

MONTHLY OUTLOOK REPORT

August
2021

INITIATIVE:



SUPPORT:





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This is POLÍTICA POR INTEIRO's Monthly Outlook Report on the Brazilian federal government's 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 AUGUST 2021. We analyse Federal Official Gazette publications daily and classify relevant content using an actions typology¹ 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](#)).

¹ The typology for the Legislative branch actions is being tested and will soon be published.

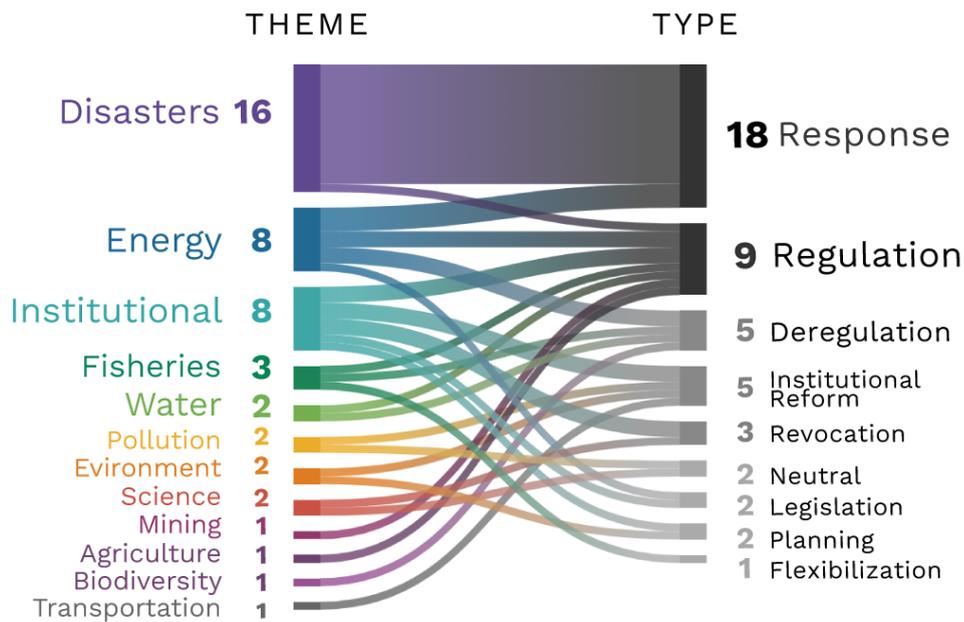
1. Executive Branch

In **August**, our **Government Actions Tracker** identified **47 actions** relevant to environmental and climate change policies from the federal Executive branch, published in the *Federal Official Gazette*. This total is much lower than expected if compared to August/2020 and to previous months this year.



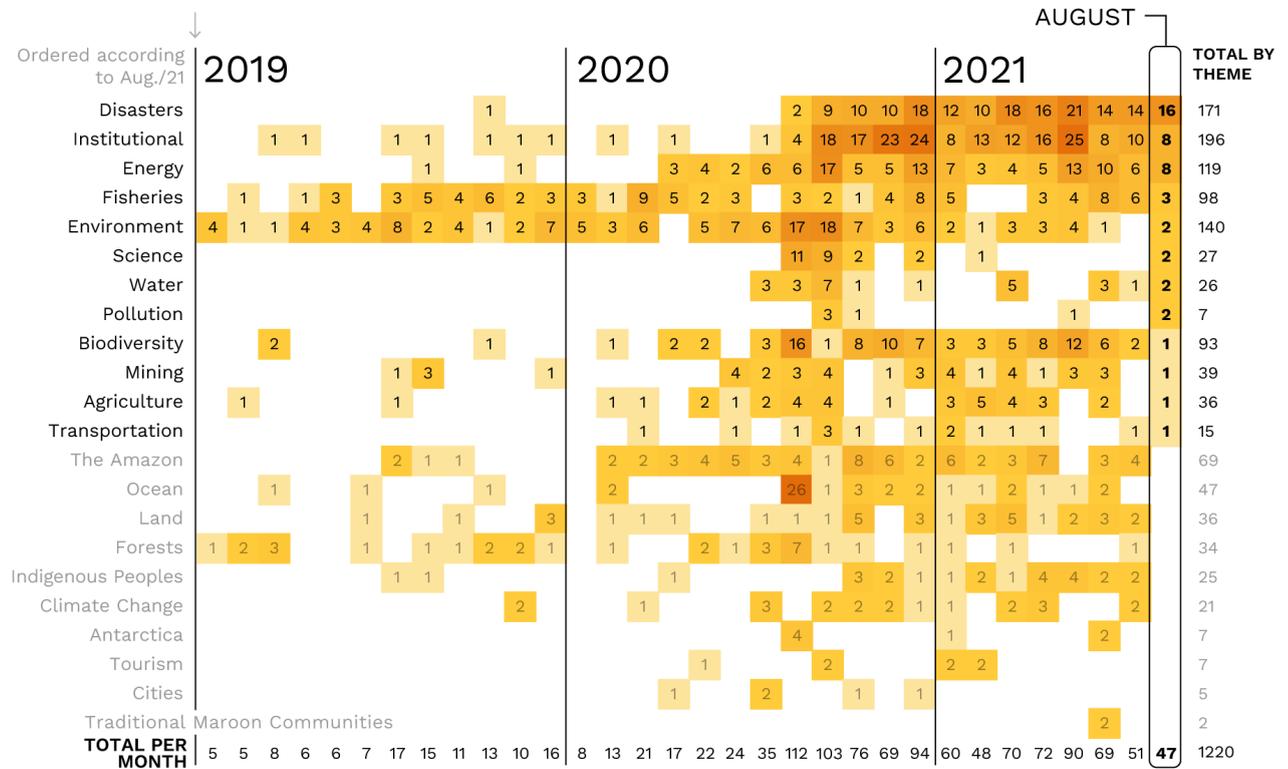
1.1 Classification of Executive branch actions

Actions organized by theme and by type:



1.2 Themes of Executive branch actions

Number of actions identified each month for each theme, since the beginning of the current administration.



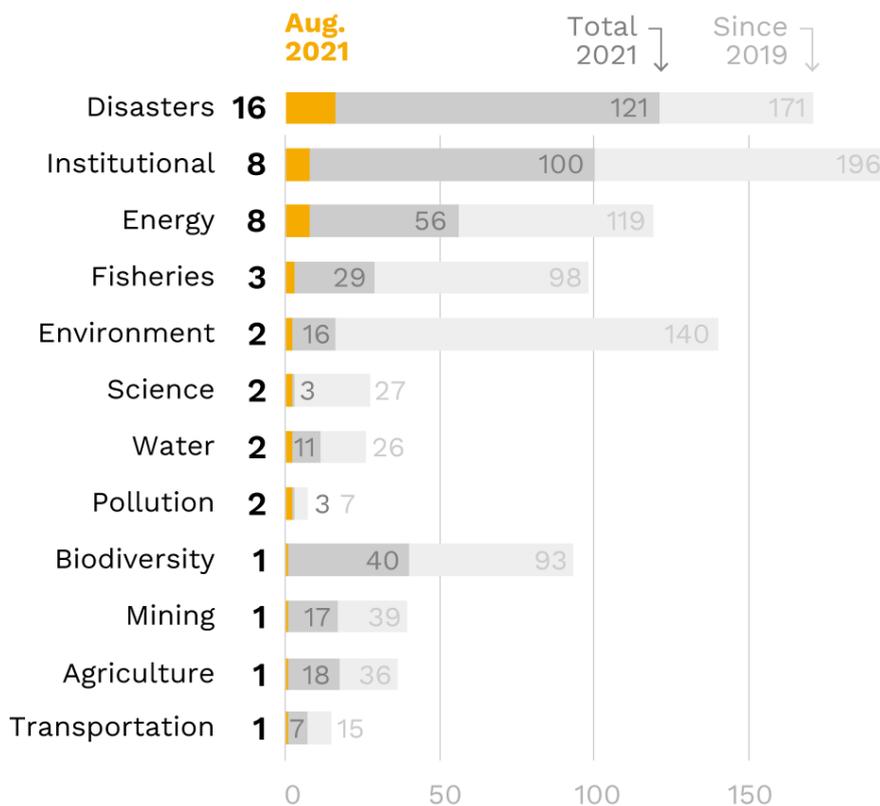
1.3 Analyses by type and by theme

The most common theme in August was *disasters*, with 16 actions, including acknowledgments of municipal emergencies owed to weather and climate events including forest fires, and the public consultation for regulating the transfer of federal resources to areas at risk or affected by disasters. Eight actions were listed under *institutional*, including the approval of the Internal Regulations of the National Biodiversity Commission. Eight actions were also listed under *energy*, including the Provisional Measure that provides for the marketing of fuels by retailers, and the Ordinance establishing procedures for the approval of pipeline projects in the oil, natural gas and biofuels sector. Three actions were listed under *fisheries*, among which we highlight the Ordinance providing that surface gillnetting should only be carried out in an assisted manner in the state of São Paulo. Two actions were listed under each of the following themes: *environment*, *science* and *water*. Among these, we highlight National Water Agency’s (ANA) resolution guiding the planning and management of water resources until 2030 and, under *environment*, the enactment of a Law providing for a the

facilitation of starting a business.

