, the website **Intercept released a list of 222 Federal properties** spread over 17 States and the Federal District that the government intended to privatize, so that they could be exploited by the private initiative. The Blue Lake Cave was among them.

Environment

After a lot of discussion and proceedings, **LAW No. 14,119, of 13 JANUARY, 2021**, was sanctioned with vetoes, and it defined concepts, objectives, guidelines, actions and implementation criteria for the National Policy of Payment for Environmental Services (PNPSA), establishing the National Record of Payment for Environmental Services (CNPSA) and the Federal Program of Payment for Environmental Services (PFPSA), providing for payment contracts for environmental services. Natalie Unterstell, coordinator of POLÍTICA POR INTEIRO, published an **article** in December/2020 on the theme, highlighting the main discussion points, as well as the advantages of making PSA (Payment for Environmental Services) in Brazil. POLÍTICA POR INTEIRO's team listed this norm as "regulation". However, the presidential vetoes, the aspects related to governance and transparency in the approved proposal, after extensive dialog and negotiations among different sector at the Congress. The Brazil Climate, Forests and Agriculture Coalition, that actively participated in this process, released an **opinion** defending why the Legislative needs to overturn the presidential vetoes.

The Amazon

ORDINANCE No. 9, of 11 JANUARY, 2021 from the Ministry for the Environment addresses the entry and return of municipalities to the list of priority

municipalities for deforestation prevention, monitoring and control actions at the Amazon Biome, and the access to the list of municipalities with monitored and controlled deforestation. New to the list are: Feijó and Sena Madureira, in Acre; Humaitá, in Amazonas; Jacareacanga, Medicilândia, Rurópolis and Trairão, in Pará; and Rorainópolis, in Roraima. The municipality of Peixoto de Azevedo (MT) returned to the list of priority municipalities. Rondon do Pará (PA) joins the list of municipalities with deforestation monitored and under control at the Amazon Biome. The requirements for inclusion in the list of priority municipalities for deforestation prevention, monitoring and control actions and on the list of municipalities with deforestation monitored and under control are set forth by **ORDINANCE No 161, of 15 APRIL, 2020**. Thus, considering that the inclusion on the list depends on the verification of a situation that justifies it, POLÍTICA POR INTEIRO`'s team listed this norm under “response”.

ORDINANCE No. 31, of 12 JANUARY, 2021, from the Ministry of Justice and Public Security, authorized the National Public Security Force to support the Amazonas State government during the 1st Edition of Operation Harpoon I (Medium Solimões River), to fight organized crime, drug traffic and environmental crimes along Negro and Solimões rivers in the State of Amazonas, in activities and services essential to the preservation of public order and the safety of people and property, in an episodic and planned nature, for the period of 45 days. This norm was listed as “response”.

With the **PUBLICATION OF GEOGRAPHIC COORDINATES No. 2/2021**, IBAMA (Brazilian Institute for the Environment and Renewable Natural Resources) released the coordinates of the centroids of deforestation polygons identified by satellite imagery and inspected during inspection actions, with formal Embargo, but without identification of the person responsible for the area of deforestation or fire. 3 areas are located in Apuí/AM. In 2020, Apuí/AM was already listed in two other documents listing deforestation geographic coordinates (**PUBLICATION No. 43/2020** and **PUBLICATION OF GEOGRAPHIC COORDINATES No. 37/2020**). POLÍTICA POR INTEIRO`'s team listed this norm as “response”.

PUBLICATION OF GEOGRAPHICAL COORDINATES NO. 6/2021, listed the coordinates of the centroids of deforestation polygons identified by satellite imagery and inspected during inspection actions, with formal Embargo, but without identification of the person responsible for the area of deforestation or fire. 4 areas are located in NOVO ARIPUANÃ/AM, 3 areas in MANICORÉ/AM and 1 area in SÃO SEBASTIÃO DO UATUMÃ/AM.

