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## **1 - Introduction**

This is the Monthly Outlook Report of the federal government's signals relevant to climate and environmental policies detected in MAY 2021 by our Government Actions Tracker, including new proposals presented at the Federal Congress identified by our Legislative Initiatives Database. We analyze *Federal Official Gazette* publications daily and classify relevant content using an actions typology<sup>1</sup> we have developed which allows us to understand trends in the government's agenda. This current edition brings an outlook on the number of relevant actions, their types and a sector by sector analysis, followed by an assessment of the current political state in Brazil, and a discussion of the main trends for the coming month.

## **2 – Executive branch**

In May, our Government Actions Tracker identified **90 actions** relevant to environmental policy and climate change from the Federal Executive Branch published in the *Federal Official Gazette*.

### **2.1 – Classification of Executive branch actions**

Among the **90** actions identified in May, **Response** was the most common classification, with 27 actions, most of which acknowledging emergency situations as consequence of weather events. Besides these actions, the Ministry of Science, Technology and Innovation (MCTI) established the Research Support Program aimed at Fighting Environmental Disasters in the Pantanal region. As a close second, **Regulation** accounted for 23 actions, including the establishment of supplementary procedures for the automatic analysis of the *Environmental Rural Registry (CAR)*

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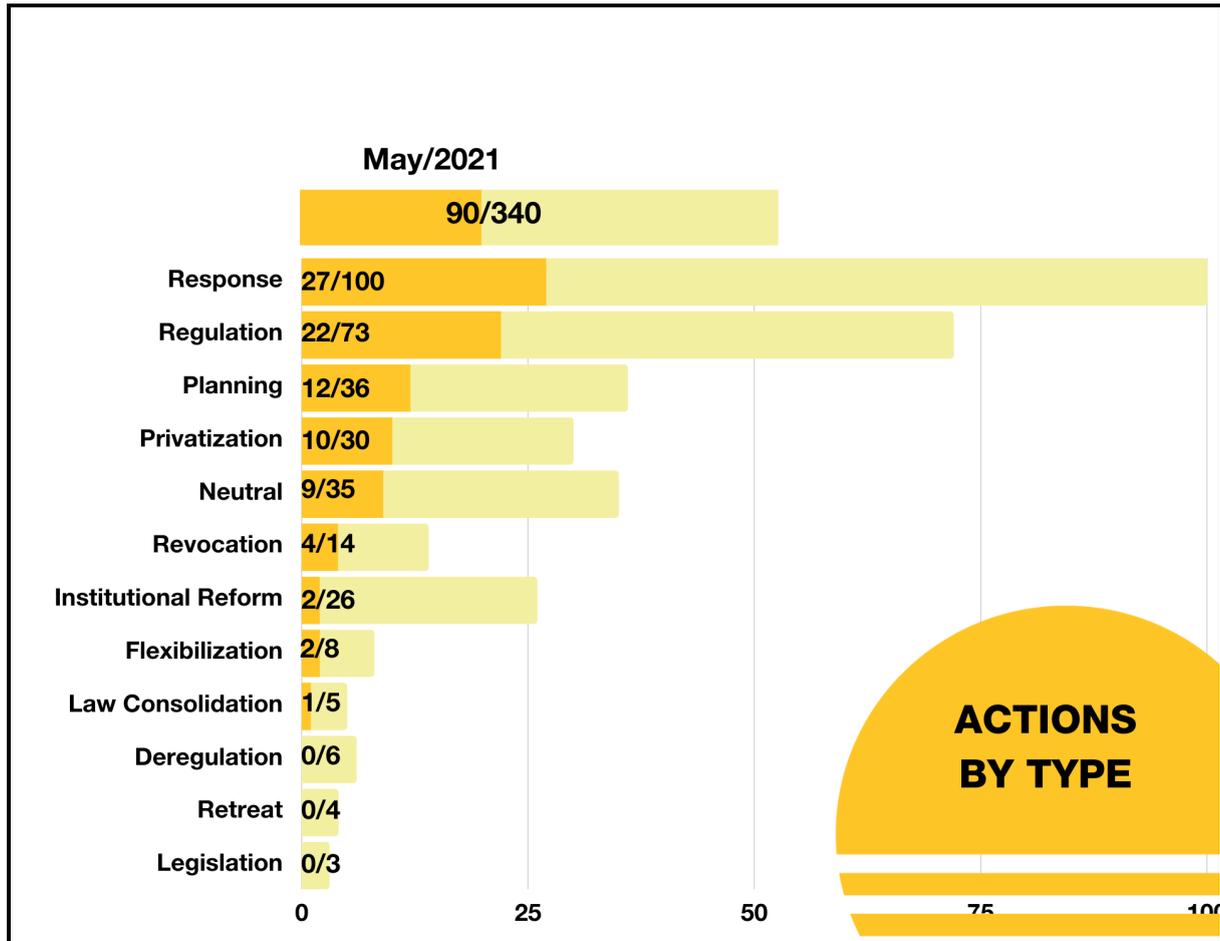
<sup>1</sup> The typology for the Legislative branch actions is being tested and will soon be published.

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and regulations for *Green Diesel* production in Brazil. Twelve **Planning** actions were identified in May. Among these, we highlight the approval of *National Energy Policy Council's (CNPE)* resolutions addressing a study for proposing guidelines for the *National Hydrogen Program* and the creation of the *Fuel of the Future Program*. There were 10 **Privatization** actions in May, including the creation of the Special Bidding Committee (CEL) that shall oversee the concession of São Francisco de Paula National Forest and the inclusion of Três Barras and Chapecó National Forests in the Partnership for Investments Program (PPI) for the purpose of forest concession. In addition to the progress in concessions of Conservation Units, the *National Agency for Petroleum, Natural Gas and Biofuels (ANP)* informed of a public hearing addressing the new version of the *Bidding Rounds for the Permanent Offer Cycle* due to an update in blocks with exploration risk. There were 9 actions listed as **Neutral** in May, which do not represent a signal of immediate relevance but remain on the radar for monitoring and future reference. Four **Revocation** actions were identified in May, among which we highlight the revocation of norms related to the *National Rural Property Registry (CNIR)*. The Government Actions Tracker identified 2 actions listed as **Institutional Reform** – one Normative Instruction updating guidelines and procedures for the Brazilian Institute for the Environment and Renewable Natural Resources' (Ibama) *Wild Animals Screening Centers (Cetas)*, and the Provisional Measure that addressed the establishment of a *National Nuclear Safety Authority (ANSN)*. Two actions from the *Aquaculture and Fisheries Secretariat (SAP)* were listed under **Flexibilization**. One is an Ordinance temporarily suspending the cancellation of the fishing authorization for common seabream fishing boats, and the other one addresses mullet fishing catch quota. The single action listed under **Law Consolidation** relates to ANP's public consultation to gather input for drafting a resolution addressing the revocation of ANP's own normative actions.

**Methodology Update:** Following our observations from monitoring Executive branch actions during 2019 and 2020, Política Por Inteiro's team deemed it necessary to reassess some of the norms listed as **Regulation**. A few measures listed as Regulation are not regulatory processes *per se*, rather being documents and guiding strategies like management plans, the creation of committees and working groups, the approval of programs and policies still without defined regulation, among others. Thus, a new classification type was included to address this group: **Planning**. Starting on 1st April 2021, this new type has been used in our Government Actions Tracker, now with 12 classification types. The team has retroactively reassessed actions tracked from January to March 2021. Data from 2019 to 2020, however, will not be changed. To assist in comparisons, we have published a table on our website, apart from the Government Actions Tracker, listing the 41 actions that fit – or will fit, in the case of those published in the first quarter of 2021 – under Planning.

To learn more about **Política Por Inteiro's Methodology**, visit: [politicaporinteiro.org/metodologia](http://politicaporinteiro.org/metodologia)