Two actions were listed under *pollution*, a sporadic theme, including the creation of the MonitorAr programme within the Ministry for the Environment, and the rule providing for the mandatory registration with the Federal Technical Registry of Potentially Polluting Activities. One action was listed under *mining* in August, the approval of the details for the Programme for the Sustainable Use of National Mineral Coal. A single action was listed under each of the following themes: *biodiversity*, *transportation* and *agriculture*, including the Provisional Measure providing for the Railway Authorizations Programme within the National Land Transport Agency (ANTT) and the public consultation on the proposal for the Sectoral Plan for Adaptation to Climate Change and Low Carbon Emission in Agriculture and Livestock.

ACTIONS BY THEME – AUGUST

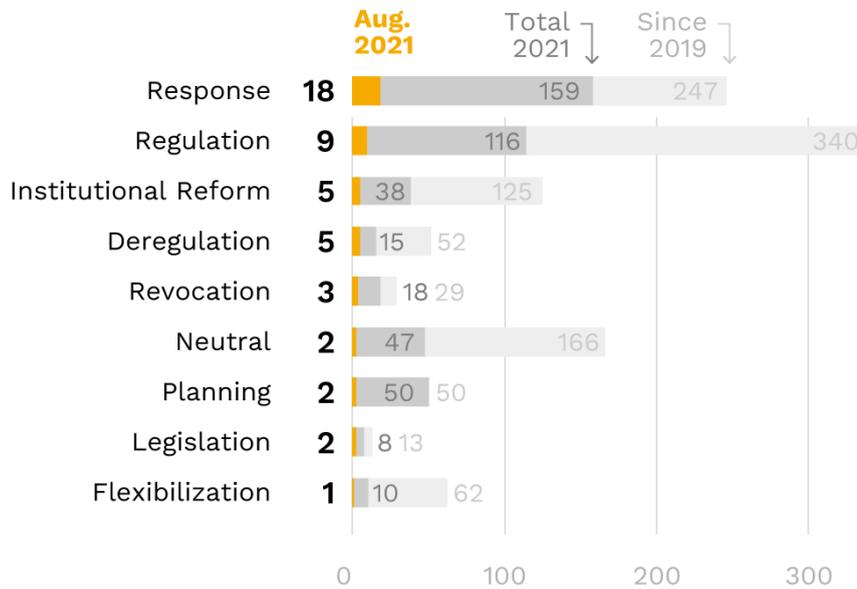


No actions were tracked for: The Amazon, Antarctica, Cities, Forests, Indigenous Peoples, Ocean, Climate Change, Traditional Maroon Communities, Land and Tourism.

The most common classification type in August was *response*, with 18 actions listed. In addition to ordinances acknowledging emergency situations, a rule from the civil defence establishes services for the removal and disposal of waste generated by disasters, and emergency

situations due to Forest Fires were acknowledged in Mato Grosso do Sul state municipalities. Among the 18 *response* actions are also listed rules that establish the Incentive Programme for the Voluntary Reduction of Electric Energy Consumption and the water scarcity tariff flag within the Brazilian Electricity Regulatory Agency (ANEEL). Nine actions were listed under *regulation*, including the approval of the National Indian Foundation (Funai) Normative Actions Manual, and the definition of guidelines for the electricity sector to conduct the 2021 Reserve Capacity Auction. Five actions were listed under *deregulation*, including the new definition for the operation of the National Biofuels Policy Committee (Comitê RenovaBio). Five actions were listed under *institutional reform*, among which we highlight the creation of the Electronic Information System (SEI) within the Brazilian Institute for the Environment and Renewable Natural Resources (IBAMA) and the new Regional Development regimental structure. Three actions were listed under *revocation* in August, coming from the Ministry of Agriculture, Livestock and Food Supply (MAPA), the National Institute of Colonization and Agrarian Reform (INCRA) and the National Biosecurity Commission (CNTBio). There were 2 actions listed under *neutral*, which don't present any immediate relevant signal but remain on the radar for monitoring and future reference. Two actions were also listed under *planning*, including the communication of priorities for research, technology development and innovation projects by the Ministry of Science, Technology and Innovation. Two actions were listed under *legislation* in August, including the enactment of the 2022 Budget Law. One action was listed under *flexibilization*, addressing the necessary documentation for exporting lobster species.

ACTIONS BY TYPE – AUGUST



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

Theme: Institutional

ORDINANCE MMA No. 394, of 17 AUGUST 2021 – Regulation

Ordinance No. 394 approves the Internal Regulations of the National Biodiversity Commission (CONABIO). It changes competences from the previous internal regulations, such as removing the competence to “approve the methodology for the elaboration and the final text of national reports for the Convention on Biological Diversity”. Formerly, the Plenary used to meet “once every two months”. Now it meets “at least twice a year, preferably once each semester”. Formerly, CONABIO’s decisions could be made via resolution, deliberation or motion. Now they can only be made via resolution. Despite preparations for CBD’s COP15, where the new Strategic Plan will be approved for reducing the loss of global biodiversity, Brazil curtails CONABIO’s meeting frequency and participation. For a better understanding of CONABIO’s new composition and some of the changes it underwent, read our [exclusive report](#) on POLÍTICA POR INTEIRO’s blog.

LAW No. 14,194, of 20 AUGUST 2021 – Legislation

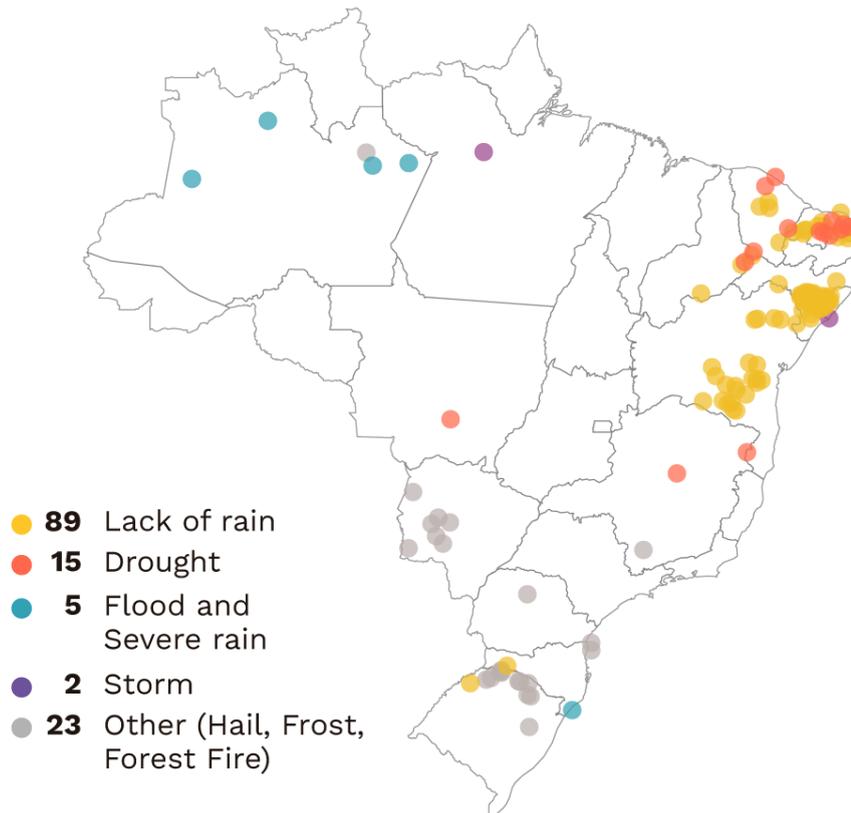
Law No. 14,194 sets forth Federal government budgetary guidelines for 2022. “Annex III, on expenses not to be limited”, lists (i) subsidies to natural gas used for thermoelectric power generation; (ii) policies and

strategies for deforestation prevention and control, and for forest management and recovery, within federal, state and municipal governments.