Ocean

DECREE No. 10,607, of 22 JANUARY, 2021 - Regulation

It establishes the one-year Inter-ministerial Working Group for reformulating the National Maritime Policy. The working group shall conclude its work until January/2022, or extend its duration for one more year. The original National Maritime Policy dates from 1994 and a revision is welcome to modernize it and adjust it to current challenges. Today, the sectors that operate in Brazilian seas have new technologies, may stay longer at sea, and exploit different living and non-living marine resources. However, a policy aiming at the integration of these sectors needs

to take into account these new challenges and, still, reconcile use with biodiversity conservation. The modernization of rules and guidelines is necessary to minimize impacts of shipping and maritime traffic to the levels of commitments and goals of the Paris Agreement, for instance. But Decree 10,607 draws attention for having a broad scope, potentially overlapping with the National Policy on Marine Resources, and for having created a working group without representatives from society and the affected sectors.

Mining

Under the theme “Mining”, **RESOLUTION CPPI No. 154, of 2 DECEMBER, 2020**, from the Council of the Investment Partnership Program (CPPI), expresses the organ’s favorable opinion and forwards to the President’s decision the qualification, within the Investment Partnership Program (PPI), of projects and enterprises linked to area availability procedures for research or mining of mineral resources, including previous public offers, conducted by the National Mining Agency (ANM) during the years of 2021 and 2022. ANM **recently offered** 502 areas for mineral research in a publication. The guidelines for the **2nd Round** were discussed in a public hearing. The batch is expected to “open” with 5 thousand areas considered attractive to the mining sector”.

With **RESOLUTION No. 155, of 2 DECEMBER, 2020**, the Council of the Investment Partnership Program (CPPI) expresses the organ’s favorable opinion and forwards to the President’s decision the qualification, within the Investment Partnership Program (PPI), of Projects “Gypsum from Rio Cupari/PA”, “Limestone from Aveiro/PA” and “Diamond from Santo Inácio/BA”, all from Companhia de Pesquisa e Recursos Minerais – CPRM (Geological Survey of Brazil), for execution by means of partnership contracts with the private initiative.

Mining has constantly been on the Federal Government’s agenda. In 2020, the Presidency published **Federal Decree 10,389/2020**, qualifying, within PPI, mining projects in areas for research or mining of mineral resources made available by ANM (National Mining Agency) in 2020. Still, the CPPI published **Resolution 126/2020**, in favor of the creation and qualification of the Environmental Licensing Support Policy for Investment Projects for the Production of Strategic Minerals – “Pro-Strategic Minerals”, also within PPI. Despite the theme of the norm being related to environmental licensing, no member of the Inter-ministerial Committee for the Analysis of Strategic Mineral Projects (CTAPME) comes from the environmental area, be it from a Ministry or any Institution. The Ministry of Mines and Energy published **Ordinance 354/2020**, approving the Mining and Development Program (PMD), subject to **specific analysis** by POLÍTICA POR INTEIRO.

Forests

RESOLUTION CONAVEG No. 5, of 18 NOVEMBER, 2020, approves the Operative Plan for Illegal Deforestation Control and Recovery of Native Vegetation 2020-2023. The Operative Plane derives from the National Plan for Illegal Deforestation Control and Recovery of Native Vegetation 2020-2023, announced in November, 2020. It did not include any strategy, goals or metrics for fighting deforestation. These elements are now quoted by the Operative Plan, that focuses on

3 themes: innovation, business environment and funding. Besides these, the following action lines were proposed:

- payment for environmental services: 51 goals
- bioeconomy: 34 goals
- zero tolerance to illegal deforestation: 31 goals
- land tenure regularization + land use planning: 12 goals

The Plan is generic and many of the described actions are attributions inherent to the involved institutions. There are implementation goals for PSA (Payment for Environmental Services) programs and projects, such as Forest +, the government's biggest bet for the theme. In this direction, it's worth mentioning the line of action aimed at "Implementing the National REDD+ Strategy, by means of the goal of revising the strategy and producing two reports of avoided emissions at the Cerrado and Amazônia biomes, submitted to and approved within UNFCCC". This action depends on the effective reduction of deforestation on said biomes, and on the adequate measurement and verification of results in reference levels reports. Moreover, is is subject to international safeguards defined by the Climate Convention.

It is important to mention that it will be necessary to check for any eventual conflicts between this operative plan and the one to be announced by the National Council for the Legal Amazon (CNAL), since there are overlapping competences regarding the Amazon between CNAL and CONAVEG (National Plan for Illegal Deforestation Control).