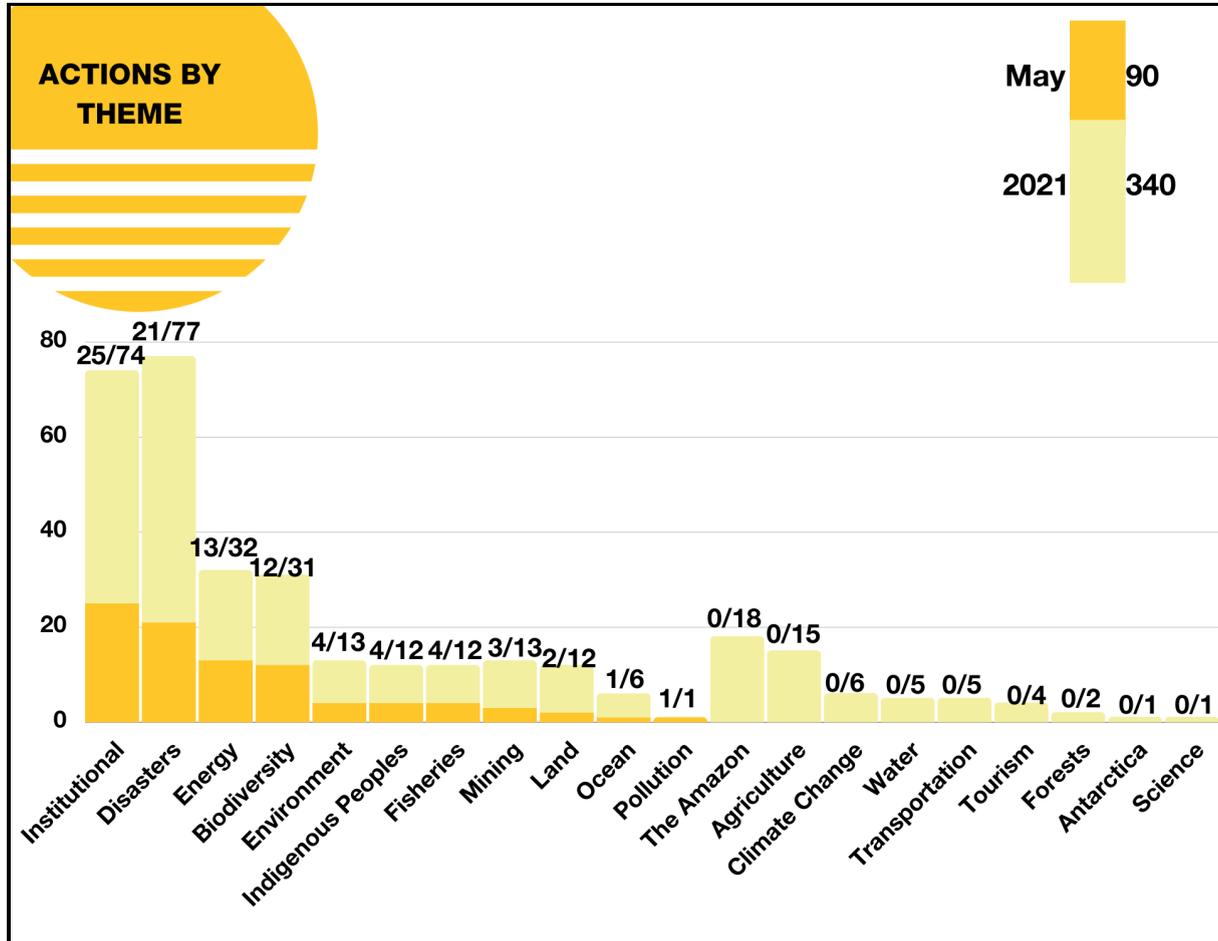


## 2.2 - Themes of Executive actions

The theme with the highest number of actions in May was **Institutional**, accounting for 25 actions, including the temporary transfer of the offices of the minister for the Environment, Ibama's president and ICMBio's president to operate in municipalities in the Legal Amazon, the regulation of information security management for Federal Administration bodies and institutions, and the opening of the Federal Tax Budget favoring a few ministries, including the MMA (Ministry for the Environment). There were 21 actions listed under **Disasters**. In addition to emergency situation actions, the National Register of Municipalities with Areas Susceptible to the Occurrence of High Impact Landslides, Sudden Floods or Geological or Hydrological Processes was established. There were 13 actions listed under **Energy**, a few of which related to privatization processes, like the inclusion of

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Hydroelectric Power Plants (UHEs) in the *Partnership for Investments Program (PPI)*. Regulation actions related to electric power purchase auctions were also identified, as well as the approval of the *Brazilian Electricity Regulatory Agency's 2021-2022 Regulatory Agenda (ANEEL)*, and of the *Brazil Energy Information System (SIE Brasil)*. Twelve actions were listed under **Biodiversity**, including norms related to concessions of Conservation Units (UCs), guidelines for the planning and implementation of the public use of federal UCs, approvals of management plans, and the long awaited approval of the Local Management Plans for Blue Land Crabs and Labridae of the Cassuruba Extractive Reserve, and of Labridae of the Corumbau Marine Extractive Reserve. Most of the four actions listed under **Environment** were related to the hiring, conducted by *Prevfogo*, of Federal Brigades for prevention of and fighting forest fires. **Fisheries** and **Indigenous Peoples** also accounted for 4 actions each. Under Indigenous Peoples, we highlight the extensions of the use of the *National Public Security Force (FNSP)* to support *FUNAI* (National Indian Foundation) in different conflict sites in Indigenous Lands. Under Fisheries, we highlight the Public Consultation on the *Fishing Modalities Matrix* for the sustainable use of fishery resources. There were 3 actions under **Mining**, including the resolution regulating the *Technical Cooperation Agreements (ACT)* between the *National Mining Agency (ANM)* and different States, the Federal District and Municipalities, including a list of professionals requested for the cooperation in the guidelines. Two actions, already addressed in the previous section, were listed under **Land**. **Ocean** and **Pollution** accounted for only one action each. Under **Ocean**, the goals for the Science of the Sea Program were established, and a Committee was created for the program. Under **Pollution**, a public call for projects was launched for selecting projects for the implementation of mechanized sorting plants for urban solid waste in the State of Minas Gerais, as part of the Zero Dumping Grounds Program.



No actions were tracked in May for: The Amazon, Agriculture, Climate Change, Transportation, Water, Tourism, Forests, Antarctica, Science, Cities and Traditional Maroon Communities.

All actions, their classification and implications may be checked on [our website](#), as well as the [methodology](#) developed by POLÍTICA POR INTEIRO. Access to the website is free. Check our [Terms of usage](#).

### 2.3 – Analyses by type and by theme

#### Theme: Institutional

##### ORDINANCE No. 192, of 10 MAY 2021 – Response

The Ministry for the Environment (MMA) authorized the temporary transfer of the offices of the minister for the Environment, Ibama’s president (Brazilian Institute for the Environment and Renewable Natural Resources) and ICMBio’s president (Chico

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Mendes Institute for Biodiversity Conservation) to outposts in Altamira, Uruará, Placas, Rurópolis and Itaituba, in the State of Pará, from May 11-15, 2021, especially for joint operations with the National Public Security Force (FNSP) from the Ministry of Justice. This measure was criticized and regarded as a way of anticipating inspection actions for the benefit of local offenders.

Since January 2019, in the five listed municipalities, according to MapBiomias, there have been 9,605 instances of deforestation, totaling 225,856 hectares. There are reports with satellite images of before and after the loss of vegetation and geographic coordinates for all these events, made freely available to Ibama and to the MMA. In 95% of cases, there is strong evidence of illegal actions. However, only 2% have resulted in charges so far. According to last month's report, the use of the National Public Security Force to support environmental operations, especially in the Amazon region, has been constant, even if in an episodic and planned fashion.

#### **ORDINANCE FINANCE/ME No. 5,850, of 17 MAY 2021 – Planning**

The Ministry of Finance reviewed the Federal Tax Budget favoring the Ministry of Education, the Ministry of Justice and Public Security, the Ministry of Infrastructure, the Ministry for the Environment, and the Ministry of Defense. The supplementary credit adds up to BRL \$104,874,125,423. Regarding the Ministry for the Environment (MMA), the credit is intended for (i) ICMBio – to Support to the Creation, Management and Implementation of Federal Conservation Units; and (ii) National Fund on Climate Change – for Fostering Studies and Projects or the Mitigation and Adaptation to Climate Change.

#### **NORMATIVE INSTRUCTION No. 5, of 13 MAY 2021 – Institutional Reform**

Normative Instruction Ibama No. 23, of 31 December 2014 was revoked. Guidelines and procedures on Ibama's (Brazilian Institute for the Environment and Renewable Natural Resources) Wild Animals Screening Centers (Cetas) were updated. Normative Instruction No. 5 includes new guidelines for the temporary suspension of Cetas' operations, which shall be requested by the person in charge of each unit, with technical justification, and it must be authorized by the superintendent and by the Directorate of Sustainable Use of Biodiversity and Forests (DBFlo). It also establishes that the final suspension of the Cetas is possible if defined by DBFlo and authorized by Ibama's president. After recent episodes involving the Rio de Janeiro Cetas, where over 600 animals died, minister Ricardo Salles stated that the Cetas' regulation would undergo changes.

#### **NORMATIVE INSTRUCTION GSI/PR No. 3, of 28 MAY 2021 - Regulation**

This Normative Instruction establishes the guidelines and mandatory processes to be observed by organs and institutions of the Federal Administration for information management security. The procedures include: information security risk management; information security business continuity management; information security aspects change management, and information security conformity assessment. It revokes previous legislation in order to unify regulations.

**Theme: Disasters****Emergency Situation Acknowledgment Ordinances**

Nineteen emergency situations were acknowledged due to (i) Intense rain; (ii) Lack of Rain (iii) Hail; (iv) Floods; (v) Wind storms; and (vi) Drought. The most frequent phenomenon in May was lack of rain, followed by floods. It's relevant to mention the acknowledgment of emergency due to drought in 127 municipalities in the State of Minas Gerais and 150 municipalities in the State of Paraíba due to lack of rain, highlighting the **water crisis** affecting different regions in Brazil. All actions were listed under **Response** by POLÍTICA POR INTEIRO's team, and may be accessed via the Government Actions Tracker.

