



Monthly Outlook Report

June 2021

INITIATIVE:



SUPPORT:



- 1 **Executive Branch**
- 2 **Legislative Branch**
- 3 **Analysis**
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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 JUNE 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

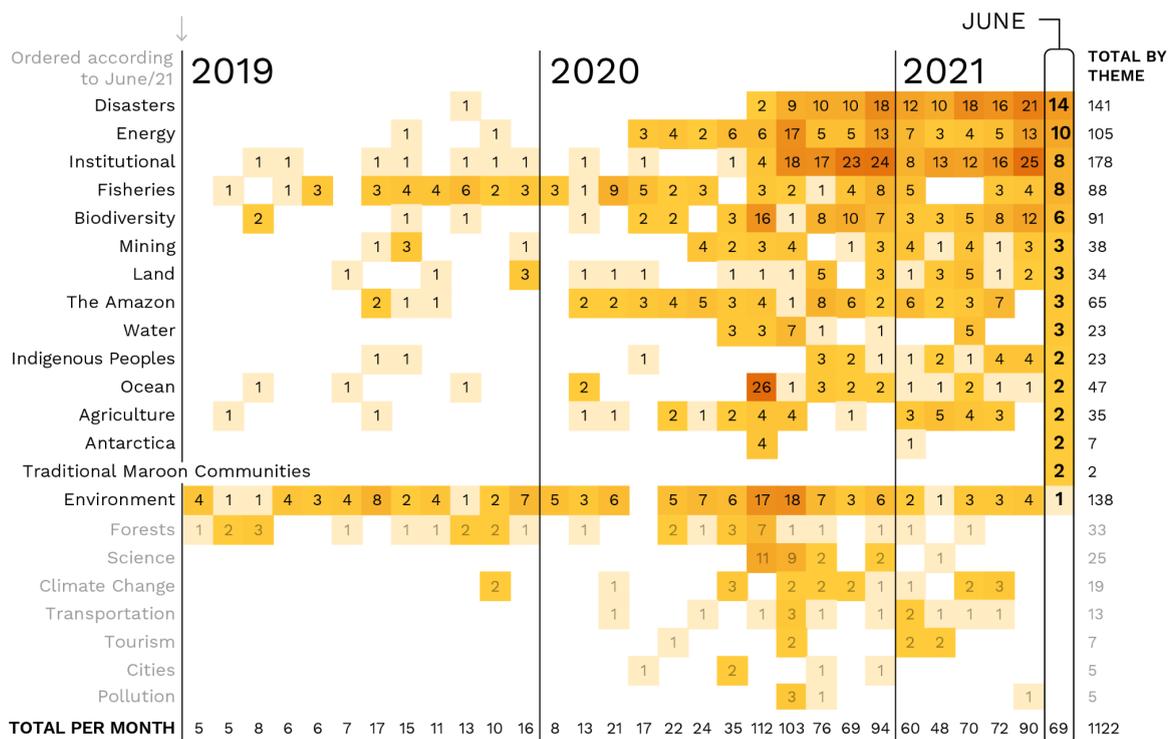
In June, our Government Actions Tracker identified **69 actions** relevant to environmental policy and climate change from the federal Executive branch published in the *Federal Official Gazette*.

1.1 – Classification of Executive branch actions

1.2 - Themes of Executive branch actions

ACTIONS BY THEME

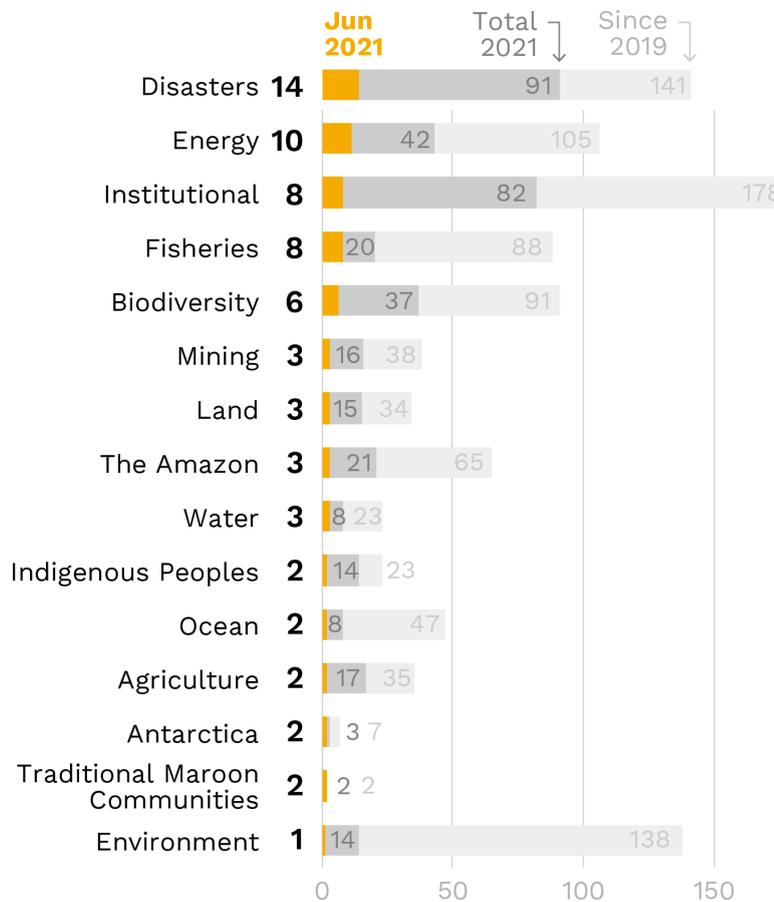
Number of actions identified each month for each theme, since the beginning of the current administration.



Important changes occurred in the federal Executive branch in June, without resulting, however, in a greater number of actions if compared to previous months.