The Antarctic

DECREE No. 10,603, of 20 JANUARY, 2021 – **Institutional Reform** addresses the National Committee on Antarctic Research (Conapa), within the Ministry of Science, Technology and Innovation, according to the National Policy for Antarctic Affairs. Conapa was formerly regulated by DECREE No. 1,791, of 15 JANUARY, 1996, now revoked. The new Decree removed from Conapa's obligations the function of "preparing formal documents for the National Policy for Antarctic Affairs - Polantar, when requested by by the National Commission for Antarctic Affairs (Conantar)"; it changed the participation of scientists who were formerly members and are now **guests** for contributing on the technical side of discussions. This norm was listed by POLÍTICA POR INTEIRO's team as "institutional reform", since prior regulation was superseded by this month's Decree.

Indigenous peoples

An important norm: **RESOLUTION No. 4, of 22 JANUARY, 2021**, defines new specific heteroidentification criteria to be observed by FUNAI (National Indian Foundation), aiming at improving the protection of indigenous peoples and individuals, for the execution of public policies. Heteroidentification is the identification method that uses third party evaluation for the ethnic-racial identification of an individual. This type of recognition affects villages in urban context or peoples whose identity is questioned by the surrounding community like, for instance, the Tupinambá, the Terena and the Xokleng. The recognition process for indigenous peoples interferes with the demarcation of lands and with the indigenous representation at the population census. It's worth mentioning that in

November, 2019, with Decree 10,088/2019, the Government "consolidated normative actions published by the Federal Executive Branch addressing the approval of conventions and recommendations of the International Labor Organization (ILO) ratified by the Federative Republic of Brazil", maintaining the country's adherence to Convention No. 169 of the International Labor Organization - ILO on Indigenous and Tribal Peoples. The Convention, in its 1st Article, states that "the awareness of their indigenous or tribal identity should be considered as a fundamental criterion for determining the groups to which the provisions of this Convention apply."

According to the Socio-environmental Institute (ISA), in an article published in Valor newspaper, "Funai's stance will be judicialized". Funai (National Indian Foundation) argues that "the new rules are necessary for avoiding fraud, like gaining social benefits and access to university courses". Still, according to ISA "this demand could intensify the discrimination that Funai already displays when denying rights to communities living on land not yet demarcated, as well as the **National Vaccination Plan** excluding from priority groups indigenous people not living in indigenous lands." The norm was listed by POLÍTICA POR INTEIRO's team as "regulation".

Climate change

DECREE No. 10,606, of 22 JANUARY, 2021, establishes the Integrated Information System of the Sector Plan for the Consolidation of a Low-Carbon Economy in Agriculture – SIN-ABC, within the Ministry of Agriculture, Livestock and Food Supply, aiming at:

- providing technical and scientific support in monitoring and evaluation actions of the Sector Plan for the Consolidation of a Low-Carbon Economy in Agriculture - ABC Plan;
- consolidating and systematizing ABC Plan's execution results;
- promoting transparency and public access to data and information generated within SIN-ABC.

SIN-ABC is formed by the General-Coordination for Climate Change, Planted Forests and Conservationist Agriculture and Livestock from the Sustainable Production and Irrigation Department of the Secretariat for Innovation, Rural Development and Irrigation from Mapa (Ministry of Agriculture, Livestock and Food Supply): SIG-ABC; EMBRAPA (Brazilian Agricultural Research Corporation): ABC Platform; Brazilian Central Bank: Sicor. The Technical Follow-up Committee on the Sector Plan for the Consolidation of a Low-Carbon Economy in Agriculture – CTABC was also created by the Decree. This norm was listed POLÍTICA POR INTEIRO's team as "institutional reform".

Themes without highlights

No relevant actions were tracked in January for the following themes: Cities, Science, Water, Pollution and Maroon populations.