In addition to the former actions, related to weather phenomena, we highlight:

**DECREE No. 10,692, of 3 MAY 2021 – Planning**

The Presidency established the National Register of Municipalities with Areas Susceptible to the Occurrence of High Impact Landslides, Sudden Floods or Geological or Hydrological Correlated Processes. The purpose of the register is to make public the information on the occupation of areas susceptible to the occurrence of high impact landslides, sudden floods or geological or hydrological correlated processes in the participating Municipalities. Municipalities may participate in the program by: I – request from the Municipality itself; or II – nomination by a State Government or the Federal Government.

**ORDINANCE GM No. 4,775, of 15 MAY 2021 – Response**

The Research Support Program aimed at Fighting Environmental Disasters in the Pantanal region was established within the Ministry of Science, Technology and Innovation (MCTI), aiming at studying the dynamics of fires in the region, and developing strategies and instruments capable of preventing such incidents. The Steering Committee of the Research Support Program for the Pantanal region. It is in charge of implementing the program's objectives, and its members are: the secretary of the Secretariat for Research and Scientific Training (coordination), the director of the Natural Sciences Department, the general-coordinator for Biodiversity, and by two representatives from the Innovation and Research Funding Agency (FINEP) of MCTI.

**Theme: Energy****NORMATIVE ORDINANCE No. 12, of 3 MAY 2021 – Regulation**

The Brazil Energy Information System (SIE Brasil) was approved, aiming at managing electricity supply and demand information, power installations, resources

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and reserves, energy prices, consumer equipment, industrial production, efficiency, demographics, economy, particulate emissions and prospective, in addition to legal information and documents. The Energy Planning and Development Secretariat shall coordinate procedures related to SIE Brasil, jointly with other Secretariats from the Ministry of Mines and Energy (MME), the Energy Research Office (EPE), the Brazilian Electricity Regulatory Agency (Aneel), the National Agency for Petroleum, Natural Gas and Biofuels (ANP), the National Mining Agency (ANM), the National Electric System Operator (ONS) and the Electric Energy Trading Chamber (CCEE).

### **NOTICE OF PUBLIC HEARING ANP No. 6/2021 – Response**

The National Agency for Petroleum, Natural Gas and Biofuels (ANP) informs of a public hearing addressing the new version of the Bidding Rounds for the Permanent Offer Cycle due to an update in blocks with exploration risk and areas with marginal accumulation on offer for granting concession contracts for exploration or rehabilitation and production of oil and natural gas. The list of the areas and other information is available at the **National Agency for Petroleum, Natural Gas and Biofuels' (ANP) website**. The public hearing will take place by a conference call on 2 June 2021, between 3pm and 5:50pm. The **notice** includes areas on permanent offer, including areas extremely sensitive to the environment located in the Camamu-Almada Basin (near the Abrolhos bank), Jacuípe Basin, and at the Mouth of the Amazon River.

### **PROVISIONAL MEASURE No. 1,049, of 14 MAY 2021 – Institutional Reform**

Provisional Measure No. 1,049 establishes the creation of the National Nuclear Safety Authority (ANSN), a spin-off from the National Nuclear Energy Commission (CNEN). The institutional aim of ANSN is to monitor, rule over and inspect nuclear safety, radiation protection, nuclear plants and activities, nuclear material and sources of radiation in Brazil, in observance of the Brazilian Nuclear Policy and of the Federal Government's guidelines. This Measure revokes prior rules, removes competence over nuclear plants and fuels from the Navy Command, and amends LAW No. 6,189, of 16 DECEMBER 1974, including its proposals related to the National Nuclear Energy Commission – CNEN and Indústrias Nucleares do Brasil S.A., including mining monopolies and export guidelines.

### **RESOLUTION ANP No. 842, of 14 MAY 2021 – Regulation**

ANP established green diesel's specification, as well as obligations to be observed by economic agents trading in green diesel regarding quality control. The Resolution establishes that green diesel shall be produced from the following raw materials: I – hydrotreatment of vegetable oil (*in natura* or residual), algae oil, micro-algae oil, animal fat and biomass fatty acids, as well as hydrocarbons bio-derived by micro-algae *Botryococcus braunii*; II – synthesis gas from biomass, via Fischer-Tropsch process; III – fermentation of carbohydrates present in biomass; IV – ethyl alcohol (ethanol) or isobutyl (isobutanol) oligomerization; and V – catalytic hydrothermolysis of vegetable oil (*in natura* or residual), algae oil, micro-algae oil, animal fat and biomass fatty acids. The Resolution also sets forth procedures related

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to product quality control and aims at adjusting regulations including green diesel on Resolution ANP No. 828/2020, according to international guidelines.

**PRESIDENTIAL ORDER – Planning**

Resolution No. 7, of 20 APRIL 2021, creates the *Fuel of the Future Program*, and establishes the Fuel of the Future Technical Committee. The program aims at proposing measures to increase the use of sustainable and low carbon intensity fuels, as well as fostering domestic automotive technology aimed at the decarbonization of the domestic transportation energy matrix. Strategic guidelines include promoting the reduction of the average carbon intensity of the fuel matrix, emissions reduction in all modes of transport and the increase of energy efficiency. The committee will be composed of representatives from the Ministry of Mines and Energy (MME) (coordination); the Chief of Staff of the Presidency; the Ministry of Finance (ME); Ministry for the Environment (MME); Ministry of Infrastructure (MI); Ministry of Agriculture, Livestock and Food Supply (MAPA); Ministry of Foreign Affairs (MRE); Ministry of Science, Technology and Innovation (MCTI); Ministry of Regional Development (MDR); the Brazilian Maritime Authority (AMB); the National Agency for Petroleum, Natural Gas and Biofuels (ANP); the National Civil Aviation Agency (ANAC); Energy Research Office (EPE); Brazilian Institute for the Environment and Renewable Natural Resources (IBAMA) and the National Institute of Metrology, Quality and Technology (INMETRO).

**PRESIDENTIAL ORDER – Planning**

Resolution No. 6, of 20 APRIL 2021 calls for the conduction of a study for proposing guidelines for the *National Hydrogen Program*. Within 60 days, the Ministry of Mines and Energy (MME) shall present a proposal of guidelines for the program, in collaboration with the Ministry of Science, Technology and Innovation (MCTI) and the Ministry of Regional Development (MDR), with technical support from the Energy Research Office (EPE).

**ORDINANCE ANEEL No. 6,665, of 18 MAY 2021 – Regulation**

The Brazilian Electricity Regulatory Agency (Aneel) approved Aneel's 2021-2022 Regulatory Agenda. Activities include: (i) Improvement of Normative Resolution No. 876/2019, which deals with the consolidation of standards regarding the requirements and procedures for granting wind, thermoelectric and photovoltaic sources; (ii) Regulatory adjustments for the implementation of hybrid plants; (iii) Revision of Normative Resolution 696/2015 – Dam Safety; (iv) Criteria for adding a renewable source in diesel plants from auctions in isolated systems.

**RESOLUTION ANP No. 843, of 21 MAY 2021 – Regulation**

ANP amended Resolution No. 791, of 12 JUNE 2019, and revoked the sole paragraph of article 5 of ANP's Resolution No. 791/2019, which stated that definitive goals shall use fossil fuel movement data, referred to in item I of article 3, considering the period from January to December of the year prior to the effectiveness of the goal. The rule goes into effect with the amendments related to fuel distributors' individual annual goal of reduction of greenhouse gases, establishing that in the case of a

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positive balance, it will be counted as a credit for meeting the annual goal for the subsequent year, and considering that as distributor's individual goals be reduced in the same proportion as the Decarbonization Credits (CBIOS) withdrawn from the market by other non-obligated agents.

**RESOLUTION CPPI No. 175, of 27 APRIL 2021 – Privatization**

The Partnership for Investments Program Council (CPPI) issued a favorable opinion on the qualification of “A-3”, “A-4” and “A-5” New Energy Auctions to be conducted in 2021 within the Partnership for Investments Program (PPI), and submitted it to the President's opinion.

**DECREE No. 10,707, of 28 MAY 2021 - Regulation**

Establishes guidelines allowing the bidding modality for contracting reserve capacity, including reserve energy. Energy may be contracted in purchase auctions from existing generation projects, including adjustment ones, new generation enterprises and reserve capacity auctions, in the form of power. The main characteristic of this contracting is that the energy generator may sell generated energy while the system is not placing a demand, but must have energy available for supplying whenever it is necessary. This makes it impossible for the generator to guarantee stable delivery to utilities or other buyers, raising the price of reserve capacity, which will impact electricity fees. Thus, the Decree establishes that Aneel (Brazilian Electricity Regulatory Agency) shall, when readjusting or reassessing fees, contemplate, the 12 subsequent months, a forecast of costs with charges related to CCEAR (Energy Trading Contract in the Regulated Market) in the modality by availability of electric power, with the Reserve Energy Charges (EER) and the Power Charges for Reserve Capacity (ERCAP).

**Theme: Biodiversity**

**NOTICE OF PUBLIC HEARING – Privatization**

It announces the holding of a public hearing prior to the Tender Notice for the Amana National Forest Concession – Batch III. Hearings will take place on 20 May 2021 in the municipality of Jacareacanga/Pará, and on 21 May 2021 in the municipality of Itaituba/Pará. The venues will prioritize the attendance of traditional and indigenous communities without access to the internet. Amana National Forest's concession process started in 2010.