Theme: Disasters

DISASTERS

Emergency situation acknowledged for **134 municipalities** in August/2021



List of affected municipalities:

● **LACK OF RAIN** – **AL**: Água Branca, Arapiraca, Batalha, Belém, Belo Monte, Cacimbinhas, Canapi, Carneiros, Coité do Nóia, Craíbas, Delmiro Gouveia, Dois Riachos, Estrela de Alagoas, Girau do Ponciano, Igaci, Inhapi, Jacaré dos Homens, Jaramataia, Major Isidoro, Maravilha, Mata Grande, Minador do Negrão, Monteirópolis, Olho D'Água das Flores, Olho D'Água do Casado, Olivença, Ouro Branco, Palestina, Palmeira dos Índios, Pão de Açúcar, Pariconha, Piranhas, Poço das Trincheiras, Quebrangulo, Santana do Ipanema, São José da Tapera, Senador Rui Palmeira, Traipu. **BA**: Abaré, Belo Campo, Boa Vista do Tupim, Campo Formoso, Caturama, Dom Basílio, Euclides da Cunha, Guajeru, Iaçú, Ibipitanga, Ituaçu, Jaguaquara, Lafaiete Coutinho, Lajedo do Tabocal, Maetinga, Maracás, Mirante, Monte Santo, Pedro Alexandre, Presidente Jânio Quadros, Sebastião Laranjeiras, Senhor do Bonfim, Tanhaçu, Tremedal. **CE**: Cedro, Itatira, Madalena, Monsenhor Tabosa, Salitre. **PE**: Ibirajuba. **PI**: Anísio de Abreu, Caridade do Piauí. **RN**: Assú, Boa

Saúde, Bom Jesus, Doutor Severiano, Frutuoso Gomes, Lagoa D'Anta, Olho-D'Água do Borges, Paraú, Santana do Matos, São Bento do Norte, São Bento do Trairi, São Rafael, Umarizal. **RS:** Cândido Godói. **SC:** Caxambu do Sul. **SE:** Gararu, Nossa Senhora Aparecida, Nossa Senhora da Glória, Poço Verde.

• **DROUGHT** – **CE:** Campos Sales, Irauçuba, Jaguaribe, Trairi. **MG:** Augusto de Lima, Machacalis. **MT:** Chapada dos Guimarães. **PI:** Simões. **RN:** Barcelona, Bento Fernandes, Currais Novos, Florânia, Ielmo Marinho, Jucurutu, Pedro Avelino.

• **FLOOD AND SEVERE RAIN** – **AM:** Rio Preto da Eva, Santa Isabel do Rio Negro, São Paulo de Olivença, São Sebastião do Uatumã. **SC:** Balneário Gaivota.

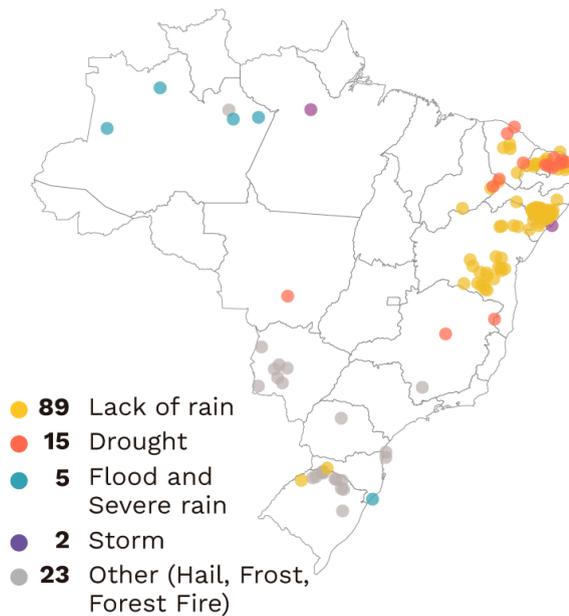
• **STORM** – **PA:** Monte Alegre. **SE:** Ilha das Flores.

• **OTHERS (Hail, Frost, Forest Fires)** – **AM:** Presidente Figueiredo. **MG:** Poço Fundo. **MS:** Aquidauana, Bodoquena, Bonito, Corumbá, Jardim, Miranda, Porto Murtinho.

PR: São Pedro do Ivaí. **RS:** Ametista do Sul, Coronel Bicaco, Cristal do Sul, Erebango, General Câmara, Getúlio Vargas, Guabiju, Rodeio Bonito, Sananduva, São Valério do Sul, Vanini. **SC:** Balneário Barra do Sul, Itapoá.

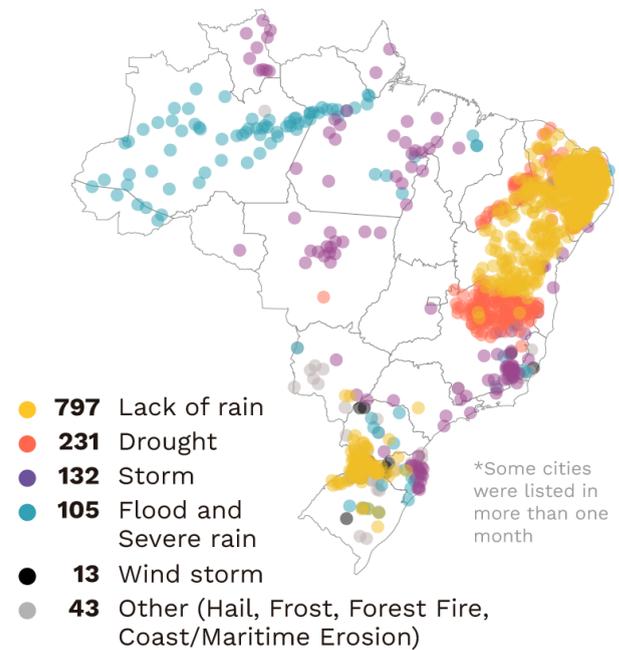
DISASTERS IN JULY

Emergency situation acknowledged for **134 municipalities** in August/2021



TOTAL FOR 2021

Emergency situation acknowledged for **1,195 municipalities*** between January and August 2021



NOTICE OF PUBLIC CONSULTATION No. 1/2021 – Regulation

Notice No. 1 calls for public consultation in order to regulate Law No. 12,340, of 1 December 2010, addressing the transfer of federal resources to state, Federal District and municipal bodies and agencies, for prevention actions in areas with risk of disasters and response and

recovery actions in areas hit by disasters. It also addresses the National Fund for Public Disasters, Protection and Civil Defence. The aim of the decree open to suggestions is to incorporate enhancements made to the National Protection and Civil Defence System since the entry into force of Law No. 12,608, of 10 April 2010, which deals with the National Civil Defence and Protection Policy, the National Civil Defence and Protection System, and the National Civil Defence and Protection Council.

ORDINANCE No. 1,610, of 5 AUGUST 2021 – Response

Ordinance No. 1,610 acknowledges the emergency situation due to Forest Fire – Fires in non-protected areas, with consequences to air quality – in the following municipalities in the state of Mato Grosso do Sul: Bodoquena, Bonito, Corumbá, Jardim, Miranda, Porto Murtinho and Aquidauana. The Mato Grosso do Sul state declaration of emergency was done by **Decree No. 79, of 12 July 2021**, published 24 days before Ordinance No. 1,610. On a technical note, the State Secretariat for the Environment Economic Development, Production and Family Agriculture informed of the weather forecast for the second semester of 2021, showing that July, August and September rainfall in the state of Mato Grosso do Sul will be 40% to 50% lower than the amount expected for the period with the possible consequence of an increase in the number of natural and criminal fires.

ORDINANCE No. 1,774, of 23 AUGUST 2021 - Response

Ordinance No. 1,774 approves NORMADEC (Civil Defence Standard), establishing the critical set of services to be conducted in public urban areas with the aim to remove and dispose of waste generated by a disaster. It will be published on the website of the Ministry of Regional Development.

Theme: Energy

PROVISIONAL MEASURE No. 1,063, of 11 AUGUST 2021 – Regulation

Amends Law 9,479/1997 (on the national energy policy, on activities related to oil monopoly, and instituting the National Energy Policy Council and the National Agency for Petroleum, Natural Gas and Biofuels) and Law No. 9,718/1998 (amending Federal Tax Law), providing for the direct sale of ethanol to service stations, eliminating the intermediary, in this case, the fuel distributor. The measure has a direct impact on the hydrated ethanol (fuel) distribution chain, on fiscal

regulation and on the collection of ICMS (a VAT).

**NORMATIVE ORDINANCE No. 19/GM/MME, of 16 AUGUST 2021 –
Deregulation**

Provides procedures for approval of pipeline projects in the oil, natural gas and biofuels sector, and natural gas production and processing infrastructure in the Special Incentive Regime for Infrastructure Development (REIDI). A private company with an infrastructure project in the oil, natural gas, its derivatives and biofuels, may request the inclusion of the respective project in REIDI. The rule covers infrastructure projects in the following categories: I – fuel transportation pipelines; II – fuel transfer pipelines; III – gas pipelines regulated by the National Agency for Petroleum, Natural Gas and Biofuels (ANP); IV – gas pipelines for supplying piped gas locally; V – non-associated natural gas production; and VI – natural gas processing. The project is considered eligible for REIDI after the publication of an Ordinance by the Ministry of Mines and Energy. The rules in this Ordinance apply to projects for which eligibility for REIDI has been requested based on Ordinances No. 404/GM/MME, of 20 October 2009, and No. 406/GM/MME, of 20 October 2009, and which have not been approved by the date of publication of this Ordinance. It revokes Ordinance No. 404/GM/MME, of 20 October 2009 and Ordinance No. 406/GM/MME, of 20 October 2009.