1.3 – Analyses by type and by theme

ACTIONS IN JUNE

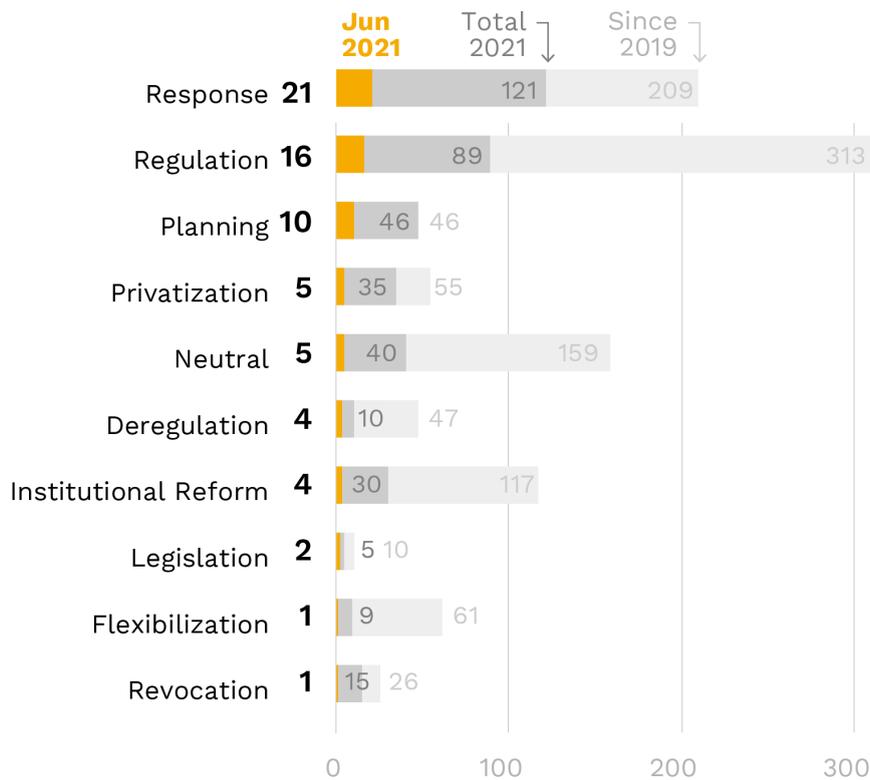


No actions were tracked in June for: Cities, Science, Forests, Climate Change, Pollution, Transportation and Tourism.

The most common theme in June was **Disasters**, due to 14 actions acknowledging emergency situations, mainly owed to drought, lack of rain and floods in various regions in Brazil. Ten actions were listed under **Energy**, including a public consultation for regulating the additional supply process for electric power generation from Thermoelectric Generating Units (UGT) for the National Interconnected System (SIN), and the Provisional Measure that created the Chamber of Exceptional Rules for Hydro-energy Management (CREG). Eight actions were listed under **Institutional**, including the transfer of powers to ICMBio’s (Chico Mendes Institute for Biodiversity Conservation) Regional Managers for signing Terms of Commitment for Alternate Penalties and the creation of a Working Group to analyse documents related to agreements deriving from Parliamentary Amendments under the responsibility of the Ministry for the Environment (MMA). There were also 8 actions listed under **Fisheries**, among which we highlight the regulation of fisheries and

by-products for the obtention of the *ARTE* label, and the creation of the National Collaborative Network for the Sustainable Management of Fisheries Resources - Rede Pesca Brasil. There were 6 actions listed under ***Biodiversity***, most related to forest concession processes, like the authorization for sustainable forest management at Jamari National Forest in the state of Rondônia, and the inclusion of Três Barras and Chapecó National Forests, in the state of Santa Catarina, as part of the *Partnership for Investments Programme (PPI)*. Three actions were listed under each of the following themes: ***Land, Water, Mining*** and ***The Amazon***. Under ***Land***, we highlight the creation of a Working Group (GT) to prepare proposals for the optimization of land regularization processes and land property titles for agrarian reform settlements and federal lands. Under the theme ***Water***, a Technical Advisory Group on the Situation of the Paraná Hydrographic Region (GTA-RH Paraná) was created. Under ***The Amazon*** we highlight the authorization for using the Armed Forces in Operations for Guaranteeing Law and Order (GLO) in indigenous lands in federal environmental conservation units and in areas belonging to or under the possession of the federal government. Two actions were identified for each of the following themes: ***Ocean, Indigenous Peoples, Agriculture*** and ***Antarctica***, including the summary of the approval of 64 more pesticides, and new credit for the National Indian Foundation (Funai) to guarantee activities of Protection and Promotion of Indigenous Peoples' Rights because of Coronavirus. There were 2 actions under ***Traditional Maroon Communities***, a theme seldom present in the report: one action was the declaration of social interest for rural property in Traditional Maroon Community lands, for the expropriation of invaders; the other was a revocation related to the environmental licensing procedure of enterprises affecting these areas. Only one action was listed under ***Environment***, determining the suspension of the use of fire in national territory, considering the approaching dry season.

ACTIONS BY TYPE - JUNE



No actions were tracked in June for: Retreat and Law Consolidation

The most common classification in June was **Response**, with 21 actions, most of which being declarations of emergency owed to weather events. Besides these actions, we highlight responses related to the use of the National Public Security Force (FNSP) to support Funai (National Indian Foundation) at Yanomami Indigenous Land, and the suspension of the use of fire in national territory. There were 16 **Regulation** actions in June, including the approval of strategic minerals for the country and the definition of the competences of the Inter-ministerial Committee for the Analysis of Strategic Mineral Projects (CTAPME), as well as the Gas Law regulation. The third most common classification was **Planning**, with 10 actions identified in June, among which we highlight the creation of the Inter-ministerial Working Group for recommending conservation and sustainable use actions for species of Fish and Aquatic Invertebrates belonging to the *National List of Endangered Species of the Brazilian Fauna*. There were five actions listed under **Privatization**, related to electric power auctions and to forest concessions in Conservation Units. Five actions were listed as **Neutral**, which remain on the radar for monitoring and future reference. There were four actions under **Institutional Reform**, including the definition of guidelines for the *Xingu Sustainable*

Development Plan, and the change in the composition of its committee, as well as the change in the composition of various committees within the Ministry of Defence/Navy Command, like the ‘*Aquipesca*’ *Committee*. Four actions were listed under **Deregulation** in June, including the new regulation for the commercial release of Genetically Modified Organisms (GMOs) and fishery arrangements for lobster species, resulting in no observation of closed season for one species. Two actions were listed under **Legislation**, related to promulgations of the law changing the deadline for land property registration arising from alienations and concession of public lands located in border strips, and for the law expanding the tax budget in favour of ministries, including the Ministry for the Environment. A single action was listed under **Flexibilization**, formalizing the engagement of thermoelectric plants in more flexible measures in response to the water crisis. The National Mining Agency (ANM) is responsible for the single **Revocation** action in June, encompassing 29 expired regulatory acts.