4 - Analysis

Ongoing

Privatization of parks and other environmental assets: As indicated in the analysis by theme, **RESOLUTION ME No. 162 of 2 DECEMBER, 2020**, from the Council of the Investment Partnership Program (CPPI), expresses the organ's favorable opinion and forwards to the President's decision the qualification, within the Investment Partnership Program (PPI), of Balata-Tufari, Pau Rosa and Jatuarana National Forests, located in the State of Amazonas, for the purpose of forest assignment. It is important to mention, in this regard that, on 11 January, the Ministry for the Environment **MMA opened the bids** for the concession of Aparados da Serra and Serra Geral National Parks, between Rio Grande do Sul and Santa Catarina States. They were the first two Conservation Units to qualify for PPI and to be included in the Federal Government's National Privatization Program (PND), according to **Federal Decree 10,331/2020**. The assignment of parks and environmental assets may bring economic and socio-environmental benefits if there are conducted with transparency and respecting technical assessments. On the other hand, when poorly executed, they may bring – as environmental damage in general – irreversible damage that goes beyond the financial aspect. With the privatization process now entering the execution stage, supervision and monitoring the interests at stake for each contract is essential.

New climate coalition with sub-national governments, companies and scientists in Brazil: launched on 28 January, the Alliance for Climate Action ([ACA Brazil](#)), starts from an already existing network of national coalitions in countries like Argentina, USA, Japan and Mexico. The aim is to mobilize actions on the local level, like what was done in the United States in reaction to Trump's agenda. Business leaderships, investors, sub-national authorities, scientists, the press, religious groups and youth and civil society organizations take part in the coalition.

Rehearsal

Reform of Environmental Institutions: the merger of Ibama (Brazilian Institute for the Environment and Renewable Natural Resources) and ICMBio (Chico Mendes Institute for Biodiversity Conservation) is progressing at the Working Group (WG) responsible for it. In November, 2020, POLÍTICA POR INTEIRO prepared specific material on the “minutes” of the six initial meetings of the WG, which included very little detail in them and were obtained by POLÍTICA POR INTEIRO via LAI (Access to Information Act). We requested the minutes of the following meetings, since the Ministry for the Environment (MMA) has not made this information publicly available. If the works of the WG are not extended for an equal duration (as made possible by the ordinance that created it), the deadline for the work to be concluded is February 5th. A recently published article from ((o)) Eco website addressing the WG mentions the specific material prepared by POLÍTICA POR INTEIRO, especially regarding the possibility that an eventual merger takes place dictated by a Provisional Measure that, in order to become a law, will have to be sanctioned by the Congress. POLÍTICA POR INTEIRO was one of the eight entities selected by the Federal Prosecution Office (MPF) to have a say at the Public Hearing on the topic that took place on February 1st.

Reversals

IBAMA's decision is contrary to MME (Ministry of Mines and Energy) on Belo Monte and the flow of Xingu River¹: as mentioned in our December issue, IBAMA (Brazilian Institute for the Environment and Renewable Natural Resources) and the electricity sector 'arm wrestled' over the use of water by Belo Monte Plant, in Pará, the largest hydroelectric power plant (HPP) installed in Brazil. The environmental institution claimed to guarantee less water for the turbines and more water for the river, at a section called Volta Grande do Xingu. IBAMA claims it is necessary to reduce socio-environmental damage on aquatic life and riverside communities. Norte Energia (North Energy), the operator of Belo Monte, appealed in court to the provisional hydrogram imposed by IBAMA, but to no avail². In January, IBAMA decided to move forward with its technical decision and determined that Norte Energia, the holding of HPP Belo Monte, shall execute the maximum water flow to Xingu River, between February 1st and 7th. As the newspaper *Estadão* informed on 29 January, the government even involved the Ministry of Finance to claim that any change on the water use of Xingu River by the Belo Monte HPP shall compromise the Country's economic recovery. ANEEL (Brazilian Electricity Regulatory Agency) informed that the decision may impact the electricity tariff, with consumers paying the cost of the mistakes at Belo Monte.