RESOLUTION No. 2, of 31 AUGUST 2021 - Response

Resolution No. 2 creates the Incentive Programme for the Voluntary Reduction of Electric Energy Consumption for consumer units from groups A and B in the regulated market of the National Interconnected System (SIN), linked to the Ministry of Mines and Energy, aiming at establishing emergency measures for facing the current water scarcity situation so as to guarantee the continuity and security of electric power supply in Brazil. The first stage of the Incentive Programme for the Voluntary Reduction of Electric Energy Consumption is in force for four billing cycles, starting on 1 September 2021.

RESOLUTION No. 3, of 31 AUGUST 2021- Response

Resolution No. 3 sets forth the water scarcity tariff flag, with the new value of BRL\$142.00 per megawatt-hour, representing an increase of around 50% if compared to the current red tariff flag.

ORDINANCE No. 543/GM/MME, of 27 AUGUST 2021 -**Deregulation**

Ordinance No. 543 defines the operation of the National Biofuels Policy Committee (Comitê RenovaBio). It amends the previous rule regarding (i) prohibition for the creation of sub-collegiate bodies by an act of RenovaBio Committee; (ii) previously, the Committee had to meet at least four times a year, and now this number is reduced to twice a year. Ordinance No. 543 revokes Ordinance No. 103/GM/MME, of 22 March 2018; (iii) besides the ANP, representatives from the Ministry of Foreign Affairs and the Energy Research Office (EPE) may also participate as permanent guests.

Theme: Pollution**NORMATIVE INSTRUCTION No. 13, of 23 AUGUST 2021 –****Institutional Reform**

Normative Instruction No. 13 defines the new regulation providing for the mandatory registration with the Federal Technical Registry of Potentially Polluting Activities and the Use Environmental Resources, grouping previous regulations under a single rule. We highlight the removal of IBAMA's (Brazilian Institute for the Environment and Renewable Natural Resources) competence to keep updated the listing under Annex I, due to changes and innovations in technological processes associated to potentially polluting activities and to the use of environmental resources. This competence was not transferred to another governmental body.

ORDINANCE MMA No. 386, of 23 AUGUST 2021 – Planning

Ordinance No. 386 creates the National Air Quality Management System (MonitorAr), within the National Urban Environmental Quality Agenda and determines that MonitorAr shall have specific modules for society and for government managers, allowing citizens to access information and data related to air quality monitoring made available by states, the Federal District and municipalities. The Programme's goals include fostering actions for monitoring, controlling and reducing pollutant emissions. It also establishes the National Clean Air Programme focusing on air quality management. This Programme's objectives include "to improve quality of life in cities, valuing the provision of ecosystem services in these areas".

Theme: Fisheries

ORDINANCE SAP/MAPA No. 356, of 18 AUGUST 2021 –

Deregulation

Ordinance No. 356 temporarily suspends, until December 2022, the enforcement of articles 2 and 3 of IBAMA's (Brazilian Institute for the Environment and Renewable Natural Resources) Normative Instruction No. 166, of 18 July 2007, exclusively in the state of São Paulo, for all modalities of surface gillnetting. Surface gillnetting must be carried out exclusively in an assisted manner. By September 2022, a technical-scientific group coordinated by the Aquaculture and Fisheries Secretariat from the Ministry of Agriculture, Livestock and Food Supply shall be created to assess the suspension set forth by this Ordinance using official monitoring database data. Fishermen with licences for surface gill fishing addressed by this Ordinance have the obligation to provide data on the catching of various species (including incidental catch species) to the fishery monitoring programmes implemented. It is important to mention that this local flexibilization is a long standing demand of artisanal fishermen in São Paulo, gathering fishermen from three State Marine Environmental Protection Areas (Integrated gillnetting Working Group) + Instituto de Pesca (Fisheries Institute) researchers + cetacean researchers. The main challenge is the proposed monitoring, to be implemented jointly with the São Paulo Fisheries Institute.

ORDINANCE SAP/MAPA No. 369, of 26 AUGUST 2021 –

Flexibilization

Ordinance No. 369 suspended the enforcement of paragraphs 3 and 4 of article 16, and of the sole paragraph of article 21 of Ordinance No. 221, of 8 June 2021, and amended its articles 23 and 34, removing the need for an “accompanying tax document” for storage, transportation and processing of the Caribbean spiny lobster (*Panulirus argus*), the smoothtail spiny lobster (*Panulirus laevicauda*) and the brown spiny lobster (*Panulirus echinatus*) for export. It is important to mention that these are native lobster species, **historically** exploited almost to extinction and listed today in the **ICMBio's list of endangered species** as NT (almost endangered) for lack of statistical data. A recent study by **NGO Oceana** warns that fishing of the Caribbean spiny lobster (*Panulirus argus*), with an annual turnover of over 50 million dollars in exports, is below 18% of its maximum capacity, which may compromise

the future of fishing if no change in the current fishing pattern is conducted.

Theme: Mining

ORDINANCE No. 540/GM/MME, of 6 AUGUST 2021 – Regulation

Ordinance No. 540 approves details for the Programme for the Sustainable Use of National Mineral Coal, establishing that the Energy Planning and Development Secretariat (SPE/MME), and the Geology, Mining and Mineral Transformation Secretariat (SGM/MME) are the coordinating agencies for monitoring the Programme's observance and follow up. The Programme's objectives were established by **Ordinance No. 461/2020**, and are (i) Objective 1 – Environmental sustainability; (ii) Maintenance of economic activity in the existing coal industry; (iii) Contracting installed capacity for generation from national mineral coal. It is important to notice that in the "Specific Actions and Implementation Schedule" the following is mentioned: "it is proposed to enable the contracting of developments that use national mineral coal with variable contractual terms until 2050, which is currently the date by which Brazil committed (in April 2021) to decarbonize its energy matrix". The publication of the Programme sounded as a significant backward step as it was published on the same day as the IPCC (Intergovernmental Panel on Climate Change) Report, which shows global warming damage due to increased emissions. While the UN Secretary states the IPCC report is a "red alert" to countries and that it "shall mean the end of the use of coal and fossil fuels before the planet is destroyed", we take the opposite direction if compared to what developed countries are doing. Instead of investing in clean energy, we insist on coal, and mask it as "sustainable use".

Theme: Environment

LAW No. 14,195, of 26 AUGUST 2021 – Legislation

Law No. 14,195 is a conversion of Provisional Measure No. 1,040/2021, adding, with regard to environmental aspects, the following provision to the article on the automatic issuance of operation permit and licenses: "The provisions of this article do not depart from rules on environmental licenses and other authorizations provided for in Complementary Law No. 140, of 8 December 2011."

Theme: Science

ORDINANCE MCTI No. 5,109, of 16 AUGUST 2021 – Planning

Defines the priorities, within the scope of the Ministry of Science, Technology and Innovation, with regard to research, technology development and innovation projects for the 2021-2023 period, in order to align ministerial performance with the Multiannual Plan – PPA 2020-2023 and meet the established goals and targets. It sets as priorities research, development and innovation projects aimed at various areas, including Sustainable Development, which includes the following sectors: Smart and Sustainable Cities; Renewable Energy; Bioeconomics; Solid Waste Treatment and Recycling; Pollution Treatment; Monitoring, Prevention and Recovery of Natural and Environmental Disasters, and Environmental Preservation. It revokes Ordinance No. 1,122, of 19 March 2020 and Ordinance No. 1,329, of 27 March 2020.

Theme: Agriculture

ORDINANCE No. 181, of 30 AUGUST 2021 - Regulation

Ordinance No. 181 submits to Public Consultation, from 31 August to 31 September 2021, the proposal for the Sectoral Plan for Adaptation to Climate Change and Low Carbon Emission in Agriculture and Livestock Aiming at Sustainable Development - ABC+ (2020-2030). After the established deadline, the Innovation, Rural Development and Irrigation Secretariat will evaluate the suggestions received. The **public consultation** and the **full Plan** are available on the website of the Ministry of Agriculture, Livestock and Food Supply (MAPA).

2. Legislative Branch

POLÍTICA POR INTEIRO's [Legislative Initiatives Database](#), a tool for monitoring new legislative proposals related to the environment and climate change, identified **18 relevant legislative proposals** in August: 17 Bills of Law (PL) and 1 Draft Legislative Decree (PDL). The National Congress resumed activities on 2 August.

2.1 Proposals Presented

We highlight critical Bills of Law (PLs) addressing sensitive topics such as land tenure regularization, conservation units, indigenous people's rights and a few proposition PLs. Bill [PL 2,922/2021](#), by senator Zequinha Marinho (PSC/PA), aims at regulating the Federal Constitution's article 231 on the rights of indigenous peoples, providing for the recognition, demarcation, use and management of indigenous lands, adopting the thesis of the time framework. Bill [PL 2,916/2021](#), by senator Jader Barbalho (MDB/PA), proposes regulation favouring traditional peoples, addressing the Riverside Population Statute, regulating the rights given to riverside peoples and individuals, with equal opportunities, and the guarantee of individual, collective and diffuse rights.