Theme: Institutional

LAW No. 14,169, of 10 JUNE 2021 – Legislation

Law No. 14,169 granted an additional credit of BRL\$ 1,095,575,217.00, to the federal government’s Tax and Social Security Budgets, for the Ministry of Science, Technology and Innovation, the Ministry for the Environment, the Ministry of Defence, the Ministry of Regional Development, the Ministry for Women, Family and Human Rights, and the federal government’s expenditures, in order to add to the amounts established by the current Budget Law. In regard to the Ministry for the Environment, the budget is for (i) Prevention and Control of Deforestation and Fires in Biomes; (ii) Prevention and Control of Forest Fires in Priority Federal Areas; (iii) Environmental Control and Inspection. In May, **ORDINANCE FINANCE/ME No. 5,850, of 17 MAY 2021**, already provided additional credit to the Ministry for the Environment (MMA).

ORDINANCE No. 5, of 21 JUNE 2021 – Planning

Ordinance No. 5 created a Working Group for analysing documents and information of procedures necessary for the formalization of agreements, transfer contracts, development terms and partnership terms with funds from parliamentary amendments under the responsibility of the Ministry for the Environment (MMA). The Working Group shall consist of civil servants representing each of the following units: I – Planning, Budget and Administration Sub-secretariat (SPOA); II – Environment Funds Department (DFMA); III – Amazon and Environmental Services Secretariat (SAS); IV – Protected Areas Secretariat (SAP); V – Biodiversity Secretariat (SBio);

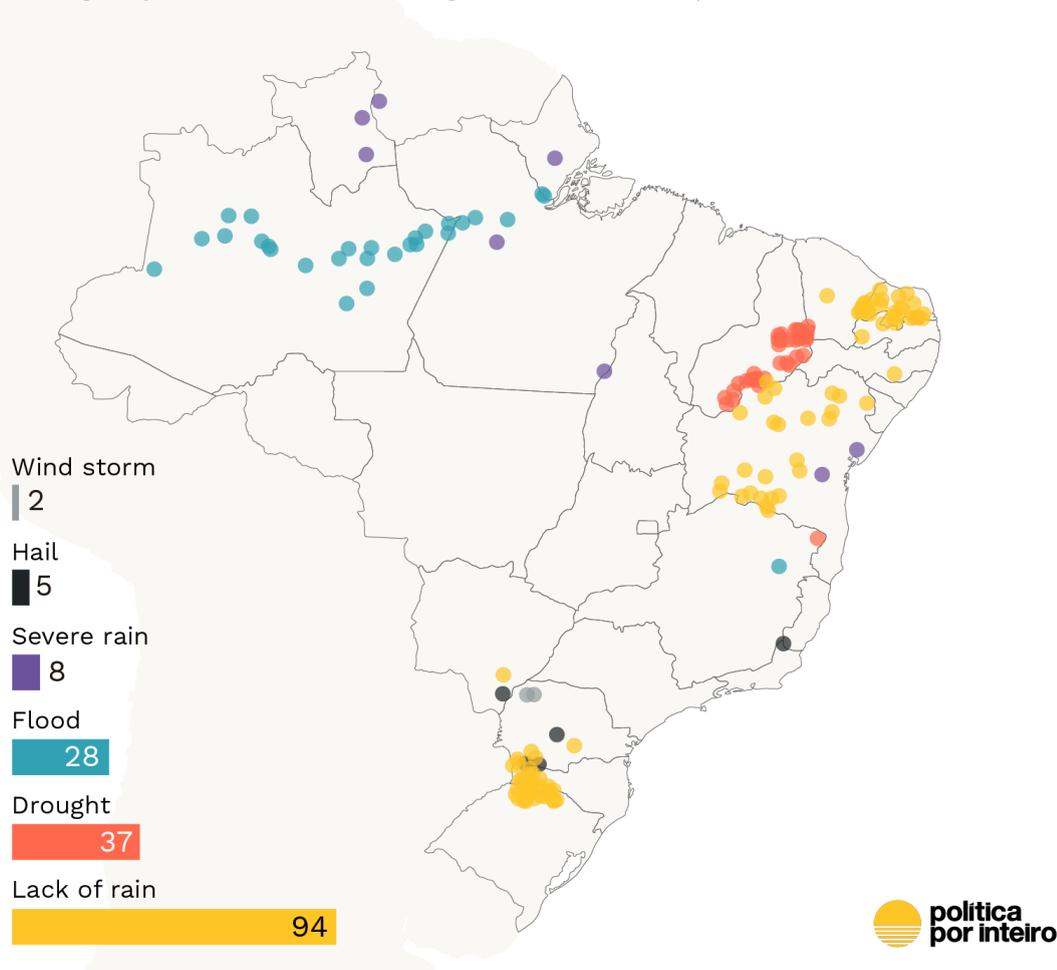
VI – Environmental Quality Secretariat (SQA); and VII – Climate and Foreign Affairs Secretariat (SCRI). The Working Group will work until 31 December 2021, and may be extended for 90 more days.

Theme: Disasters

In June, 14 actions were listed under Disasters. They have been plotted on the map below according to their location and the type of weather event they refer to.