**RESOLUTION CPPI No. 180, of 27 APRIL 2021 – Privatization**

The Partnership for Investments Program Council (CPPI) issued a favorable opinion on the qualification of Três Barras and Chapecó National Forests (both in the State of Santa Catarina), and of Irati National Forest (in the State of Paraná) for the purpose of forest concession within the Partnership for Investments Program (PPI) and submitted it to the President's opinion. Seven Conservation Units in the South of

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Brazil have been included in the PPI so far. The most advanced concession processes are those of Aparados da Serra National Park (State of Rio Grande do Sul) and Serra Geral National Park (State of Santa Catarina).

**RESOLUTION CPPI No. 177, of 27 APRIL 2021 – Privatization**

The Partnership for Investments Program Council (CPPI) approved Resolution No. 170, of 19 APRIL 2021, addressing the operational modality and conditions applicable to the privatization of Canela/RS and São Francisco de Paula/RS National Forests, as approved by the minister of Finance and the minister for the Environment. This decision must be approved by the CPPI.

**ORDINANCE No. 289, of 3 MAY 2021– Regulation**

The Chico Mendes Institute for Biodiversity Conservation (ICMBio) established principles, guidelines and general rules for public use for planning and structuring of visitation at federal Conservation Units (UCs) managed by ICMBio, with com specifications on management instruments to compose the portfolio of the public use plan. This Ordinance does not affect Private Natural Heritage Reserves (RPPN) since the latter are private properties that serve only as guiding reference for the development of public use in these conservation units. For UCs lacking an approved management plan, public use management actions may be developed, if duly justified and supported by a simplified transitory planning, on a provisional basis, only in Federal public domain areas where visitation activities are already consolidated. General rules for visitation activities and support services shall be established by ordinances, normative instructions and technical references adopted by ICMBio.

**ORDINANCE No. 144, of 19 MAY 2021 – Privatization**

A Special Bidding Committee (CEL) was created to oversee the concession of São Francisco de Paula National Forest. The CEL may call on specialized civil servants to advise it on the concession process.

**TENDER NOTICE – Privatization**

The public tender for Hiring Support Services to the visitation of the São Francisco de Paula National Forest was announced, including provisions for the cost of actions to support conservation, protection and management of these Conservation Units. Bids must be turned in on 29 JULY /2021 at 9am in BRASÍLIA/DF. General information is included in the notice.

**ORDINANCE No. 285, of 11 MAY 2021 – Regulation**

**ORDINANCE No. 284, of 11 MAY 2021 - Regulation**

Approved the Local Management Plan for Blue Land Crabs and Labridae of the Cassuruba Extractive Reserve, addressing the species: *Cardisoma guanhumi* (Blue Land Crab), *Scarus trispinosus* (Greenback Parrotfish), *Scarus zelindae* (Striped Parrotfish), *Sparisoma frondosum* (Agassiz Parrotfish) e *Sparisoma axillare* (Redeye Parrotfish), and the Local Management Plan for Labridae of the Corumbau

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Marine Extractive Reserve, addressing the species: *Scarus trispinosus* (Greenback Parrotfish), *Scarus zelindae* (Striped Parrotfish), *Sparisoma frondosum* (Agassiz Parrotfish), *Sparisoma axillare* (Redeye Parrotfish) and *Sparisoma amplum* (Reef Parrotfish). In its annex it includes rules for fishing and sustainable management of species, including guidelines for ordering fishing, inspection, monitoring and registry of fishermen. These are endangered species according to Ordinance 445/2014. Since 2018, there have been Recovery Plans for them developed by the Ministry for the Environment, with sustainable use and recovery regulations for these species, where sustainable use conservation units have been the areas to benefited the most. Thus, the long awaited management plans for the Marine Extractive Reserves using these resources have finally been updated and approved. If will find more information on the regulations for the endangered species in [Pesca por Inteiro's document](#).

**CALL FOR BIDS No. 2/2021 – Privatization**

The Call for Bids for hiring visitation support services for São Francisco de Paula National Forest was announced within the scope of the Special Bidding Committee (CEL). Envelopes containing the bids guarantees, economic proposals and applicable documentation will be received on 26 July. On 29 July a Public Session will be held to open envelopes for Bid No. 02/2021. The winning criterion is the highest offer for the object of the bidding wins.

**Theme: Environment****ORDINANCE No. 1,070, of 12 MAY 2021 – Response**

The Brazilian Institute for the Environment and Renewable Natural Resources (Ibama) authorized Prevfogo to hire a temporary federal brigade for prevention and fighting forest fires in municipalities of the following States: GO, TO, MT, AC, AM, AP, BA, MA, MS, PA, PI, RO, RR, MG, CE, PE, RJ, DF, and AC. The drought season starts in April and fires reach their peak between August and September. According to data from the [National Institute for Space Research \(Inpe\)](#), the States with the highest number of fires from August 2019 to April 2021 were the States of Pará, Mato Grosso and Amazonas.

**NOTICE No. 3, of 17 MAY 2021 – Response**

The Brazilian Institute for the Environment and Renewable Natural Resources (Ibama) announced the simplified selection process for filling vacancies for Brigade members, Squadron Chiefs and Brigade Chiefs for the Piquiá Settlement, a Municipality in the State of Amapá, for the Araribóia Indigenous Land in the Municipality of Amarante do Maranhão; for the Wawi Indigenous Land, in the Municipality of Querência/MT; and for Novo Progresso/PA.

**Theme: Indigenous Peoples****ORDINANCE MJSP No. 202, of 30 APRIL 2021 - Response**

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With Ordinance No. 202, the Ministry of Justice and Public Security (MJSP) authorized an extension of the use of the National Public Security Force FNSP to support the National Indian Foundation (Funai) in activities and services essential to the preservation of public order and the safety of people and property, in an episodic and planned nature, from 1 May 2021 to 30 June 2021, at the barriers established in the “Sanitary Barriers for Isolated and Recent Contact Indigenous Peoples Plan”, in the Enawenê-Nawê Indigenous Land located in the Municipality of Juína/MT.

**ORDINANCE MJSP No. 215, of 12 MAY 2021 – Response**

The Ministry of Justice and Public Security (MJSP) authorized the use of the National Public Security Force FNSP to support the National Indian Foundation (Funai) 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 90 days, between 23 May 2021 and 20 August 2021, in the Munduruku and Sai-Cinza Indigenous Lands located in Jacareacanga (PA). The Munduruku and Sai-Cinza Indigenous Lands have suffered pressure from illegal mining for years. The conflict has escalated and on 25 March it culminated in an attack to the headquarters of the Munduruku Wakoborün Women’s Association.

**ORDINANCE MJSP No. 238, of 27 MAY 2021 – Response**

The Ministry of Justice and Public Security (MJSP) authorized an extension of the use of the National Public Security Force FNSP to support the National Indian Foundation (Funai) to ensure physical and moral integrity of indigenous peoples and Funai employees in the Vale do Javari Indigenous Land in the State of Amazonas for 90 days, between 29 May 2021 and 26 August 2021. The Javari Valley is located on the border of Brazil and Peru, concentrating the highest number of isolated peoples in the world. According to reports from many indigenous peoples in the *Indigenous April Mobilization*, gold miners and panners, loggers, hunters and fishermen act freely in the region’s indigenous lands.

**Theme: Fisheries**

**ORDINANCE SAP/MAPA No. 153, of 3 MAY 2021 – Flexibilization**

Ordinance No. 153 amends Article 5 of Ordinance No. 106, of 7 APRIL 2021, from the Aquaculture and Fisheries Secretariat (SAP) of the Ministry of Agriculture, Livestock and Food Supply (MAPA), addressing mullet capture quota. The new version expands the fishing of mullet and other species during the season. Ordinance No. 106 included “annex II – special temporary fishing authorization for the floating gillnet fishing modality – coastal gillnet (surface)” with a list of species that may be captured “when the limit of trawling fishing vessels is not met, the remainder of the quota intended for that fishing modality may be directed towards the fishing quota

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for the floating gillnet fishing modality”. However, this list of species includes endangered sharks listed by Ordinance No. 445/2014 such as: Spiny dogfish (*Squalus acanthias*) and Striped dogfish (*Mustelus fasciatus*). Their capture is forbidden since these are listed as “endangered species”. Read POLÍTICA POR INTEIRO’s technical note on the Ordinance.

### **ORDINANCE SAP/MAPA No. 159, of 10 MAY 2021 – Regulation**

The Aquaculture and Fisheries Secretariat (SAP) of the Ministry of Agriculture, Livestock and Food Supply (MAPA) placed under public consultation until 10 July 2021, the draft of the Ordinance that establishes the Fishing Modalities Matrix for the concession of Anticipated Fishing Permit and Fishing Authorization for the sustainable use of fisheries resources.