Three Bills address critical changes to the Forest Code (Law 12,651/2012): Bill [PL 2,673/2021](#), by representative Zé Vitor (PL/MG), which considers the damming of watercourses to be of public utility when done for irrigation and animal watering; Bill [PL 2,722/2021](#), by representative Marcelo Brum (PSL/RS), regulating the application of Permanent Preservation Areas in urban areas; and Bill [PL 2,853/2021](#), by representative Caroline de Toni (PSL/SC) which aims to change the concept of alternative land use, determining that it does not apply to the implementation, expansion or renovation of watercourse dams, for the execution of accumulation reservoirs, with the specific purpose of irrigation of agricultural areas. Two proposals were presented to change rules on the Chapada dos Veadeiros National Park in the state of Goiás: Bill [PL 2,847/2021](#), by senator Jorge Kajuru (PODE/GO), that, in spite of aiming at the expansion of the Park, allows activities related to

generation, transmission and distribution of electric power and mining within the limits of its buffer zone, without suppressing the need for environmental licensing by the appropriate environmental body. And Draft Legislative Decree [PDL 338/2021](#), by representative Delegado Waldir (PSL/GO), aiming to stop the Decree of 5 June 2017 (Dsn 14,471), by the Presidency, which expanded the Chapada dos Veadeiros National Park. Bills aimed at fostering the use of electric vehicles were also identified, such as Bill [PL 2,972/2021](#), by representative Luis Miranda (DEM/DF), changing the National Urban Mobility Policy (Law No. 12,587/2012) to include in its guidelines the priority of electric engines over combustion engines, and Bill [PL 2,715/2021](#), by representative Leônidas Cristino (PDT/CE), putting forth incentive measures for the adoption of hybrid and electric vehicles.

2.2 Relevant Actions

Land Tenure Regularization: The Plenary of the Chamber of Deputies approved Bill PL 2,633/2020, nicknamed the “[Land grabbing Bill of Law](#)”, one of the priority Bills for the government and the ruralist parliamentary group. The Bill was approved with 292 votes in favour and 116 against, and goes to Senate. Besides expressing their opposition, civil society organizations continue to alert the population against the dangers of this Bill. [Foreign companies threaten to boycott agreements with Brazil](#) in case this Bill moves forward. On the other hand, the Chamber’s president was happy with the voting results and considered that this Bill of Law [respects rural producers](#).

Permanent Preservation Areas (APPs) in urban areas: The basic text of [Bill of Law \(PL\) 2,510/2019](#) was approved in plenary. The Bill amends laws that provide for the protection of native vegetation, land tenure regularization on federal land and urban land subdivision, to provide for Permanent Preservation Areas (APPs) around watercourses in consolidated urban areas. Furthermore, the Bill sets the competence for defining the limits of Permanent Preservation Areas in urban areas to master plans and to land use laws. It should be noted that all the highlights presented by representatives were rejected, and the matter was sent to the Federal Senate. This project has received several criticisms, especially for having a direct impact on APPs in urban areas, consequently affecting ecosystem services for the conservation of water resources.

The Federal Senate is processing Bill (PL) 1,869/2021, whose theme is similar to that of Bill (PL) 2,510/2019, which "amends the Forest Code and other related legislation, to define the concept of consolidated urban areas and provide for marginal strips of any watercourse, as well as dealing with the consolidation of works already completed in these areas". Its content was discussed in a [virtual session](#).

Regulatory framework for distributed micro- and

mini-generation: The regulatory framework for distributed micro- and mini-generation in Brazil was approved with 476 votes in favour and 3 against. Bill of Law ([PL 5,829/2019](#)), by representative Silas Câmara (REPUBLIC/AM), provides that micro- and mini-generation of electric power by renewable energy sources, such as solar, [shall pay a lower tariff for the use of power distribution wires](#). The approved Bill, that will go to Senate, provides that existing micro- and mini-generators will pay, until 2045, tariff components only on the difference, if positive, between consumption and what is alternatively generated and injected into the distribution network, as is currently done. The controversy on this type of generation lies on the way distributors manage compensation since, on a monthly basis, there is a payment to the company or receipt of the "difference between what they injected into the network and what they used". Therefore, there is a benefit for consumers who do not need subsidies because they already have higher income. The amount charged for the maintenance of the distributor's system will be paid by the one who consumes it, that is, the "captive" consumer.

Approval by the Environment Committee of the Senate:

Differently from the Chamber of Deputies' Committee on the Environment and Sustainable Development, the Senate's Environment Committee has managed to put projects and proposition requests on the environment on the agenda and to approve them. Two Bills of Law were approved in August.

- [PL 643/2019](#), by senator Veneziano Vital do Rego (PSB/PB), expanding security and protection conditions for mineral exploitation activities, providing for, among other measures, the imprescriptibility of environmental crimes and the prohibition to pay in instalments fines due to environmental disasters. It was approved under the terms of the Clean Bill presented by senator Randolfe Rodrigues (Rede/AP). It now goes to the Chamber of

Deputies.

- **PLS 232/2015**, by senator Fernando Bezerra Coelho (PSB/PE), includes marine and river erosion control as a guideline for the National Coast Management Plan, was approved under the terms of senator Otto Alencar's (PSD/BA) report and goes to the Chamber of Deputies.

Climate change in Congress: Many representatives, including ones contrary to the climate agenda, presented in August various requests related to COP 26.

- Representative Sidney Leite (PSD/AM) requested the creation of a group within the Committee on National Integration, Regional Development and The Amazon (CINDRA) to officially represent the collegiate body on a mission at the Conference.
- Representative Arthur Oliveira Maia (DEM/BA), requested a public hearing to discuss COP 26 at the Chamber of Deputies' Committee on Foreign Relations and National Defence, with the presence of the Minister for the Environment. The request was **approved** in the end of August.
- Representative Nilto Tatto (PT/SP) requested a hearing at the Chamber's Committee on Science and Technology to discuss Brazil's standing in face of the new IPCC Report.
- Representative Geninho Zuliani (DEM/SP) wants to discuss carbon taxation in the Chamber.
- At the Chamber's plenary, representative Zé Silva (Solidariedade/MG), informed that hearings on COP 26 will be held. A **virtual hearing** was held with the participation of Marcelo Donnini Freire, the joint climate and international relations secretary from the Ministry for the Environment.

Some requirements on the subject were approved and will be discussed at the Congress. In the Senate, the Environment Committee approved the COP 26 work plan presented by senator Eliziane Gama (Cidadania/MA), to assess the climate policy implemented by the Federal Government, with an emphasis on policies to prevent and control deforestation and fires in the Amazon, Cerrado and Pantanal biomes.

Pre-COP 26 agenda: At a hearing about Brazil's participation in COP 26, held at the Chamber of Deputies' Environment Committee, a **“green agenda”** or **“sustainable agenda”** was established to be forwarded to

Representative Arthur Lira (PP-AL), in order to that it be considered prior to the holding of COP 26. Some projects were highlighted, such as renewal of the Antarctic Treaty (PDL 406/19), the ratification of the Kigali Amendment (PDC 1,100/18); the regulation of the carbon market in Brazil (PL 528/21); encouraging forest restoration (PL 5,634/19); the flexibilization of public forest concessions (PL 5,518/20); the regulation of Private Natural Heritage Reserves (RPPNs) (PL 784/2019); the creation of the “Green Rural Lottery”, to reinforce Payment for Environmental Services mechanisms (PL 1,587/21); and the “Green Heritage” (PL 7,578/17), which assigns economic value to environmentally preserved areas.

3. Analysis

Crises / Setbacks / Controversy

Jair Bolsonaro: According to an [analysis conducted by Folha de São Paulo](#), the Bolsonaro administration has worsened 11 out of 12 indicators in the environmental, social, agrarian and indigenous areas since the beginning of his term. Figures portray a scenario detached from best practices in politics, diplomacy and safeguarding rights and duties. POLÍTICA POR INTEIRO has warned of this situation daily, [weekly](#) and [monthly](#).

Ministry for the Environment: The Chamber of Deputies' Committee on the Environment and Sustainable Development (CMADS) and the Committee on Financial Oversight and Control (CFFC) conducted a [joint public hearing with the minister for the Environment, Joaquim Álvaro Pereira Leite](#). Differently from what had been announced, the minister did not present "the new agenda for the Ministry and the priorities for his administration", but he answered a few of the questions asked by the congressmen. The Senate's Committee on the Environment also met with the minister for the Environment at the end of August, and it demanded from him a necessary change in attitude and actions from the [Ministry in order to try to improve Brazil's image abroad](#). The minister promised to make a grandiose stand at the Climate COP in Glasgow, and also promised to set up a "studio" in Brasília to show society a "real Brazil". He didn't address political actions to improve on environmental and climate indicators under his responsibility.