NATURAL DISASTERS

Emergency situation acknowledged for 174 municipalities in June/2021

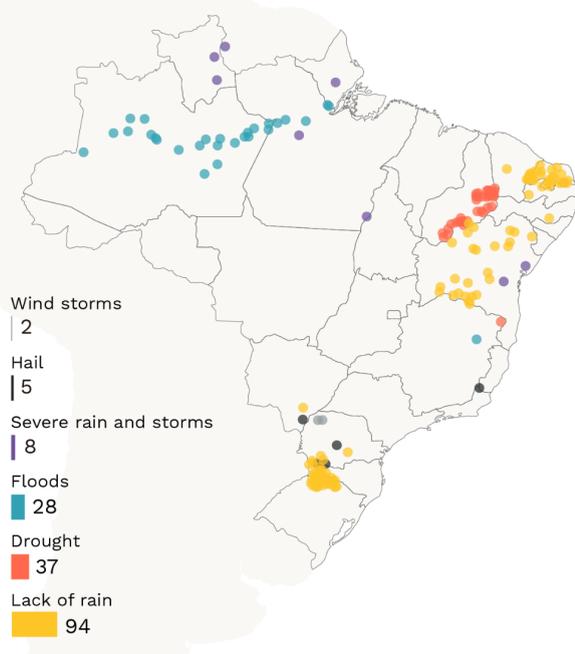


The comparison between this map and the map showing acts acknowledging emergency situations throughout the year of 2021 (below), indicates that the Northeast (including the North of Minas Gerais) and the South regions have been facing drought and lack of rains, and the North region has been facing floods. The lack of rain in the South – and in the Southeast and the Center-West – has caused a reduction in water reservoir levels, and the water crisis is linked to an energy crisis, with the risk of rationing and blackout (*this topic will be further discussed throughout this analysis*). In the North, floods have

reached historical levels. The Negro river has reached the highest level since the beginning of hydrological measurements in Manaus.

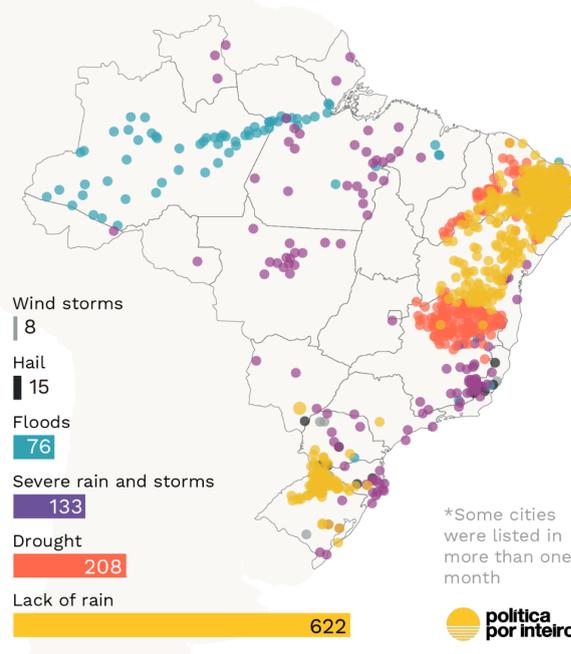
DISASTERS IN JUNE

Emergency situation acknowledged for **174 municipalities** in June/2021



TOTAL FOR 2021

Emergency situation acknowledged for **1,009 municipalities** between January and June 2021



*Some cities were listed in more than one month

Theme: Energy

DECREE No. 10,712, of 2 JUNE 2021 – Regulation (Critical Measure)

Decree No. 10,712 establishes regulations for the Gas Law, defining that biomethane and other gases interchangeable with natural gas will have regulatory treatment equivalent to that of natural gas if specifications by the National Agency for Petroleum, Natural Gas and Biofuels (ANP) are met. It appointed the Energy Research Office (EPE) as responsible for developing technical, economic and socio-environmental studies relating to natural gas industry activities. The Decree sets forth pipeline building and gas storage guidelines, under the competence of ANP. The ANP may engage with other agencies for ruling over underground storage of natural gas in geological formations other than those producing or that have produced hydrocarbons. In observance of the Decree’s determinations, the ANP is also responsible for the implementation of the natural gas sales programme, for producing a report on the natural gas market competition and supply concentration, in addition to creating stimuli for the expansion of competition, according to Law 14,134. The Ministry of Mines and Energy (MME) and the ANP shall engage with States and the Federal District for

harmonizing and adjusting rules for the natural gas industry, including regulations for free consumers.

NORMATIVE ORDINANCE No. 13, of 2 JUNE 2021 - Flexibilization

Normative Ordinance No. 13 amends Normative Ordinance No. 5/GM/MME, of 5 APRIL 2021. It exceptionally authorizes, for a limited time, the inclusion of fixed costs in the Unit Variable Cost (CVU) of electric power generation of centrally dispatched and operationally available Thermoelectric Plants (UTES), as long as they do not have an Electric Power Trade Agreement in force while benefiting from the terms of Normative Ordinance No. 13, which is valid for six months and may be extended. It formalizes the engagement of thermoelectric plants in more flexible measures in response to the water crisis, impacting tariff readjustments throughout the year.

ORDINANCE No. 527, of 21 JUNE 2021 – Regulation

Ordinance No. 527 announces a public consultation, lasting for 7 days, for receiving inputs to a Draft Ordinance addressing guidelines for additional supply of electric power generation from Thermoelectric Generating Units (UGT) for the National Interconnected System (SIN). The engagement of thermoelectric plants is related to the water crisis and to low reservoir capacity. According to the draft ordinance, resource to electric power generation from these sources may occur for periods of one month, extendable for up to six months.

PROVISIONAL MEASURE No. 1,055, of 28 JUNE 2021 - Planning (Critical Measure)

Provisional Measure No. 1,055 creates the Chamber of Exceptional Rules for Hydro-energy Management (CREG), aiming at setting emergency measures for optimizing the use of hydro-energy resources and for facing the current water scarcity situation to guarantee the continuity and security of electric power supply in Brazil. The CREG is composed of members from the Ministry of Mines and Energy (heading the Chamber and crisis management); the Ministry of Finance; the Ministry of Infrastructure; the Ministry of Agriculture, Livestock and Food Supply; the Ministry for the Environment; and the Ministry for Regional Development. **According to the government**, Provisional Measure No. 1,055 aims at guaranteeing control of reservoirs during the second semester of 2021 without interfering with priority use of water. However, since management is centralized at the Ministry of Mines and Energy (MME), there are uncertainties about the multiple use of water, with the possible prioritization of energy generation.