Crises/Steps back/Controversy

Fisheries at the States: As mentioned in December, the STF (Federal Supreme Court) granted a preliminary injunction in the Direct Action of Unconstitutionality - ADI 6,218, proposed by PL, the Partido Liberal (Liberal Party), questioning an action by the Rio Grande do Sul State Government forbidding trawling fishing along the State's coastal strip. There was strong repercussion between the fisheries sector and environmentalists, and it brought to surface many disputes among coastal states towards normalizing the regulation of fisheries and creating conservation units in the territorial sea. This way, through leaked audios with conversations between the Secretary of Aquaculture and Fisheries, Mr. Jorge Seif Jr., and representatives from the industrial trawling fishing sector from Santa Catarina State³, the government's strategy became known: asking industrialists for "patience" and not to fish in the area, because it is still just a matter of a preliminary injunction without a federal norm to regulate fisheries in the region. It seems that the Secretary's wishes were not granted and, thus, SAP (Secretariat for Aquaculture and Fishing) published a new action forbidding trawling fishing on the coast of Rio Grande do Sul State until the federal government develops a Plan (**ORDINANCE SAP/MAPA No. 9, of 14 JANUARY, 2021**), as discussed earlier.

NDC: In January, an international coalition with over 200 civil society organizations sent a letter to the United Nations Framework Convention on Climate Change asking for measures regarding the lack of transparency and ambition for Brazil's updated NDC. Brazil presented its updated NDC (Nationally Determined Contribution) to the UNFCCC in December, to meet the goals of the Paris Agreement. The updated NDC

1 Reportagem no *Estadão*: "[Ibama contraria ministério e mantém decisão de determinar que Belo Monte libere água no rio Xingu](#)"

2

3 <https://piaui.folha.uol.com.br/canetada-predatoria-de-nunes-marques/>

confirmed the previous goal of emissions reduction of 37% by 2025 and made official the goal for 2030 of reducing 43% of emissions, including an indication for climate neutrality by 2060. However, as [featured on Época magazine's website](#), the proposal may increase emissions in millions of tonnes of carbon by the end of the current decade. For not including an absolute number, the updated NDC makes room for reference numbers for goals, with a possible surplus of 700 million tonnes of CO₂ if compared with the figures in Brazil's original NDC.

On hold

Land tenure regularization: Until the present date, none of the Conservation Units listed as priority in ICMBio's (Chico Mendes Institute for Biodiversity Conservation) September, 2020 Ordinance had their land tenure regularization processes completed. This should have been concluded by 31 December, 2020, but no progress was made in January. POLÍTICA POR INTEIRO has requested, via LAI (Access to Information Act), information on the progress of the Conservation Units listed by the Ordinance. Read our analysis on this ordinance on [our website](#).

Bioeconomy: Despite all the public commotion in favor of the development of bioeconomy, once again, this month there were no actions (nor were there any in previous months) indicating the formalization and progress of the agenda. Speaking at an event at the Davos Forum, Vice President General Mourão talked about an agenda contemplating programs at the Ministry of Finance – in this case, the New Green Amazon, which had already been launched at Davos in the previous year and about which there has been no evidence of progress so far.

Adopt a Park: There is still no legal action officializing the program that is intensely mentioned in public speeches and that seems to be the pillar for new concessions. In the [new MMA website](#) (Ministry for the Environment) the program appears as one of the only actions in the field of "ecotourism and protected areas" without, however, actually existing.

Convention on Biodiversity: The Nagoya Protocol, ratified at the Senate in August, has not yet been ratified by Presidential Decree.

Plan for the Amazon and for other biomes – As already mentioned in previous issues, a "2020-2030 Strategic Plan" is being put together at the Amazon Council. Vice President, Hamilton Mourão, stated to the press at the end of January that it is about to be published and implemented by the involved ministries. Until the end of January it has not been officially published.

Forestry Code: The Ministry of Finance announced that it would forward in December, for approval by the National Monetary Council (CMN), a proposal for a Green Rural Product Note (CPR). It was not delivered and there is no evidence of progress in the preparation of the measure.

Rural credit: while the SPE/ME (Economic Policy Secretariat of the Ministry of Finance) studies the creation of the Green CPR, the Ministry of Agriculture studies the creation of a broad Agribusiness Credit Note (CCA), that may be issued and purchased by any participant in the chain. In this case, no progress has been communicated either.