Return of Eduardo Bim: After 90 days removed from office, [Eduardo Fortunato Bim](#) resumed his activities as IBAMA's president. His return was more on the quiet side. On the other hand, [Luis Carlos Hiromi Nagao](#), lieutenant colonel of the São Paulo Military Police, who served as interim head of [IBAMA](#) and held the post of director of planning at the environmental agency, both positions of trust, was dismissed. Since April the Ministry for the Environment's work has had impacts from investigations at the Federal Supreme Court (STF), as

reported on [POLÍTICA POR INTEIRO's blog](#).

President of Palmares Foundation: By accusation of civil servants and former employees of the agency, the Labour Prosecution Office (MPT) filed a lawsuit in which it requests [the removal from office of Sérgio Camargo, president of Fundação Palmares](#), for moral harassment, ideological persecution and discrimination. It is worth remembering that, [within the scope of the environmental agenda](#), IBAMA civil servant Hugo Leonardo Mota Ferreira, who had prepared a technical note to the Federal Court of Accounts (TCU) about problems related to the environmental fines issued by the institute, reported to the internal affairs department and the IBAMA's ethics committee in May/2021 that he was surprised and threatened by superiors at his workplace.

Conama: With no activities for almost 1 year (the last meeting took place on 29 September 2020), the agenda of the 136th Ordinary Council Meeting held in August included a single deliberation: the revision of CONAMA Resolution 292/2002, regarding the National Register of Environmental Entities (CNEA). However, upon request, the matter was removed from the agenda. Refer to [POLÍTICA POR INTEIRO's blog](#) for our analysis and the possible impacts of this revision, which is expected to return to the agenda at the next meeting in December this year. It should also be noted that the urgency regime was approved for reviewing CONAMA Resolution 382/2006, which provides for the maximum limits for the emission of air pollutants from fixed sources. Such analysis by the Plenary was carried out at the request of the Ministry of Mines and Energy (MME).

Deforestation: The National Institute for Space Research (Inpe) announced, one day before the end of the cycle, that the accumulated number of [deforestation alerts between August/2020 and July/2021 in the Amazon was 8,712 km²](#), being the 2nd worst season in five years. Days before the announcement, the coordinator of the Amazon Council, vice-President Mourão, acknowledged publicly that the [target of 10% reduction in the rate of destruction in the Amazon will not be met](#), and should fluctuate between 4% and 5%. [The business community](#) has taken steps against the growing deforestation, especially due to the impact on the country's image and business. This fact is reflected, for instance, in the [open letter](#) of 10 French environmental entities addressed to President Macron requesting that the import of products that may be related to illegal deforestation be barred.

Placer mining: A study released in August by MapBiomass showed that placer mining has advanced more than 495% since 2010. **The research emphasises that the boom of placer mining coincided with the advancement of activities in Indigenous Lands and Conservation Units** (areas where this activity is forbidden) mostly concentrated in the Amazon. Together with deforestation, placer mining is one of the fastest growing activities, threatening the Amazonian biodiversity, especially water and fisheries resources.

Fisheries: A report published in July by the Federal Court of Accounts (TCU), reverberated in August, bringing to light the significant impacts that the statistic blackout of fisheries data has on aquatic biodiversity in Brazil. The TCU draws attention mainly to the fact that "the management of the fisheries ordering could be weakened in the face of the critical lack of information and the serious deficiency in government planning". **Meanwhile, the lack of control amplifies the impact of trawling, recognized worldwide as very harmful to marine life**, also identified as a villain **in CO2 emissions**, and identified as a dispute among states, as shown in the analysis by **Pesca por Inteiro**. The absence of data means that all fishery management measures, even the assessment of endangered species, to be included in the new Red List to be approved by **CONABIO**, are absolutely hampered.

GLO (Guarantee of Law and Order): According to the **Decree of 28 June**, Operation Samaúma ended on August 31. Initially planned to operate in 26 municipalities, it was extended throughout the month of July to all municipalities in the states of **Pará, Amazonas and Mato Grosso**, by orders from the president in response to requests from governors. Thus, the operation covered 352 of the 772 municipalities belonging to the Legal Amazon.

A study by the **Observatório do Clima**, based on data from the National Institute for Space Research (INPE), indicated that in July the drop in deforestation was greater in municipalities that were not covered by GLO Operations, if compared to the 26 municipalities initially chosen.

Investigations: The Federal Prosecution Office (MPF) initiated three civil investigations to examine **suspected irregularities in the government's environmental area**. The investigations will look into the appointment of military personnel to positions of command at IBAMA, the release of pesticides by Anvisa (Brazilian Health Regulatory Agency) and the release of "supposedly divergent" data on fires in Brazil by the Government's Social Communication Secretariat.

Floresta+ programme: The Pará state government **signed** with the Ministry for the Environment (MMA) a technical cooperation agreement for the implementation of the Floresta + Amazônia (project whose **website** was launched this month). An investment of BRL\$1 million is planned for Environmental Rural Registry (CAR) analyses. With no major movement since its inception, Floresta+ is one of the Federal Government's marketing highlights, especially in the hands of Joaquim Leite, who was in charge of the matter before succeeding Ricardo Salles as minister. It remains to be seen how it will be operationalized and if, in fact, it will work. A **public notice** was opened for the contracting, by bidding, of a financial institution “which will transfer funds to the beneficiaries of the Floresta+Amazônia Project”, especially in the Project’s Forest+ Conservation and Forest+ Recovery modalities. Special attention was also given to Floresta+Carbono, which makes it look like a carbon market system is being instituted in Brazil, but which, as a matter of fact, provides neither a structure nor even a methodology for this. It must be said that this is one more of the government programs about which little is known and, so far, little has been done.

The Floresta+ Programme was established by **ORDINANCE No. 288, of 2 JULY 2020** and, until now, it is unclear what are its mechanisms, next steps, activities already carried out and effectiveness of its instruments. Apparently, it is an umbrella programme, covering, with each passing period, new modalities (Forest+Amazon, Forest+Carbon, Forest+Entrepreneur, Forest+Agro, Forest+Bioeconomy). However, apart from the Floresta+Amazônia, with a link to its website indicated above, the other subprograms do not have any more information available to the general public, being, at most, used for Government discourse.

Disasters: Between 2010 and 2019, disasters in Brazil **caused total losses of BRL\$ 168.4 billion**. There were almost 30 thousand occurrences in the decade, with the prevalence of insufficient rains and droughts, such as those that overturned the projections for the harvest of the second corn crop in the country this year. The World Meteorological Organization (WMO) has released a **report** on the situation of Latin America and the Caribbean in this context. The document shows how climate change is threatening the region's food and water security and causing serious problems for the population. In addition to the impacts of forest fires, especially in the Amazon and Pantanal, lack of rain has also represented a serious problem for the region. The report indicates this is the **worst drought in the last 50**

years, not to mention the fires, which are intensifying at this time of the year. This August it's been 2 years since the biggest environmental disaster ever in the Brazilian coastal and marine area, the oil spill off the coast of 11 states, with no outcome so far. On 2 August this year, new spots appeared on the south coast of Bahia. Spots also appeared this month in Fernando de Noronha, accompanied by a lot of garbage, but still without proof that it is the same substance. In just 4 days, almost 1.5 tonnes of garbage and tar were collected on the island.

Energy crisis: President Bolsonaro asked, during a live broadcast, that the population turn off one light outlet in the house, to save energy and water. The publication of actions throughout the month of August, including resolutions from the National Water Agency (ANA) and the disclosure of the amounts of physical guarantee of energy from the Hydroelectric Power Plants, signal the preparation of necessary rationing given the biggest water crisis ever faced by the country. Although the federal government does not admit rationing, the president said that some hydroelectric plants may stop working because of the water crisis, and that the Government does not raise energy tariffs "out of malice". On the last day of the month, in an extra edition, the water scarcity tariff was established, representing an increase of almost 50% compared to the red flag already in force. Additionally, Incentive Program for the Voluntary Reduction of Electric Energy Consumption was instituted, showing that the federal government's response actions have followed the logic of rationing.

Forest fires: The season for intentional fires continues. According to data from the Environmental Satellite Application Laboratory (Lasa) of the Meteorology Department of the Federal University of Rio de Janeiro (UFRJ), from January until 21 August, 261,800 hectares were lost to fires in the Pantanal. This area is very close to the area identified in 2020 (265,300 hectares), the year that presented record highs of fires in the biome. However, in spite of such a scenario, it is found that IBAMA (Brazilian Institute for the Environment and Renewable Natural Resources) contracted, until the end of June, only 52% of the staff of temporary brigade members planned for 2021, especially for the National Centre for the Prevention of and Combating Forest Fires (Prevfogo).