Theme: Biodiversity**INTER-MINISTERIAL ORDINANCE MMA/MAPA No. 218, of 10 JUNE 2021 – Planning**

Ordinance No. 118 created the Inter-ministerial Working Group for the assessment and recommendation of actions of conservation and sustainable use for species listed in the *National List of Endangered Species of the Brazilian Fauna – Fish and Aquatic Invertebrates*, with the participation of ICMBio (Chico Mendes Institute for Biodiversity Conservation), IBAMA (Brazilian Institute for the Environment and Renewable Natural Resources), Aquaculture and Fisheries Secretariat (SAP/MAPA) and representatives of the artisanal and industrial fishing sector, the academy and civil society organizations. The deadline for completing the work is 12 months, counting from the date of the first meeting. The Working Group's objective is to review the guidelines established by Ordinance 445 of 2014, which prohibited the capture of over 500 endangered species of commercial interest. This rule is related to the closed meeting of the National Biodiversity Commission (Conabio) that took place on 17 June, after two years of inactivity. POLÍTICA POR INTEIRO **analysed the change in composition of the collegiate body** (read more on section 3).

ORDINANCE No. 175, of 16 JUNE 2021 – Privatization

Ordinance No. 175 authorizes the forest concession at the Jamari National Forest – RO, aiming at the practice of sustainable forest management. The 2021 Annual Forest Concession Plan, approved by Inter-ministerial Ordinance MMA/MAPA No. 348, of 31 JULY 2020, and published on the *Federal Official Gazette* on 31 July 2020, lists Jamari National Forest among the Federal Public Forests under forest concession, with three Forest Management Units (UMF) under concession.

Theme: Environment**DECREE No. 10,735, of 28 JUNE 2021 - Response**

Decree No. 10,735 suspended for 120 days the permission to use fire in national territory addressed by Decree No. 2,661, of 8 July 1998. This rule is a repetition of the Decree published in 2020 and also in 2019. The effect of the moratorium on fire in 2019 was considered mildly

relevant. In 2020, however, it did not affect fire prevention, since almost 23% of the pantanal biome was burned and fires reached a historical high in the Amazon. This situation may become worse in 2021. According to Inpe (National Institute for Space Research), there was a 49% increase in May 2021 if compared to May 2020.

Theme: Agriculture

NORMATIVE RESOLUTION No. 32, of 15 JUNE 2021 – Deregulation

Normative Resolution No. 32 sets forth new rules for the commercial release of Genetically Modified Organisms (GMOs) – vegetable and animal products and their by-products. The rule determines that, after approval by the Internal Biosecurity Commission (CIBio), the applicant shall submit the proposal to the National Biosecurity Commission (CTNBio), together with the specified documents, such as information regarding the GMO, human/animal health risk assessment and environmental risk assessment. The CTNBio may call a public hearing guaranteeing the participation of the civil society. Normative Resolution No. 32 allows for studies conducted in other countries to be accepted for supporting the risk assessment, when the risk is not directly associated to Brazilian fauna and flora. The previous Normative Resolution allowed studies conducted by foreign or international regulatory agencies to be taken into account in conjunction with assessments conducted in regions with similar climate and geological characteristics. Thus, Normative Resolution No. 32 allows the use of studies not necessarily related to Brazil's environmental conditions, compromising the precision of the risk assessment for specific ecosystems. Normative Resolution No. 32 revokes CTNBio's Normative Resolution No. 24, of 7 January 2020, which was intensely criticized for facilitating the release process for transgenics in Brazil by introducing the concept of negligible risk, for exemption from further monitoring after commercial release. The release of a transgenic wheat variety is currently being discussed at CTNBio. A closed-door meeting took place on 10 June, and the decision was postponed by a request for more information to support a position. This refers to HB4 wheat, produced in Argentina, resistant to high loads of pesticides and forbidden in the European Union.

ACT No. 26, of 28 MAY 2021 - Regulation

Act No. 20 communicates the summary of the approval of 64 pesticides and similar products, including level II and level III substances in the environmental hazard classification. This is the fourth act

communicating approvals in 2021, totalling 191 new pesticides approved in Brazil.

Theme: Indigenous Peoples

ORDINANCE MJSP No. 256, of 10 JUNE 2021 – Response (Critical Measure)

The use of the National Public Security Force (FNSP) was authorized to support the National Indian Foundation (Funai) at the Yanomami Indigenous Land, for episodic purposes in a planned fashion, for 90 days, with the possibility of extension. This is a response to the growing conflicts related to the invasion of the Yanomami Indigenous Land by miners, panners, and illegal loggers.

Theme: Traditional Maroon Communities

ORDINANCE No. 118, of 31 MAY 2021 – Deregulation

The Palmares Foundation revoked Normative Instruction No. 01, of 31 October 2018, that established administrative procedures to be observed by the institution for environmental licensing processes of works, activities or enterprises impacting traditional maroon communities. This revocation comes in the wake of the imminent analysis of the bill on the General Environmental Licensing Law in the Federal Senate. The Normative Instruction was applicable “due to the existence of environmental, economic and cultural impacts to the traditional maroon communities and territories arising from the work, activity or enterprise object of licensing”.

Theme: Fisheries

ORDINANCE SAP/MAPA No. 221, of 8 JUNE 2021 – Deregulation

Ordinance SAP/MAPA No. 221 defines the rules for fishing arrangements for lobster species, allowing catching of the Caribbean spiny lobster (*Panulirus argus*), the smoothtail spiny lobster (*Panulirus laevicauda*) and the brown spiny lobster (*Panulirus echinatus*), from the border between Amapá and the French Guyana down to the state line between Espírito Santo and Rio de Janeiro, restricted to ‘covo’ or ‘manzuá and cangalha’ cages and traps. Ordinance No. 221 addresses additional procedures related to closed seasons and commercialization. Ordinance No. 221 **revokes 11 previous regulations** related to the closed season for this species and also for the lobster species known as slipper lobsters, of *Scyllarides* genus. The revocation of **NORMATIVE INSTRUCTION No. 54, of 29 OCTOBER 2019**, which established the closed season periods for slipper lobsters (*Scyllarides brasiliensis*,

Scyllarides delfosi, *Scyllarides aequinoctialis* and *Scyllarides deceptor*) species leaves them without an established closed season until new regulation is published, not to mention that mitigation measures are needed to safeguard and recover fishery stocks of these species, since they are captured incidentally and have no specific conservation plan. The lifting of the closed season **could be a response to a request by the Shipowner's and Fisheries Industries Union of Itajaí and Surroundings (Sindipi)**.