### **ORDINANCE SAP/MAPA No. 201, of 27 MAY 2021 – Flexibilization**

The effects of Ordinance SAP/MAPA No. 119, of 20 APRIL 2021 have been suspended for 45 days. Ordinance No. 119 had suspended the fishing authorization for Caribbean red snapper fishing vessels, in Northern and Northeastern territorial seas, having as a target species the Caribbean red snapper (*Lutjanus purpureus*). In addition to the surrounding fauna, vessels incidentally capture the Atlantic Goliath Grouper (*Epinephelus itajara*), whose fishing has been forbidden since 2002 due to the endangered status, according to the moratorium valid until 2023. The suspension period observed by the fishing vessels listed in Annexes I, II and III of Ordinance SAP/MAPA No. 119, of 20 APRIL 2021, will be discounted from the total suspension period that will be resumed after the expiry of the Ordinance.

### **Theme: Mining**

### **RESOLUTION ANM No. 71, of 14 MAY 2021 – Regulation**

The National Mining Agency established that the inspection of mining activities and collection of the Financial Compensation for the Exploitation of Mineral Resources (CFEM) may be executed via Technical Cooperation Agreements with States, the Federal District and Municipalities. To be eligible for entering Technical Cooperation Agreements, the States, the Federal District and Municipalities must have a previously assembled technical team composed of, at least: I – regarding research and mining: a) geologists or mines engineers; and b) geology or mining technicians; II – regarding CFEM collection: accounting, business administration or economics professionals. This Resolution is similar to Resolution ANM No. 59, of 18 February 2021 (revoked). What is new to Resolution No. 71 is the inclusion of the list of required professionals.

**Theme: Land****ORDINANCE MAPA No. 121, of 12 MAY 2021– Regulation**

Establishes general supplementary procedures for data analysis of the Environmental Rural Registry (CAR) and for the integration of the data analysis results into the Environmental Rural Registry System (Sicar). The new procedures include the automatic analysis (AnalisaCar), to be processed by geospatial cross-referencing of data declared by rural owners of land or rural possessors. Reference databases will be obtained from remote sensing techniques and/or official databases produced by the government. Technical definitions to be used by SICAR are the responsibility of the Brazilian Forest Service. SICAR will adopt a municipal matrix provided by the Brazilian Institute of Geography and Statistics (IBGE) for the identification of rural properties declared in CAR. In cases where automatic analysis is not possible due to natural and artificial aspects of the rural property, registries will be forwarded for analysis by the competent bodies by other means, according to Normative Instruction MMA (Ministry for the Environment) No. 02/2014. The Brazilian Forest Service, via SICAR, shall make available the information declared in CAR, relative to Permanent Preservation Areas (APP), Legal Reserve and restricted use. In case of overlapping of a rural property with Indigenous Lands, Conservation Units, Federal Lands, areas with factors considered to be an impediment by the competent bodies or embargoed areas, the registry shall be considered as “pending” and not as “suspended”. The Ordinance does not specify which homologation / demarcation phases shall be considered for the definition of Indigenous Lands. According to the Ministry of Agriculture, Livestock and Food Supply (MAPA), the State of Amapá shall be the first to implement the system, since it already has the necessary mapping and has participated in training sessions on how to operate the tool.

**Theme: Ocean****ORDINANCE MCTI No. 4,719, of 5 MAY 2021 – Planning**

Ordinance No. 4,719 defines the objectives of the *Science of the Sea Program* and establishes the Science of the Sea Program Advisory Committee. Among the objectives, we highlight: supporting public policies with base on evidence generated by the sciences of the sea; coordinating national initiatives within the scope of the United Nations Decade of Ocean Science for Sustainable Development (2021-2030) as a scientific focal point together with the Intergovernmental Oceanographic Committee (COI) and to subsidize initiatives aligned with the UN’s 2030 Agenda, especially those related to reaching results described in Sustainable Development Goal 14, that addresses the conservation and sustainable use of oceans, seas and marine resources for sustainable development. The Science of the Sea Program Advisory Committee shall be composed of representatives from the Ministry of Science, Technology and Innovation (MCTI) (coordination), from the National

Institute for Space Research (Inpe); from the National Council for Scientific and Technological Development (CNPq), and from the Innovation and Research Funding Agency (FINEP) of MCTI.

### **3- Legislative**

POLÍTICA POR INTEIRO's Legislative Initiatives Database, a tool for monitoring new legislative proposals related to the environment and climate change, identified 29 relevant projects in May:

- 24 Bills of Law (PL)
- 3 Draft Legislative Decrees (PDL)
- 2 Draft Complementary Laws (PLP)

#### **3.1 – Bills of Law proposed**

We highlight 2 Bills of Law (PLs) that address the crime of exporting native timber, a likely aftermath of the Federal Police operation that investigates illegal timber exports and involves the minister for the Environment: Bill of Law (PL) 1,879/2021, from representative Neucimar Fraga (PSD/ES), which forbids the export of processed and unprocessed native wood; and Bill of Law (PL) 1,941/2021, by representative Norma Ayub (DEM/ES), which provides for the use of seized wood for purposes of social interest.

The theme Energy has gained importance in the Executive branch. Likewise, many Bills have been proposed related to distributed micro- and mini-generation of electric power, like PL 1,894/2021, by representative Eduardo da Fonte (PP/PE), which allows the sale of electric power surplus from these sources, and PL 1,771/2021, by representative Edna Henrique (PSDB/PB), establishing the mandatory installation of a photovoltaic electric energy generation system in housing units of social interest.

Two PLs (Bills of Law) address Permanent Preservation Areas (APPs) of marginal strips of watercourses: PL 1,869/2021, by senator Jorginho Mello (PL/SC), amending the Forest Code to regulate the marginal strips of any existing watercourse in consolidated urban areas, and PL 1,877/2021, by representative Marcelo Ramos (PL/AM), which establishes that in urban areas, marginal strips of any natural watercourse that delimit the areas of the flood crossing strip will have their width determined by the respective Master Plans and Land Use Laws.

Bills on environmental damages have also been proposed: PL 1,927/2021, by representative Chiquinho Brazão (AVANTE/RJ), establishing that in case of an environmental disaster, non-oil and natural gas producing States and Municipalities shall allocate 10% of royalties received for States and Municipalities affected, for the necessary time, for actions to confront and recover from disaster; and 2 PLs by representative Capitão Alberto Neto (REPUBLIC/AM), PL 1,840/2021, which creates a fund for emergency actions arising from disasters caused by an enterprise in the oil

and natural gas sector, and PL 1,680/2021 which includes in the National Environment Policy a provision on the imprescriptibility of the obligation to indemnify or repair environmental damage.

### **3.2 – Relevant actions**

#### **Environmental Licensing**

Bill of Law 3,729/2004, proceeding in Congress for 17 years, with many amendments to its original text, was passed at the Chamber of Deputies with 300 favorable votes and 122 contrary votes, in the terms of the Clean Bill presented by representative Neri Geller (PP-MT), the PL's rapporteur at the Chamber of Deputies. The proposal, one of the items on the Executive's priority agenda, was voted quickly, without going through discussions in the committees. The approved text provides for significant changes in the licensing procedure for projects that cause impacts on the environment. Even some critics of the proposal agree that there was a need for a General Environmental Licensing Law, with unified, clear rules with reduced red-tape. However, they emphasize that the approved text is contrary to the provisions of the National Environmental Policy and to art. 225 of the Federal Constitution, generating, in several points, more legal uncertainty, which can lead to massive judicialization in search of resolving the understanding on these points. The PL was sent to the Senate, with the initial expectation of an expedited processing. However, the focus of the environmental issue ended up being shifted to the Federal Police's operation on Salles and the other names of the MMA, leaving the agenda now on the back burner.

#### **Privatization of Eletrobras**

The Chamber of Deputies approved Provisional Measure 1,031/2021, which makes the privatization of Eletrobras feasible, pursuant to the opinion of the rapporteur, Deputy Elmar Nascimento (DEM-BA). The approval was supported by Paulo Guedes, minister of Finance, and celebrated by Arthur Lira, president of the Chamber of Deputies. The proposal will be the object of a special discussion session at the Senate Plenary, with date yet to be defined. The rapporteur's opinion conditions the privatization operation to the prior contracting of new gas-fired thermoelectric plants by the government, providing for the purchase of 6,000 megawatts (MW) from plants to be installed in the North, Northeast and Midwest regions, through a reserve capacity auction, which should lead to dispute in the Senate between gas distributors and other companies in the energy sector. The approval of this section of the text is critical, especially because it represents an increase in greenhouse gas emissions from the energy sector and because it contradicts what was established in the Brazilian NDC regarding the increase in the percentage of renewable energies in the Brazilian matrix, since it takes the place of less emitting plants. The government's

energy purchase auctions currently consider several generation sources, and projects presenting the lowest tariffs are the winners.

### **Changes at the Chamber's Internal Regulations**

The Chamber approved the Chamber's Draft Resolution (PRC) 84/2019, changing the Chamber's Internal Regulations to reduce delaying requirements and increase the time for debate on the merits of proposals in the Plenary discussion phase. The draft limits requirements aimed at obstructing procedures, used by the opposition and minority representatives, especially to hold controversial Bills. For proposals proceeding on an urgent basis, a request for withdrawal from the agenda can no longer be submitted to postpone the discussion.