On the radar (international agenda)

The Amazon is addressed at Davos: As spokesperson for matters of the Amazon, general Hamilton Mourão spoke during an event on the Amazon at the Davos Forum. Mourão indicated that the federal government was able to reduce deforestation during the second semester of 2020, without mentioning in comparison to which previous period nor which measurement system had been used. Supposing he referred to INPE's (National Institute for Space Research) Deter (Real Time Deforestation Detection System), there has actually been a reduction in the number of alarms in a few of the months. However, only PRODES' (Program for Satellite Monitoring of the Brazilian Amazon Forest) consolidated rate will indicate the concrete results. During his speech, the General announced a "new era of bioeconomy" for the region and mentioned governmental programs with such focus, like the "New Green Amazon" from the Ministry of Finance. This program was launched at Davos the previous year and, as we mentioned in previous issues, it has not stated its purpose so far.

Investors are unhappy with the agenda for the Amazon: Foreign investors met again with the Brazilian government in January and said that the environmental work done by the Brazilian government is still unsatisfactory. The main concern of investors is to assess the exposure to financial risks originating from deforestation. Since June, 2020, coalitions of entrepreneurs and banks have made demands, proposals and public manifests pressuring the government for concrete results.

Biden's executive orders package for the climate agenda: The suspension of new permits for oil exploration in federal lands and the order for the federal government to change its vehicle fleet into electrical models were significant ones. The immediate result of these announcements could not be more explicit: shares of oil companies plunged in the US stock market. According to Climainfo, the coal industry was pleased with Biden's climate actions: the exploration of this fuel was left out of the fossil moratorium in federal lands. According to the White House, this point shall still be revised by the government in the coming months.

Request to Biden concerning the Amazon: In the last few weeks articulations towards a bilateral agreement between Brazil and the US became more intense. Its worth mentioning the publication of a letter with specific proposals for what Biden and Harris' position should be in regard to Bolsonaro and the Amazon. The letter was signed by former climate negotiators, diplomats and US politicians.

EU's trade pressure on Brazil for the end of deforestation: As we highlighted in previous months, it is unlikely that the agreement will be approved in the short term, but it is still part of the agenda of the blocs. In January, France stressed that it will not ratify the agreement if clear environmental safeguards are not guaranteed.

Land and marine ecosystem protection commitments: As part of the preparations for the 15th Conference of the Parties to the Convention on Biological Diversity (CDB) - which was postponed to the second semester of 2021 due to the pandemic – virtual meetings were held with the presence of more than 50 of the most biodiverse countries in the world. It is important to highlight that Brazil was

not invited despite being megadiverse, configuring a pariah position. The participating countries committed to the goal of protecting at least 30% of land and marine ecosystems by 2030. The new US president, Joe Biden, committed as well, in spite of the US not being a CBD signatory. Other commitments were also announced, as the allocation of 30% of the climate funding to projects protecting biodiversity; the promotion of agroecology and greater connection between deforestation and human health.

5 - Trends

The election of new presidents for the Chamber of Deputies, Arthur Lira (PP), and the Senate, Rodrigo Pacheco (DEM), candidates supported by Bolsonaro, creates a positive environment for the approval of themes of interest to the government. At the Chamber, economic reforms and matters such as land tenure regularization⁴ ([PL 2633/20](#)), forest concessions ([PL 5518/2020](#)) and environmental licensing ([PL 3729/2004](#)) may gain momentum. It is worth mentioning that the rural parliamentary group strongly supported Lira's election in the first poll, and shall make demands of him regarding the progress of such matters. At the Senate, the electric sector framework ([PLS 232/2016](#)), the oil sharing regime ([PL 3178/2019](#)), the BR of the Sea program ([PL 4199/2020](#)) and the railroads framework ([PLS 261/2018](#)) are priorities for the federal government. But the Congress' immediate agenda will be the emergency PEC (Constitutional Amendment Proposal) ([PEC 186/2019](#)), involving the cap for government expenditures, followed by the administrative and tax reforms. The latter brings "greening" possibilities. However, the window of opportunity for these important reforms is considered as small: this agenda basically occupies only the first semester of 2021, since after that, the 2022 presidential elections take the spotlight. In this context, the *pipeline* may be overwhelmed, delaying matters dear to the government, as land tenure regularization.