ORDINANCE No. 176, of 16 JUNE 2021 – Regulation

Ordinance No. 176 establishes, for the whole of the national territory, the regulation for the classification under 'artisanal' of fish and fish-derived food products, necessary for the granting of the ARTE label. Products derived from whole fish, or parts thereof, may be considered artisanal products, provided that they come from artisanal fishing or family aquaculture, and are proven to be recognized as traditional in regional consumption or in the culture of the region where they are found, through the registration of Intangible Cultural Heritage, provided for by Decree No. 3,551, of August 4 2020, or to have a Geographical Indication, provided that production is done by hand and is expressed in its Technical Specifications Notebook. The Secretariat for Innovation, Rural Development and Irrigation of the Ministry of Agriculture, Livestock and Supply (MAPA), is responsible for auditing the States' and the Federal District's services of ARTE label concession. Ordinance No. 176 takes into account the broad and questionable definition of fish, proposed in the **ordinance** that underwent public consultation in April and which, despite receiving several suggestions for change, maintained the definition of fish as: "fish, crustaceans, molluscs, amphibians, reptiles, echinoderms and other aquatic animals used in human food". This definition places several non-fishing species in a situation of vulnerability, despite Ordinance No. 176 taking into account **Law No. 11,959** and the regulations prohibiting the capture of protected species, since not all species that suffer pressure on their natural stocks are covered by specific regulation.

DECREE No. 10,736, of 29 JUNE 2021 - Planning

Decree No. 10,736 establishes the National Collaborative Network for the Sustainable Management of Fisheries Resources (Rede Pesca Brasil), for consultation and advisory, with the objective to support management for the sustainable use of fisheries resources, composed of representatives from : I – governmental bodies and entities from the federal, state, federal district or municipal administrations; and II – the society involved with fishing activities. The Rede Pesca Brasil network will be coordinated by the Aquaculture and Fisheries Secretariat from

the Ministry of Agriculture, Livestock and Food Supply (SAP/MAPA). Ten permanent committees were created aiming at supporting management for the sustainable use of fisheries resources. This Decree actually addresses the substitution of the former Shared Management System (SGC), created by Decree No. 6,981, of 13 October 2009, revoked in January 2019. The definition of the SGC stated "system for sharing responsibilities and attributions among representatives from the State and the organized civil society, formed by technical chambers and working groups for consultation and advisory, composed of governmental agencies for the management of fisheries resources and of the formally organized society;", the difference is that the system was formerly coordinated jointly by the Ministry for the Environment (MMA) and the Aquaculture and Fisheries Secretariat, and currently, due to the removal of this competence from the MMA, the coordination is solely in the hands of SAP/MAPA. To understand what changed and learn more details about the previous fishing shared management model, refer to the following publication: [Pesca por Inteiro](#), by POLÍTICA POR INTEIRO.

Theme: Mining

RESOLUTION No. 1, of 18 JUNE 2021 – Regulation

Resolution No. 1 establishes the competences of the Inter-ministerial Committee for the Analysis of Strategic Mineral Projects (CTAPME), in charge of defining mining projects considered as relevant to the expansion of the national production of strategic minerals and to support environmental licensing. The Committee shall also analyse and enable mining projects and integrate them to the *Partnership for Investments Programme Council (CPPI)*. According to the rule, CTAPME decisions shall take into account, among other points, the actual or potential occurrence of an environmental issue that can be resolved by greater articulation and dialogue between government agencies and entities, public institutions and stakeholders. Read the full analysis on the [Pro-Strategic Minerals Programme on Política Por Inteiro's Blog](#).

RESOLUTION No. 2, of 18 JUNE 2021 – Regulation

Resolution No. 2 approves the list of strategic minerals for Brazil, divided into three groups: 1- Mineral goods that Brazil highly depends on imports to supply vital sectors of the economy; 2- Mineral goods important because of their application in high technology products and processes; and 3- Mineral goods with comparative advantages and that are essential for the economy by generating a surplus in the country's trade balance. The list includes niobium and other rare earth minerals

that, in spite of their abundance in Brazil, are difficult to extract and have a high socio-environmental impact.

Theme: Land

LAW No. 14,177, of 22 JUNE 2021 – Legislation

Law No. 14,177 amends, with vetoes, the law addressing the ratification of land property records from alienations and concession of public lands located in border strips. The new wording considers the date of publication of this amendment as a limit to fit the exceptions for rectification of property registrations, referring to rural properties whose domain is being questioned in the administrative or judicial spheres by an agency or entity of the direct or indirect federal administration. It adds that such ratification requires update and certification within 10 years, counting from the publication date of Law No. 14,177, revoking the previous period of 4 years.

Theme: Water

RESOLUTION ANA No. 77, of 1 JUNE 2021 – Response

The National Water Agency (ANA) declared a critical situation of water resources scarcity in the Paraná Hydrographic Region until 30 November 2021. In order to guarantee the various uses of water, ANA may define provisional conditions for the operation of reservoirs or specific water systems, even temporarily altering conditions stated in concessions of the right of use of water resources.

ORDINANCE ANA No. 377, of 2 JUNE 2021 – Response

With **Resolution ANA No. 77/2021, of 1 JUNE 2021** (*above*), ANA created the Technical Advisory Group on the Situation of the Paraná Hydrographic Region (GTA-RH Paraná). The Advisory Group's goal is to provide support in identifying impacts on the current or potential use of water in the Paraná Hydrographic Region, and to propose and discuss provisional prevention and mitigation measures for the impacts on the use of water, including proposing temporary conditions for the operation of reservoirs.