### **Provisional Measure (MP) on protective sanitary barriers in indigenous areas**

Provisional Measure 1,027/2021, which extends until 31 December 2021 the use of protective sanitary barriers in indigenous areas by the National Indian Foundation (Funai) for controlling the traffic of people and goods to avoid contagion and spread of the disease, was approved at the Senate and will be forwarded for promulgation. The Provisional Measure was amended by the federal government in reaction to a decision from the Federal Supreme Court (STF) by judge Luís Roberto Barroso in Petition of Non-compliance with Fundamental Precept (ADPF) No. 709, which determined the establishment of protective sanitary barriers in order to contain the spread of the virus in indigenous populations.

### **Alienation/concession of vacant land in border regions**

PL 1,792/2019 was approved by the Senate and proceeds for Presidential sanction. It expands the deadline for holders of rural property titles originating from alienation or from the concession of vacant land along the border issued by States to obtain the documents for registration with the real estate registry.

### **Administrative Reform**

The Administrative Reform Constitutional Amendment Proposal (PEC 32/2020) was approved at the Chamber of Deputies' Committee on the Constitution, Justice and Citizenship (CCJ) by a tight margin. The text received criticism, especially from civil servants' associations, and due to lack of consensus among deputies, was approved according to deputy Darci de Matos' (PSD/SC) opinion, the PEC's rapporteur. The Reform may implicate a series of impacts on environmental management. One of the critical provisions of the proposal was the expansion of the President's powers, by amendment of Article 84, item VI, of the Federal Constitution, so that, by Decree, the President could decide on the extinction of administration bodies. Those who criticize the proposal feared the merger of ICMBio (Chico

Mendes Institute for Biodiversity Conservation) and Ibama (Brazilian Institute for the Environment and Renewable Natural Resources), being analyzed at the Ministry for the Environment (MMA), could be done more easily by Presidential Decree. The approved proposal considered the non-admissibility of such provision. Another section removed in the rapporteur's opinion was the provision that created new principles for the public sector administration – impartiality, transparency, innovation, accountability, unity, coordination, good public governance and subsidiarity - under the allegation that the admission of these principles would lead to excessive regulatory openness that is harmful and incompatible with legal certainty. Arthur Lira, the president of the Chamber of Deputies, celebrated the approval and stated the proposal is expected to be sent to the Senate during the second semester, after discussions on the merit of the text by a special committee at the Chamber.

### **Reduction of Permanent Preservation Area (APP) of marginal strips of watercourses**

Bill of Law PL 1,709/2019, by representative Capitão Alberto Neto (REPUBLIC/AM), was approved at the Urban Development Committee of the Chamber of Deputies under the terms of the Clean Bill by representative Luizão Goulart (REPUBLIC/PR) and proceeds for analysis at the Committee on the Environment and Sustainable Development and the Committee on the Constitution and Justice and Citizenship. This proposal amends the Forest Code (Law 12,651/2012), halving the minimum width of marginal strips for perennial watercourses like rivers and streams, considered as Permanent Preservation Areas (APP), and changes the City Statute (Law 10,257/2001) to establish that the mayor who does not stop illegal occupation of urban Permanent Preservation Areas be sued for administrative misconduct.

### **Tax Reform**

Representative Aguinaldo Ribeiro (PP-PB) presented the final text of the Tax Reform Constitutional Amendment Proposal (PEC 45/2019), listing suggestions for amendments made by members of the Joint Tax Reform Committee, that has concluded its activities. The schedule for the Tax Reform was discussed by Arthur Lira (PP-AL), president of the Chamber of Deputies, and Rodrigo Pacheco (DEM-MG), president of the Senate, but there's no definition for voting yet. Lira, who opposes the rapporteur's opinion because it takes it in the direction of a broader reform, stands for voting in stages, and intends to approve the changes still in 2021. Some representatives support the campaign for a green tax reform, considering an economic recovery in Brazil that allows for a transition towards a low-carbon economy.

### **Carbon Market**

Representative Bosco Saraiva (SDD-AM), rapporteur of PL 528/2021, presented, on 19 May, a Clean Bill on the initial proposal by representative Marcelo Ramos (PL-AM). Ramos' PL aims at creating a standard and a public record system for carbon credits from verified emission reductions from the voluntary carbon market Brazil. It paves the ground for the creation of a mandatory regulatory environment. The Clean Bill proposes that this should be a "regulated market", with a 2-year period for "voluntary adherence" with the subsequent creation of the mandatory program to impose obligations to reduce or to offset emissions in some sectors of the economy. Although the texts still require technical revision, according to PROLO, they aim to promote a minimally regulated environment to guarantee more integrity, and legal certainty in the voluntary market is beneficial and deserves consideration.

### **Land Tenure Regularization**

Bill (PL) 510/2021, proceeding at the Senate, was subject to many amendments from different senators in May. Public hearings on the Bill were held at the Senate's Committee on Agriculture and Land Reform and Committee on the Environment, dividing the opinions of Senators. After an attempt at approval in a Plenary session in April, the Bill has not returned to the agenda for voting, and awaits the opinion of Senator Carlos Fávaro (PSD-MT), the Bill's rapporteur. Another Bill on the same topic, proceeding at the Chamber of Deputies, PL 2,633/2020, has not progressed since March.

### **Time Framework for Indigenous Lands**

Bill (PL) 490/2007, that amends the Statute of Indigenous Peoples (Law No. 6,001/73), was put on the agenda at the Chamber of Deputies' Committee on the Constitution, Justice and Citizenship (CCJ), but it was removed by request of representative Joênia Wapichana (Rede-RR). The project's rapporteur, representative Arthur Oliveira Maia (DEM/BA), presented an opinion favoring the rejection of the project and the approval of the Clean Bill presented by the Chamber of Deputies' Committee on Agriculture, Animal Industry, Supply and Rural Development, which includes modifications in indigenous peoples' land property rights making it more difficult for demarcation of their lands to take place and including the "time framework" to demarcations, establishing that only indigenous peoples in possession of their lands on the day of the promulgation of the Federal Constitution (5 October 1988) would have the right to their lands. In case it is approved, the Bill could facilitate the takeover of indigenous lands by the federal administration.

### **Park-road**

Bill (PL) 984/2019, by representative Vermelho (PSD/PR), aiming at establishing the Caminho do Colono Park-Road in the Iguazu National Park, and at creating a new Conservation Unit (UC) category in the National Conservation Units System (SNUC) Law (Law No. 9,985/2000) called Park-Road. The Bill received an urgency request, which means it may be discussed directly by the Plenary of the Chamber of Deputies, without being analyzed by Committees. If approved, the Bill will enable the reopening of a road connecting Capanema, in the Southeast of the State of Paraná, to Serranópolis do Iguazu, in the West of Paraná. This road was closed by a ruling from a judge in 1986, after pressure from civil society organizations to preserve the road that crosses the Iguazu National Park, considered that year as UNESCO Natural World Heritage.

## **4 - Analysis**

### **Ongoing**

**Different Signals for Energy:** Energy has proven to be a very relevant topic in 2021. Between January and May, the Government Actions Tracker has already identified 32 actions under the theme Energy. The Environmental Policy Tracker shows that the subject is also hot in the social networks, second only to *Environment*, especially after the approval of the Eletrobrás Provisional Measure by the Congress. In the Legislative branch, in addition to the Provisional Measure, the approval of the Gas Regulatory Framework in April has influenced the actions of the executive branch towards adjusting regulations and reacting to the threat of a water crisis. Decree No. 10,707 is an example of the strategy of including in the energy plan the obligation to contract gas-fired thermoelectric plants, according to the Provisional Measure, by means of reserve contracts. Since this modality is dedicated to thermoelectric plants running on fossil fuels, the 2050 net-zero ambition becomes less achievable. At the same time, policies that are justified by decarbonization are advancing like the *Fuel of the Future Program*, the *National Hydrogen Program*, and the regulation of the *Green Diesel* production. However, in view of the differences and disputes in the sector, it is still too soon to say that measures will actually contribute towards the consolidation of a low-carbon energy matrix in the country. Opposing signals show a lack of a common guideline for steering energy policies in Brazil.

**Adopt A Park:** On 12 May, the Federal Savings Bank (CEF) and the Ministry for the Environment (MMA) signed a “protocol of intentions” focused on “national parks”, without specifying which Conservation Units would be included. According to a news piece on the MMA’s website, “resources donated by the adopting party, amounting

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to R\$150 million, will be directly forwarded to parks in the form of goods and services for environmental conservation”. The Adopt A Park program does not cover the transfer of financial resources, only the donation of goods and services.

Until the present moment no public session was held for the reading of the Federal Savings Bank’s bid. The public session should have taken place 3 working days after the formal receipt of the proposal, according to the call for bids.