Smoke and pollution: Fire has destroyed, until August 2021, an area equivalent to the whole area burned by fires in all of 2020 – considering that September, the worst month for intentional fires, is just around the corner. In another analysis, conducted by researchers from LabGama at

the Federal University of Acre, the Oswaldo Cruz Foundation (Fiocruz) and InfoAmazonia, it was found that the **smoke from fires** was related to an increase of 18% in severe cases of COVID-19 and of 24% in hospitalizations due to respiratory syndromes in the five states with the highest occurrence of fire in the Amazon last year: Amazonas, Acre, Rondônia, Mato Grosso and Pará. The Executive branch published **ORDINANCE MMA No. 386, of 23 AUGUST 2021**, which institutes the National Air Quality Management System (MonitorAr), within the scope of the MMA's National Urban Environmental Quality Agenda. The measure is still timid and the rule does not indicate, at the moment, what real advances may come, especially due to not having set the frequency of information updates, as well as not having indicated whether the quantification methodology of data analysis will be inspected among all federation instances to verify compliance with the rules of the “Technical Guide for Monitoring and Assessment of Air Quality” and whether effective public policies will be implemented regarding air quality and pollutant emissions.

Indigenous Peoples: Judgment of Extraordinary Appeal (RE) 1,017,365 **began** at the Federal Supreme Court (STF), which will decide, among other issues, on the establishment (or not) of the time framework thesis in the demarcation of indigenous lands. The specific case, referring to the Xokleng people of Santa Catarina and the Ibirama-Laklanõ territory, has gained great prominence since the recognition of its general repercussion on 11 April 2019, and the decisions made in this judgment will bind all demarcations of indigenous lands in Brazil.

Despite the high expectations, **the judgment will continue on 1 September**. So far, the summary of the report has been read by Judge Edson Fachin. Thirty nine oral arguments requested by interested parties are planned for the next sessions. It's important to mention that with such a number of oral arguments, the trial will likely end only after the 7 September holiday, and could come close to lasting 10 hours.

For president Jair Bolsonaro, if the validity of the thesis of the time framework is denied in the STF, there will be great damage to agribusiness. It is worth remembering that, within the scope of ADPF 709 (Petition of Non-compliance with Fundamental Precept), there was an attempt by the General Attorney's Office **to stop demonstrations of indigenous peoples** in front of the Federal Supreme Court, which was denied by Judge Luís Roberto Barroso.

Ongoing Policies

Adopt a Park: Although there was no movement this month, the Adopt a Park Programme will be subject to a recommendation issued by the Federal Prosecution Office (MPF), to remove all Extractive Reserves (Resex) from the programme, especially for violation of ILO Convention 169, as [reported](#). It is noteworthy that this understanding and demand had already been the object of a manifestation in April by the National Council of Extractivist Populations (CNS), as informed in our [Monthly Outlook Report – April 2021](#).

Rehearsal

National Wetlands Committee (CNZU): a recommendation of the National Wetlands Committee (CNZU) was published providing for the cultivation of pastures planted in the Pantanal biome. This committee is linked to the implementation of the Ramsar Convention in Brazil. The recommendation requests the Chief of Staff to prepare an Agroecological Zoning to define appropriate areas for pastures to be cultivated in the Pantanal Mato-grossense biome, among other items. It should be noted that the CNZU recommendations are not normative acts like those of CONAMA. Read our [exclusive analysis](#) on POLÍTICA POR INTEIRO's blog.

On Hold

IBAMA/ICMBio Merger Working Group: With the meetings period concluded in June 2021, so far there has been no communication (or public movement) of the outcome of the activities of the Working Group (GT) established by [Ordinance 524/2020](#). Read [the report](#) on POLÍTICA POR INTEIRO's blog, where we alerted, on 17 June, on the lack of information available. When asked about this issue during the hearing at the Senate's Environment Committee, minister Joaquim Leite simply did not reply.

Amazon Fund: There is still no solution for the use of the Amazon Fund resources, stopped since 2019. Vice-president Hamilton Mourão repeated, during an event in August, the [same unfounded accusations made in the past by Ricardo Salles, then minister for the Environment, which almost created a diplomatic crisis between Brazil and donor countries](#). Joaquim Leite, the current minister for the Environment,

when asked by senators about the Fund's standstill (on 31 August), merely added that now it's up to Norway to analyse the new criteria the Ministry for the Environment (MMA) wishes to add to the Fund, such as the inclusion of Payment for Environmental Service (PSA) and the investigation of alleged irregularities.

Judiciary: In the Federal Supreme Court (STF), important lawsuits related to socio-environmental and climate guidelines are pending judgment, 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)
 - Judgment started on 5 March 2021, but was suspended on 10 March by Judge Nunes Marques' request to see the record. Awaiting return to the Plenary for a 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* (Petitions of Non-compliance with Fundamental Precept) - unconstitutionality of CONAMA Resolution 500/2020 (which revoked CONAMA Resolutions 284/2001, 302/2002 and 303/2002) and CONAMA Resolution 499/2020 (licensing the activity of co-processing waste in clinker production rotary furnaces) and, on a subsidiary basis, the resolutions on the agenda of the 135th Ordinary Meeting of Conama.
 - After preliminary injunction granted by Judge Rosa Weber on 28 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”.
 - Awaiting decision.

On the Radar

Governors for the Climate Consortium: During a meeting on the 23rd of August it was discussed how heads of state executive branches would stand in regard to the "clash of powers" at the federal level. Governors decided to take action for decreasing the conflict with the heads of federal powers. During the same meeting, governors approved the creation of an inter-governmental consortium to attract low carbon investments. The intention is to create a portfolio of projects encompassing the 5 Regions in Brazil.

Brazilian NDC Implementation Plan: *A public hearing took place at the Senate to discuss perspectives on the policy for climate change for Brazil*, including an assessment of the Nationally Determined Contributions (NDC) and carbon market perspectives. Various experts on the environment and climate participated in the discussions. They unanimously agreed that Brazil has potential for a carbon market. However, it is still necessary to make improvements combating deforestation and setting more ambitious goals for a transition towards a zero carbon emission economy. The director of Política por Inteiro, Natalie Unterstell, participated in the discussion and was emphatic: *“We need to show that Brazil is capable of rethinking itself, since it is going on a path that is not a winning path in this new paradigm of low carbon transition”*. In an interview, **Unterstell** called on Brazilian society’s responsibility regarding emissions goals: “These goals are not the goals of this Government or of Governments, they are Brazilian society’s goals. So, what is the goal that we, Brazilians, want to set for the decarbonization of our country this decade?”.

Carbon market: while discussions advance in the National Congress and in society on the regulation of an emissions commerce system, with chances of approval of a legal framework before COP26, the Ministry for the Environment (MMA) "believes Brazil may be a Saudi Arabia of carbon", according to his participation in the “Expert XP” event, promoted by XP Investimentos. Marta Giannichi, the MMA’s Secretary for the Amazon and Environmental Services mentioned the

Floresta+Carbono, that, in her words, “signals towards the importance of this market in the theme of carbon credit”. She also mentioned that the MMA is trying to foster the voluntary carbon market. There is no specific mandate for any Ministry to foster a market that does not depend on the Brazilian State. On the other hand, the 2009 National Climate Change Policy established that the federal government should regulate an official market.

Park Concessions: The Ministry of the Environment, through the Partnership for Investments Programme Council, authorized the concession of **five more parks to the private sector**. However, the inclusion of the areas in the Partnership for Investments Programme (PPI) has not yet been published in the *Federal Official Gazette*. The conservation units included are the National Parks of Serra da Canastra (MG), Serra do Cipó (MG), Caparaó (MG/ ES), Restinga de Jurubatiba (RJ) and the National Forest of Ipanema (SP). Together, the 5 parks add up to more than 280 thousand hectares of protected areas in three distinct biomes: Cerrado, Atlantic Forest and the coastal marine biome. According to a **statement from the MMA**, auctions have already been held for 4 conservation units: the national parks of Aparados da Serra and Serra Geral (RS/SC), and the national forests of Canela and São Francisco de Paula (RS).

17th round: There is still controversy regarding the 17th bidding round for oil exploration blocks scheduled for 7 October. The National Agency for Petroleum, Natural Gas and Biofuels (ANP) placed 92 maritime exploration blocks in the 17th round located in the Campos, Santos, Pelotas and Potiguar basins, including 14 environmentally sensitive areas and areas close to Abrolhos, Atol das Rocas and Fernando de Noronha. **Environmentalist entities** are taking this auction to court, and the **National Association of Minority Oil Worker Shareholders of Petrobras (Anapetro)** forwarded a request to Petrobras asking it not to take part in the 17th round.

On the Radar (International Agenda)

IPCC: The publication of the 6th Assessment Report (AR6) confirmed what experts have been saying: it is necessary to limit cumulative CO₂ emissions, reaching ZERO net emissions and, at the same time, reducing emissions of other greenhouse gases. From all topics, it is important to mention this is the first time the IPCC **quantifies the participation of human actions in the temperature increase on Earth**. Still during the 21st century we may see an increase of around 1.5°C to

2°C if we don't stop emissions. Another alarming piece of information is that the atmospheric CO₂ level is higher now than at any given time in the last 2 million years. As detailed in the specific section above and as reported, **ORDINANCE No. 540/GM/MME, of 6 AUGUST 2021**, was published, detailing the Programme for the Sustainable Use of National Mineral Coal. It was published in the same week when it was reported that Brazil, before the end of the year, may have the most expensive electricity tariff in the world. It was also the same publication date as the IPCC Report, which shows global warming damage due to increased emissions. This way we do the opposite of what developed countries are doing. Instead of investing in clean energy, we insist on coal. Still, minister Albuquerque (Ministry of Mines and Energy) participated in the Offshore Technology Conference (OTC), the biggest oil event in the world. The minister highlighted **Brazil's initiatives to foster oil** and mentioned programs developed in the oil sector. Also, a **global warming denial event** was held, with support of the National Confederation of Industry (CNI) and members of the Bolsonaro administration attended it. According to ESG experts, given the repercussion of the IPCC report and the proximity of COP 26, linking the country to such events is only detrimental to Brazil itself.