The new power game at the Legislative branch shall lead to a ministerial reform at the Executive, with greater control of important Ministries by the Centrão parliamentary group. It is not clear where command positions will be switched – it's worth mentioning that, in January, Vice President Mourão indicated the possibility of change at the Ministry of Foreign Affairs (MRE).

The likely improvement in the dialogue between the Executive and Legislative branches may also introduce a new dynamics at the Executive, which was formerly more centered around infra-legal measures visible at the *Federal Official Gazette* (the "cattle"), and that may now adopt more provisional measures and proposals without public consensus. The "Rodrigo Maia" trend of only placing in the agenda proposals agreed between agriculture and environment shall disappear, making room for harder political negotiations, even if the Centrão parliamentary group does not automatically align to any topic.

⁴ Article: Bolsonaro indicates that with Lira agrarian reform and land tenure regularization will move forward

At the Executive, fishing **shall remain highly relevant** in the agenda, with the acceleration of deregulation measures, as seen in the last few months.

The privatization of environmental assets shall **remain present**, figuring as one of the few agendas where the government finds support from the most various sectors of society, even if it is not unanimous. Privatization of natural resources, like oil blocks, will continue to be questioned in the case of sensitive areas like Camamu-Almada, at Abrolhos (BA).

Signals of "restructuring" of key positions for environmental themes, especially at the MMA (Ministry for the Environment), will **continue**, with the possible outcome of the working group on the merger of IBAMA and ICMBIO in February. The **way forward for the merger of the institutions** could be via Provisional Measure or Administrative Reform, with broad "institutional reform" implications.

For February, there is still the promise from the federal government regarding the publication of the Amazon Plan. Consecutive statements by the President concerning Vice President Hamilton Mourão have signaled that the general is isolated in the government. As a consequence, the Amazon agenda headed by him remains politically weak. Mourão dialogues with the private sector and with international partners, and has been highly demanded in terms of Brazil's results concerning deforestation and fire control. But he seems to have **limited** influence on the direction adopted by the government.

On deforestation, the federal government's hypothesis still seems to be that the presence of the military *in situ* during almost all of 2020 shall have future effect in the reduction of deforestation. Since rates were very high in 2019 and 2020, some speculate that this may be possible for 2021 or 2022. However, there are many countering factors: the effect of environmental inspection is reduced since the collection of fines is virtually paralyzed since the creation of the Conciliation Nucleus in 2019; the budget for the operation of environmental institutions for 2021 is the smallest in the last 21 years, limiting the capability of the state to enforce anti-crime actions; the land organization agenda is also at a standstill following political orientation; issuing of land property titles by INCRA was below the historical average in the last two years; and public statements by President Bolsonaro create a "social license" for deforestation to take place without the due consequences.

Moreover, there is a trend for a new commodities supercycle to take shape⁵. As a consequence, the real estate (regular and irregular) market will boom, affecting the Amazon. In addition to the devaluation of the Brazilian currency and the high global demand for commodities, the trend should boost activities with some level of deforestation risk. Therefore, much greater efforts would be necessary to achieve a reduction in the PRODES (Program for Satellite Monitoring of the Brazilian Amazon Forest) rate.

In view of this scenario, private players and foreign governments bet on the chain traceability agenda. It should gain momentum in the coming months, both in Brazil and internationally. As an example, the European Union is discussing legislation that

5 [Veja magazine, Brazil Journal](#)

imposes restrictions to the import of products with embedded risk of deforestation, besides discussing a law on the pricing of carbon applicable to commerce.

The matter also has implications on the ratification of the Agreement with Mercosur, which is still threatened due to pressures on the environmental chapter. Regarding the future of the agreement between Mercosur and the European Union, **prospects remain pessimistic**.

On the climate change agenda, discussions are heated around Brazil's participation in and positions at COP 26, as well as regarding the presentation of more ambitious alternatives to the country's updated NDC.

In the US agenda, after an executive orders package signed by Joe Biden, the United States will officially rejoin the Paris Agreement on February 20. In this context, the intensification of preparations for a new NDC by the US should be observed before April 22nd, when Biden will gather world leaders in a *Major Economies Forum* (MEF) Summit. It is important to follow future comparisons between goals committed to by countries, including Brazil.

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