Theme: The Amazon

DECREE No. 10,729, of 23 JUNE 2021 – Institutional Reform

Decree No. 10,729 defines that the Sub-regional Xingu Sustainable Development Plan aims at improving the quality of life of the population living in the area of the following municipalities in the State of Pará: Altamira; Anapu; Brasil Novo; Medicilândia; Pacajá; Placas; Porto de Moz; Senador José Porfírio; Uruará and Vitória do Xingu. The implementation of the plan shall take place by a cooperation between federal, state and municipal agencies and entities, and among them and the organized sectors of local society. Decree No. 10,729 creates the Plan's steering committee and defines its competences, revokes Decree No. 10,524, of 20 October 2020, and changes the composition of the committee, which saw a significant reduction in the participation of civil society in its last composition, as reported by POLÍTICA POR INTEIRO. This time, the change consisted of the exclusion of the Ministry of Justice and Public Security and of the Ministry of Mines and Energy from the committee. Additionally, civil society representation was increased from four to seven representatives, and representatives from the Government of Pará and of the Association of Municipalities of the Belo Monte Consortium increased from one to two representatives from each, increasing the participation of society and of local governments. Thus, now there are nine representatives from the government, including Ministries, the Superintendency for the Development of the Amazon (Sudam), Norte Energia and Consórcio Belo Monte, and seven civil society representatives. Representatives from the civil society will be nominated by representative entities acting in the region, and chosen by means of a selection process conducted by an electoral committee nominated by the Minister for Regional Development, with the participation of the Association of Municipalities of the Belo Monte Consortium and of the Pará State Government. In the selection process for civil society representatives, at least one position shall be occupied by each of the following groups: indigenous peoples; traditional communities; social movements and entities dedicated to environmental protection.

DECREE No. 10,730, of 28 JUNE 2021 - Response

Decree No. 10,730 authorizes the use of the Armed Forces for Guaranteeing Law and Order (GLO), between 28 June and 31 August 2021, in municipalities in the states of Amazonas, Mato Grosso, Pará and Rondônia. The Armed Forces will promote actions to prevent and repress environmental crime, especially illegal deforestation. The Minister of Defence shall define Divisions responsible for the operation. The Decree establishes that governors of affected States may request the expansion of the actions of the Armed Forces for other municipalities, subject to the President's approval.

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 **30 relevant projects** in June:

- 16 Bills of Law (PL)
- 14 Draft Legislative Decrees (PDL)

2.1 - Proposals Presented

We highlight bill [PL 2,122/2021](#), by senator Weverton (PDT/MA), establishing the **regulatory framework for financial assets associated to the mitigation of GHGs emissions**; [PL 2,156/2021](#), by representative Júlio Cesar Ribeiro (REPUBLIC/DF), addressing guidelines for the **National Electric Mobility Policy**, aiming at creating measures for fostering and raising awareness about electric mobility, promoting debates and discussions on intelligent transport mobility, and [PL 2,014/2021](#), by representative Sóstenes Cavalcante (DEM/RJ), aiming at amending Law No. 10,826/03 to guarantee that Ibama and ICMBio environmental inspectors are authorized to carry weapons.

Among the 14 Draft Legislative Decrees (PDL) presented to stop acts from the federal Executive branch we highlight: [PDL 229/2021](#), by representative Bohn Gass (PT/RS), aiming at stopping the effects of Decree No. 10,707/2021, which regulates a new electric power auction modality, allowing the contracting of gas-fired thermoelectric plants and new hydroelectric plants; [PDL 237/2021](#), by representative Túlio Gadêlha (PDT/PE), aiming at partially stopping Act No. 26, of May 2021, by the Ministry of Agriculture, Livestock and Food Supply (MAPA), that made public the registration of an unprecedented pesticide product; in addition to 2 PDLs by representative Gustavo Fruet (PDT/PR), aiming at stopping ICMBio Ordinances that restricted civil servants' academic freedom and decrease the transparency of institutional data.

2.2 – Relevant actions

Elektrobras' Privatization

After being approved in the Plenary of the Senate, the Provisional Measure that enables the privatization of Elektrobras (MP 1,031/2021) was sent back to the Chamber of Deputies, where it was approved with 258 favourable votes, 136 opposing votes and 53 votes for its "obstruction", a position in favour of stopping the proposal and the voting. Representatives approved the majority of amendments proposed by the Senate to rule forwarded by the Chamber of Deputies, like the one addressing contracting reserve power from natural-gas-fired thermoelectric plants, even for regions where this type of energy is not available. Another approved amendment addresses the permission for works of the Linhão de Tucuruí, a transmission line going through Waimiri-Atroari indigenous peoples land, to begin after the National Indian Foundation (Funai) delivers the Basic Environmental Plan – Indigenous Component (PBA-CI) to the indigenous people. This plan is part of the environmental process, it's already been delivered and is being analysed by indigenous councils. The proposal will be forwarded for sanctioning by the president. Arthur Lira (PP/AL), the president of the Chamber of Deputies, and government-supporting representatives deny the proposal includes "tortoises" (parliamentary amendments that alter or distort the original purpose of a bill). The opposition, headed by representative Alessandro Molon (PSB-RJ), said it will take the matter to court. This matter impacts the environment and the climate issue, since it will drive further away the necessary decarbonization of the Brazilian electricity matrix.

Time Framework for Indigenous Lands

The Chamber of Deputies' Committee on the Constitution, Justice and Citizenship (CCJC) approved the final report for PL 490/2007, which establishes changes in territorial rights for indigenous peoples, making the demarcation of lands more difficult and including the "time framework" to demarcations. In other words, it determines 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. The Clean Bill presented by the rapporteur, representative Arthur Oliveira Maia (DEM-BA) was approved, including the time framework and changes in the usufruct of native peoples, allowing for the installation of military posts, the expansion of the road network and the exploitation of strategic energy alternatives. The eight highlights presented by the opposition were rejected. The project is going to be analysed by the Plenary. On the day the matter entered the CCJC's agenda for the first time this month, there was a demonstration by indigenous peoples against the proposal in front of the Chamber of Deputies, which was repressed by police in Brasília, leading to the cancellation of the session. The matter returned to the agenda the following day, after the president of the Chamber of Deputies, Arthur Lira, stated that he would not fail to appreciate the Bill (PL) and that the

demonstration was an “invasion of Parliament”. The bill was passed with 40 votes in favour and 21 opposing votes, in a session marked by turmoil and disrespect to the only indigenous leader present, representative Joênia Wapishana (Rede/RR).