Race to Zero Emissions in Brazil: An important event in Brasilia showed initiative in making carbon reduction concrete and achievable. Titled "**Closing the ambition cycle with the race to zero in Brazil**", the event was attended by Alok Sharma, COP 26's president, who emphasised that it is necessary for all countries to get together and to **make ambitious commitments** for a temperature reduction of around 1.5°C and to contribute to reach carbon zero by 2050. Natalie Unterstell, POLÍTICA POR INTEIRO's coordinator, mediated the meeting. Local governments gained even more relevance when the **US government signalled** (via John Kerry) it intends to establish direct relationships with states for combating deforestation and preserving the Amazon.

Still regarding climate change, Alok Sharma had many meetings scheduled in Brasília. **He met with the minister for the Environment**, Joaquim Leite, to discuss topics related to the Climate Summit, with the participation of vice-president Hamilton **Mourão**. Leite **met with** the French ambassador to Brazil, Brigitte Collet, and the **Canadian ambassador to Brazil, Jennifer May**. However, president Jair Bolsonaro **did not meet Alok Sharma**. Bolsonaro preferred to give an interview to Jovem Pan radio to criticize the inclusion of his name in the fake news investigation proceeding in the Federal Supreme Court (STF).

In order to discuss the opportunities and challenges of decarbonization routes based on visions of a new development model for Brazil, high-level consultations with major Brazilian leaders began in August in the scope of the Climate and Development Initiative: Visions for Brazil 2030. The initiative, convened by the Climate Center of COPPE/UFRJ, the Climate and Society Institute (iCS) and the Talanoa Institute (whose project portfolio encompasses POLÍTICA POR INTEIRO), will be developed through a participatory process, considering multiple views on macroeconomic decarbonization scenarios prepared by the Climate Center of COPPE/UFRJ and presented to leading experts from different sectors, and public policies that will transform these scenarios into reality, discussed and proposed by major Brazilian political leaders. As a result, the initiative intends to communicate these scenarios and suggestions for the public agenda, nationally and internationally at COP 26, to a wide audience, showing viable ways to guide our development model, compatible with the Paris Agreement and strengthening Brazil in the face of a new global economy.

World Bank: Another relevant fact was Brazil's loss of the World Bank's support in the Partnership for Market Implementation (PMI) for implementing a carbon market in the country. As **reported**, the reason for the loss of the World Bank's support was Brazil's delay in the agenda.

COP 26: With a little more than two months before COP 26, the **2nd Ordinary Meeting of the Interministerial Committee on Climate Change (CIM)** was held. The Committee is chaired by the Chief of Staff, and composed of 8 ministers. It had not met since November 2020. According to the newcomer minister Chief of Staff, **Ciro Nogueira**, the federal government is working hard to implement climate policies and to combat deforestation, especially in the Amazon. The minister for the Environment, Joaquim Leite, was also present and emphasised the work of the military and of the National Public Security Force against environmental crimes. Regarding deforestation data, the minister expects a drop of 4% to 5% on the PRODES index, to be announced in October. Soon after Alok Sharma's visit to Brazil, the CIM met to develop a plan for the implementation of the NDC, creating a technical group to propose an update of the climate policy. Their intention is to present it at the COP 26.

Meetings with the USA: **Jake Sullivan**, the US National Security Advisor met in August with the heads of 9 states in the Brazilian Amazon. The topic addressed was funding for forest protection and

climate action. The “White House’s intention is not to openly confront the Brazilian Government”. It’s worth mentioning that representatives from the Biden administration (in addition to Jake Sullivan, Juan Gonzalez – senior director of the National Security Council for the Western Hemisphere - and Ricardo Zúñiga – senior member of the State Department for the Western Hemisphere) met with Jair Bolsonaro in a meeting when the president claimed there was electoral fraud against Trump, which is both a weak display of diplomacy and a statement that questions the electoral system. This fact caused a reaction from the United States Embassy in Brasília, which issued a note reinforcing that trust in the Brazilian electoral system must be preserved, as [reported](#).

COP 15: Due to the COVID pandemic, the Convention on Biological Diversity (CBD) COP 15 was once again postponed. The [Conference will be held in two parts, and face-to-face meeting should only take place between 25 April and 8 May 2022 in Kunming, China](#). COP 15 is being long awaited due to the expected approval of a new General Framework for Global Biodiversity. The text, already in its *draft one* version, includes proposals for the protection of 30% of the planet's terrestrial and marine areas. Even with all the scientific outcry about the biodiversity crisis, in addition to the climate crisis, negotiations have been shy and many countries hold back in the sense of committing to bolder goals, with countries presenting many obstacles, including Brazil.

OECD: The Brazilian effort to join the OECD continues. The Ministry of Economy held the workshop “Reg-OECD: Regulatory Convergence to Best International Practices”, and, as [reported](#), with the objective of “disseminating the channels of social expression and OECD’s PMR Indicator (Brazil occupies the 47th position among 49 countries), and consulting the productive sector about the necessary regulatory improvements”. The Reg-OECD, launched in February 2021, seeks to “promote competition and competitiveness in different sectors and activities, based on the OECD Product Market Regulation (PMR) indicator”.

4. Trends

Brasília's political climate was tense in August. The printed ballot Constitutional Amendment Proposal was analysed, and impeachment requests were presented by the President against Federal Supreme Court (STF) Judges. The "clash between powers" has no predictable outcome, with the added element that the Pandemic Parliamentary Commission of Inquiry (CPI) is preparing the final report seeking at incriminating Bolsonaro. Thus, tension tends to remain high in September.

In the beginning of August the Federal Supreme Court (STF) voted on the Time Framework (an appeal with general repercussions - RE No. 1,010,365), which analyses the right to usufruct in areas of traditional indigenous occupation. This decision will seal the future of more than 300 lands still undergoing demarcation processes in the country and will guide other appeals on land tenure regularization. There is the possibility that Judge Kassio Nunes Marques (the only judge appointed and sworn in at the Federal Supreme Court during the current administration) requests to see the record and leaves the matter on the back burner, similarly to what he did in the judgment of ADPF 623 (Petition of Non-compliance with Fundamental Precept), in which the resumption of the CONAMA's composition is being discussed. Another possible scenario is that the STF leaves the votes of the Judges (so far only the rapporteur, Judge Fachin, has spoken) for after September 7th, in order not to further stir up the spirits between the powers, since the Time Framework is one of President Jair Bolsonaro's flags. Meanwhile, the lack of definition or a decision in favour of the Time Framework tends to intensify conflicts in the countryside, impacting even the conservation of forest areas.

At the same time, there is intense movement planned in the National Congress. On the positive agenda, the Bill relating to the regulation of an emissions trading system is proceeding in committees, with the approval of President Arthur Lira. The press has already called the set of five Bills of Law (PLs) prioritized by the Presidency of the National Congress "the combo of death". This combo could distance Brazil from

its climate goals and also from its place as a megadiverse country on the planet. It could also delay its alleged membership of the OECD, as well as impact the agreement between the EU and Mercosur.

Also, Congress is expected to consider the proposed 2022 Budget Law, presented on 1 September. Considering that the values for 2021 were the lowest in 21 years, there is an expectation of an increase, but no concrete and specific signs about it.

The Executive branch signalled that the matter related to Pre-Salt will be dealt with as a matter of urgency by CONAMA at its next meeting, scheduled for December.

As for actions to control deforestation, the end of Operations for Guaranteeing Law and Order (GLO) in the Amazon should lead to an assessment by the Amazon Council. There is also an expectation that the government will employ the budget resources available for hiring brigades to fight forest fires - so far there are 800 brigade members hired, but the budget allows for four times as many.

Finally, the water and energy crisis will likely dominate next month's agenda. The government has focused on palliative measures (such as reducing consumption) and denies the risk of blackout. The minister has said that there will be enough supply for the system's demand and that the measures adopted are taking effect. Bento Albuquerque admitted that Brazil is witnessing an extreme and historic drought. However, there has been no reflection in the government on how to deal with the climate risk of this and the next crises, connecting this extreme event with the climate change policy, neither in speech, nor in practice. According to the projections of the Ministry of Mines and Energy, the water shortage has already generated an additional cost of BRL\$ 13.8 billion in total generation, import and "bill-flag deficit". Until now. The new tariff flag will be valid until April 2022.

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