Only eight *Adopt A Park* bids have been made public. The minutes may be checked on ICMBio’s website. Until now, not a single Working Plan or document proving actual adoptions has been published. It can be seen that no adoption referred to Parks, but only to Areas of Relevant Ecological Interest (ARIE) and Extractive Reserves (RESEX), according to the following table:

Interested Party	Conservation Unit	Date of Signature of the Protocol of Intentions <sup>2</sup>
Caixa Econômica Federal	“National Parks”	12/May (with no public session)
Coca-Cola Brasil	ARIE Javari Buriti	28/April
MRV Engenharia	Cuinarana Marine Extractive Reserve	14/April
Grupo Heineken	Quilombo do Flexal Extractive Reserve (MA)	05/April
Genial Investimentos	ARIE Projeto Dinâmica Biológica de Fragmentos Florestais (AM)	02/March
Coopecredi Guariba	São João da Ponta Extractive Reserve (PA)	17/March
Geoflorestas	Chocoaré-Mato Grosso Extractive Reserve (PA)	25/March
Cooperativa Agroindustrial (Coplana)	ARIE Seringal Nova Esperança (AC)	29/March
Carrefour	Lago do Cuniã Extractive Reserve (RO)	09/February

<sup>2</sup> For more information, read our analysis on this topic: <https://www.politicaporinteiro.org/2021/03/16/adote-um-parque-os-protocolos-de-intencoes-fora-do-protocolo/>

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POLÍTICA POR INTEIRO was interviewed and quoted in the international media (*The New York Times*) on the *Adopt A Park* program.

**Legislative Responses via Draft Legislative Decrees (PDLs):** Draft Legislative Decrees – legislative proposals to stop actions by the Executive Branch - rarely advance in the process and function more as a way for parliamentarians to establish a position in opposition to the government. When scheduled for voting, they depend on articulation for their approval. However, a growing movement of PDLs can be observed in some Committees. Even if not approved, they have served to shift the attention of parliamentarians. In May, for instance, 2 PDLs were scheduled for discussions at the Committee on the Environment and Sustainable Development of the Chamber of Deputies, but ended up being rejected: PDL 114/2019 aiming at stopping Decree 9,760/19, which proposes changes on procedures for environmental offenses, and PDL 340/2019, aiming at stopping Decree 9,806/19, which changed the composition and competencies of Conama (National Council for the Environment).

**Indigenous Peoples under attack:** Attacks to the integrity and to the lands – in short, to the rights - of indigenous peoples continue. In April, the Yanomami Indigenous Land was invaded, with armed gold miners shooting against the indigenous, including children and women. As a response, the Articulation of the Indigenous Peoples of Brazil (Apib) annexed to the Petition of Non-compliance with Fundamental Precept (ADPF) 709, proceeding at the Federal Supreme Court (STF), a petition requesting the removal of invaders from the Yanomami land in the State of Roraima. According to the Federal Prosecution Office (MPF), and in a Civil Lawsuit for the Enforcement of Collective Rights (ACP) filed last year for the total “disintrusion” of gold miners from the Yanomami Indigenous Land, the “Federal Justice partially took the MPF’s request and determined that the Federal Government shall permanently maintain armed troops in the Palimiú community to avoid new confrontations and guarantee the security of its members”. Still on the theme Indigenous Peoples, according to a ruling on a Civil Lawsuit for the Enforcement of Collective Rights (ACP), the Federal Justice of the State of Mato Grosso “determined that Funai (National Indian Foundation) permanently maintains an inspection team in the area of the Piripkura Indigenous Land, with the aim to stop the entrance and permanence of non-indigenous in the territory” and that it “shall establish, within 90 days, a technical group to identify the Piripkura Indigenous Land”. In another episode of violence, the village of munduruku leader Maria Leusa, in the Tapajós Farm, near Jacareacanga, in the Southeast of the State of Pará, was shot and her house was set afire. The action was considered as “retaliation for a major operation coordinated by the Federal Police against illegal mining”, called Mundurukânia Operation. Increasingly intense advances on

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indigenous territories have happened, in the discourse of authorities and in public actions, since the 2018 presidential elections, as seen in the first Thematic Timeline published by POLÍTICA POR INTEIRO in partnership with LAUT – Center for the Analysis of Liberty and Authoritarianism.

**Youth suit on the “climate delayed transfer for masking purposes”:**

Federal judge Noemi Martins de Oliveira, from the 14<sup>th</sup> Federal Civil Court of São Paulo, denied the emergency stay of the citizen suit filed in April by six young people requesting the suspension of effects of the NDC (Nationally Determined Contribution) updated by the Brazilian government in December 2020. The six youth request the setting of a new NDC adjusting values relative to the percentage reduction target proportional to the base values considered for the new calculation. In her ruling, the judge stated that “the increase in the calculation basis for CO<sub>2</sub> emissions from base-year of 2005 from 2.1 billion tonnes to 2.8 billion tonnes, even if percentages informed at the previous NDC (37% reduction by 2025 and 43% by 2030) were maintained, would mean an increase in the absolute reduction values in relation to those previously informed, since the reduction percentages would apply to an increased calculation basis”. The judge’s interpretation did not take into account that, with the current NDC, Brazil may increase its emissions in the future.

**Crises/Steps back/Controversy**

**Salles on the tight rope:** Akuanubá Operation, initiated by the Federal Police, created a paradox – not so paradoxical considering Bolsonaro’s administration: a minister for the Environment is under investigation for damaging the environment. Judge Alexandre de Moraes, from the Federal Supreme Court (STF), authorized search and seizure and breach of fiscal and bank secrecy of Ricardo Salles, of Eduardo Bim (Ibama’s president), and of other people in positions of trust at Ibama (Brazilian Institute for the Environment and Renewable Natural Resources) and the Ministry for the Environment (MMA). Bim and other civil servants were preventively removed from their positions following Moraes’s ruling. Ibama’s president is now Luis Carlos Hiromi Nagao, colonel of the São Paulo Military Police. Judge Moraes authorized the consequences of Akuanubá Operation, in response to charges from the Federal Police concerning an alleged facilitation of smuggling of forest products. The Federal Police’s investigation was triggered by Bim’s internal order making the presentation of Ibama’s Export Authorization unnecessary for exporting timber. The February 20202 document clarifies, by request of two timber organizations (the Brazilian Association of Forest Concession Companies – Confloresta, and the Association of Timber Exporting Industries of the State of Pará – Aimex), that the authorization is only necessary in cases that fall under Article 5 of Ibama Normative Instruction 15/2011 (I – logs; II – sawed timber over 250 mm; III – charcoal; IV –

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timber industrial processing residues; and V – firewood from native species) and/or in the case of species in the official lists of endangered species. Bim's aforementioned order and another order of his, from 2019, had already gained media attention due to having created breaches for facilitating illegal timber trade. Foreign investors, like Norway's major pension fund, showed concern about the consequences of the investigation. In addition to Akunduba Operation, on the last day of May, the Office of the Prosecutor-General of the Republic (PGR) requested the Federal Supreme Court (STF) to start an Inquiry on Salles, based on information presented in April by Federal Police Chief Alexandre Saraiva in relation to Handroanthus Operation. In the request, the Office of the Prosecutor-General of the Republic (PGR) presents as initial evidence the hearings of rural land owners and Ibama inspection agents and from the Federal Police Department related to the Handroanthus Operation; a full digital copy of the inspection proceedings and investigation relative to the environmental offenses; and examination of minister Ricardo Salles. *(In June, the Inquiry was authorized by Federal Supreme Court (STF) Judge Cármen Lúcia.)*

**Biodiversity:** The 24<sup>th</sup> meeting of the *Subsidiary Body for Scientific and Technological Advice* (SBSTA), technical group of the Convention on Biological Diversity, takes place between 3 May and 9 June. In the negotiations for COP15 of Biodiversity, one of the resolutions relates to accepting results from the last "Global Biodiversity Outlook", GBO5, launched in September 2020. In the 25 May meeting, the Brazilian team expressed its concern about the reference to Brazil regarding subsidies harmful to biodiversity (agricultural and fisheries), where specific domestic programs that should not be considered as subsidies are included. After the initial request to place the whole document between brackets or to exclude all references to GBO5, Brazil simply proposed the "take note" instead of the "welcome" to the document. Many countries emphasized the importance of GBO5 and requested to maintain the reference as "welcome", isolating Brazil in this additional attempt to block results that show the accelerated loss of global biodiversity. With no agreement reached, the terms remain between brackets to be taken to COP15.

**On Hold**

**Mercosur-European Union Agreement:** In the last months, Brazil has given signs considered as positive (according to a statement from Ignacio Ybáñez, representative from the European Commission to Brazil, who complimented, for instance, Bolsonaro's speech at the Leaders Summit on Climate, and Itamaraty's (the Ministry of Foreign Affairs) position under new minister Carlos França), but the ratification of the agreement between the European Union and Mercosur still depends on concrete changes to Brazil's environmental policy. Brazil has not yet regained the European Union's trust that the country will meet its commitments in environmental and climate matters.

**Civil Society Letter to OECD:** After the last Leaders Summit on Climate, led by US President Joe Biden, more than 60 NGOs, associations and networks sent a letter to the Organization for Economic Co-operation and Development (OECD) criticizing Bolsonaro's administration's socio-environmental policy and the policy for fighting the pandemic. The Ministry of Finance and the Ministry of Foreign Affairs wish to join the OECD to attract international investors. However, signatory entities claim that Brazil is not ready for becoming a member. This was another demonstration of the pressure that the current government has been suffering as a result of its policy on the environment, human rights and climate.

**On the radar (international agenda)**

**The end of the coal era as a source of energy:** Alok Sharma, president of COP26, requested nations to transition away from coal and to conduct UN's climate summit negotiations this year when the world "will leave coal in the pages of history only". In May, the Sumitomo Mitsui Financial Group – the second largest bank in Japan in assets – announced the suspension of all new funding to gas-fired thermoelectric plants, becoming the first major Japanese creditor to do so. Markets seem to absorb signals from authorities and from the financial sector that coal shall not prosper in the coming years: since 2019, stock traded shares relative to coal have lost over 50% of their value. Companies like Peabody, one of the largest coal companies in the world have filed for bankruptcy, bequeathing disinvestment risk. The world is taking large steps towards choking international funding for coal – all that remains is for China to stop providing external resources for new coal-fired power plants, particularly in the beneficiary countries of its Belt and Road program, in Asia. In Brazil, in spite of the little relevance of coal in the energy matrix, there is still a significant volume of subsidies allocated to maintain the operation of coal-fired power plants in the South (estimated at BRL \$700 million until 2026).

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**G7:** In a historical agreement, G7 ministers decided to aim for global decarbonization to cap maximum global warming at 1.5 degrees Celsius by the end of the century. Therefore, countries have committed to discontinuing investments in coal projects in developing countries after 2021. The adherence of Japan – major fund provider after China – was significant. The group of the seven wealthiest economies in the world, composed of Germany, Canada, the United States, France, Italy, Japan and the United Kingdom, also confirmed the end of coal-fired energy generation on their grounds by 2030. Additionally, the G7 also showed concern about the increase in tropical deforestation around the world. In this regard, the B7, a group composed of national business associations from the G7 countries, has announced a Declaration of Principles and Recommendations for the G7 Climate Ministers. The G7 agreement shall put pressure on G20 countries (Brazil included) on coal topics (China as a target) and deforestation (Brazil and Indonesia as targets). G20 countries will hold their summit in October this year.

**Climate Goals:** Germany announced accelerated emission reduction goals, including reaching net-zero by 2045 – formerly the commitment was decarbonization by 2050. The Argentinian government launched *Green Mondays*, a campaign encouraging its citizens to substitute meat for vegetable protein one day per week to help the country reach its climate goals – it was highly criticized by beef producers associations. And the United Kingdom and India agreed to follow a joint script to make progress in the transition to clean energy and forest protection by 2030, and joint leadership to develop resilient infrastructure in other vulnerable countries.

**Ambitious outlook for the International Energy Agency (IEA):** The IEA published its first complete outlook for reaching net-zero emissions by 2050, after years of campaigns from many specialists and civil society groups. The IEA claims new investments in oil, gas and coal will not be necessary from this year on, and that all the global electricity sector may be decarbonized by 2040. The report provides the clarity necessary for understanding the final role of fossil fuels in the transition and shall define the trajectory for public and private financing for accelerating the energy transition necessary for facing the climate crisis as required by science.

**Carbon price:** The price of carbon in the European Union hit a new record high of €50 per metric tonne this month.

**Race to Zero Emissions & Brazil:** New net zero announcements were made in May. Publicly detailed, commitments may be thoroughly analyzed. The implementation of these commitments will be vital for meeting the Paris Agreement goals and the demands of science. For instance, the LATAM Airlines Group

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announced the ambition to reach carbon neutrality by 2050. Pandora, the major jewelry brand in the world, announced plans to stop the supply of mined diamonds and to use laboratory developed alternatives to reach carbon neutrality by 2025.

**Decarbonized Road Transportation:** In May the Coalition for the Decarbonization of Road Transportation was launched, gathering global experts and leaders from the financial, automotive, energy and infrastructure sectors to accelerate the transition to zero emissions vehicles.

**Bitcoin:** A Tesla announced it would no longer allow clients to purchase their vehicles using bitcoin due to the significant carbon footprint of the cryptocurrency. In May it was communicated that cryptocurrency mining reached 0.6% of the global energy consumption. Tesla's announcement made the value of cryptocurrencies drop.

**Nature-based Solutions:** The United Nations Development Program (UNDP), the World Economic Forum (WEF) and the Land Degradation Economics launched a joint report, the *State of Finance for Nature*, which concluded that investments in nature-based solutions should grow threefold by 2030 and fourfold by 2050 if the world intends to meet its climate change, biodiversity and land degradation goals.

**Oil Companies under "attack":** In May, major oil companies were taken by surprise by decisions that will make them accelerate their energy transition goals. Shell was sentenced by a court from the company's home country, the Netherlands, to cut emissions by 45% by 2030 (the current reduction goal is 20%), in comparison with 2019 levels. The case was filed by the *Friends of the Earth Netherlands* organization and included over 17,000 claimants. The decision imposes emission cuts for all 'scopes', which will impact the company's operations, as well as final users of their products. Meanwhile, in the USA, an investor concerned about climate change won seats on the board of giant ExxonMobil and shall force the company's commitment to carbon neutrality by 2050. Finally, Chevron (another major oil company) stockholders voted for a proposal that will force the company to considerably cut its emissions. It is expected that this series of decisions will influence other major emitting companies to accelerate their transition to clean energy goals. Brazilian oil company Petrobras remains aloof from the discussion, even after the substitutions of its former CEO, Castello Branco, who stated that decarbonization does not make sense "this side of the Atlantic".

## 5 - Trends

Ricardo Salles is under pressure in his position. It's not the first time it is considered the minister for the Environment's situation as unsustainable. However, differently from previous occasions, in addition to the reason for the pressure this time – Akuanduba Operation –, it is clear that cattle no longer depend so much on the Executive. Therefore, they do not need a driver in the government to operate via infra-legal actions. No longer having this role, his departure may prove more beneficial to the Presidency than the effort required to keep him in the position, considering that, in a sense, it would also somehow appease criticism from abroad.

In the meantime, the police investigation cooled, to some extent, the cattle herding impetus at the Legislative branch, at least in what concerns the Environmental Licensing Bill of Law. After the lightning fast queue jumping in the Chamber of Deputies – virtually in the still of the night, in the style of cattle thieves –, the matter was hot upon arrival in the Senate, but lost momentum with Operation Akuanduba. However, the list of trouble-Bills in the government's priority agenda at Congress is large, with the themes of Mining and Land (Demarcation and Land Tenure Regularization) deserving attention, and much related to the Indigenous issue.

In June it is still expected that attempts at advancing Bills with negative potential impact on the environment be made by the “Centrão” parliamentary group, especially PL 984/2019, by representative Vermelho (PSD-PR), aiming at reopening the Estrada do Colono Road, in the Iguazu National Park/Paraná, surrounded by the most exuberant Atlantic Forest coverage (*learn more in the 'Legislative' section*); in addition to PLs related to land tenure regularization and environmental licensing.

The season of fires will arrive amid bleak expectations, backed by record deforestation indexes in March and in April, and the likelihood of yet a new record in May for the Deter/Inpe historical series. May was the first post-GLO (Operation for Guaranteeing Law and Order) month for the Amazon. Once again, there are no indications of concrete actions for fighting deforestation, and there are signs from the Federal Government that reinforce the fragility of legal instruments for land tenure ordering and preservation, especially in the Amazon, so the trend is for a high number of fires.

Internationally, the United Nations Framework Convention on Climate Change (UNFCCC) starts on 31 May and continues until mid-June, with the informal negotiations process – with no formal agenda – in preparation to COP26. *Global stocktaking, Common timeframes*, and other topics are in the agenda for discussions. Brazil will advocate for Nationally Determined Contributions (NDCs) to have 5-year cycles.

In relation to COP26, the latest warming forecasts from the Climate Action Tracker foresee that global temperature will increase by 2.4 degrees Celsius by 2100, even if all current NDCs are implemented. A new UNFCCC report will be launched before October this year, updating the evaluation report of all NDCs announced by the Convention in January. Until then, the pressure for countries to commit to ambitious climate goals shall increase.

The next G7 summit will take place between 11 and 13 June in England (co-president of the Group together with Italy). In addition to G7 countries (United Kingdom, the United States, Canada, Japan, France, Germany and Italy), the British government invited Australia, India and South Korea – and not Brazil. In a recent preparatory meeting (21 May), the G7 determined it will no longer fund coal-fired thermal plants after the end of this year as part of the global effort for decarbonization of the economy. Moreover, the G7 has also expressed great concern for the increase in tropical deforestation.

In this context, Brazil is getting ready for the G20 ministerial meeting on Environment, Climate and Energy, to take place in July in Naples. The green resumption should be on the agenda, in addition to issues related to the climate agenda already defined by G20 (deforestation and coal). With a minister for the Environment currently dedicated to state his defense before Brazilian Justice, Brazil's negotiations will have to be spearheaded by other ministries. Naturally, the Ministry of Foreign Affairs, and also the Ministry of Finance and the Central Bank, which has dedicated efforts to the ESG agenda.

## **6 - Terms of usage and Contact information**

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### **Contact information**

[politicaporinteiro.org](http://politicaporinteiro.org)

[contato@politicaporinteiro.org](mailto:contato@politicaporinteiro.org)



# Monthly Outlook Report

May/2021



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