Payment for Environmental Services

The presidential vetoes to the National Policy on Payment for Environmental Services Act – PNPSA (Law No. 14,119/2021), passed in January, were overridden by Congress. The vetoes referred to the tax exemption for amounts received as payment for environmental services. In March, other vetoes to the PNPSA Act had already been overridden.

Carbon Market

The Chamber of Deputies’ Committee on Economic Development, Commerce and Industry approved representative Bosco Saraiva’s (SOLIDARIEDADE/AM) Clean Bill for [PL 528/2021](#) on the Brazilian Emission Reduction Market (MBRE). The Bill (PL) was sent to the Chamber’s Committee on the Environment, where representative Carla Zambelli (PSL-SP) was appointed as rapporteur.

Park Road and Colono Road

The Plenary of the Chamber of Deputies approved the urgency request for the controversial Bill [PL 984/2019](#), by representative Vermelho (PSD/PR), that allows for reopening the Colono Road that crosses the Iguaçu National Park, meaning that the Bill (PL) may be directly analysed by the Chamber’s Plenary without being analysed at different committees. This road was closed 20 years ago by court ruling after major mobilization from the civil society. If passed, the impacts of PL 984 extend beyond the road in the state of Paraná – a route for trafficking and smuggling. The Bill addresses the creation of a new Conservation Unit category: the Park-Road – with possible repercussion in protected areas all throughout the country.

Conservation Units’ Buffer Zones

The Chamber of Deputies’ Committee on the Environment and Sustainable Development passed Bill [PL 1,205/2019](#) which aims at amending the National System of Nature Conservation Units (SNUC) Act (Law No. 9,985/2000) establishing new rules for setting buffer zones for Conservation Units (UC). The clean bill presented by rapporteur Paulo Bengtson (PTB-PA) was passed, establishing that limits and rules for buffer zones and ecological corridors must be defined jointly with the act that creates the Conservation Unit, after technical studies and public consultation are conducted. It also changes the definition of consolidated urban area. The Bill will be sent to the Chamber’s Committee on the Constitution, Justice and Citizenship (CCJC).

Amendments to the Forest Code

The Plenary of the Chamber of Deputies passed Bill [PL 3,430/2019](#) by representative Leandre (PV-PR), amending the Forest Code (Law No. 12,651/2012) to facilitate vegetation recovery around springs, waiving environmental licensing, according to the Clean Bill presented by the rapporteur, representative Igor Timo (Pode-MG). The proposal approved establishes that activities aimed at recovering native vegetation around springs or other degraded areas are to be considered as eventual or low environmental impact activities, according to the regulation issued by the competent body of the National Environment System (Sisnama). In addition, the section that implied the end of the concession for the use of water was removed by the rapporteur. The proposal goes to the Senate. Bill [PL 10,982/2018](#), by representative Rodrigo Agostinho (PSB-SP), which amends the Forest Code to establish that paths in rural or urban areas are Permanent Preservation Areas (APP), was approved by the Chamber of Deputies' Committee on the Environment and Sustainable Development, and goes to the CCJC. A critical proposal to follow up on is Bill [PL 1,709/2019](#), which amends the Forest Code and reduces by half the minimum width of the marginal strips of perennial watercourses such as rivers and streams, which are considered Permanent Preservation Areas (APP). It has gained momentum.

Supplementary Credit for Fighting Deforestation, Fires and for Flood Victims

The National Congress approved Congress Bill of Law (PLN 6/2021) providing supplementary credit of BRL\$ 1.096 billion to five ministries, to adjust budget allocations, among others, for the Ministry for the Environment (24.64% of funds), for the inspection and repression of illegal deforestation and other environmental crimes, and for fighting forest fires and slash and burn practices within the scope of action of Ibama and ICMBio. The release of BRL\$ 109.5 million was approved for infrastructure projects for water security and for the integration of the São Francisco River with the basins of Jaguaribe, Piranhas-Açu and Apodi rivers, through the National Water Agency ANA/MDR. Additionally, Provisional Measure [MP 1,030/2021](#) was approved in a symbolic vote in the Senate, providing BRL\$ 450 million in extraordinary credit for the Ministry for Regional Development, for civil defence actions and assistance to the homeless and victims of floods and aid to municipalities affected by rains.

Administrative Reform

A Special Committee was created for Constitutional Amendment Proposal (PEC) 32/2020, to discuss the Administrative Reform. It is composed of 34 full members and 34 deputies, including representative Fernando Monteiro (PP/PE) as chair and representative Artur de Oliveira Maia (DEM/BA) as rapporteur. Over 50 requests from representatives for inviting authorities were approved. Authorities invited include Chief of Staff Luiz Eduardo Ramos, minister of Finance

Paulo Guedes, and representatives from sectors and from civil servants, in order to discuss the reform, including public hearings on the impact of the reform on the environment. In an interview, Arthur Lira (PP/AL), president of the Chamber of Deputies, stated that he expects the Plenary of the Chamber to vote on the administrative reform by the end of August and that it will not affect current public servants.

Energy

The Chamber of Deputies' Committee on Mines and Energy rejected Draft Legislative Decree [PDL 399/2020](#), by representative Alessandro Molon (PSB-RJ), aiming at stopping Resolution No. 8, of 18 August 2020, from the National Energy Policy Council (CNPE), reducing compulsory annual GHG emissions from fuel distributors, established by the National Biofuels Policy (RenovaBio).

In June, the Parliamentary Front for Natural Resources and Energy (FPRE) was created through the approval of a Draft Resolution in the Senate (PRS 30/2021), published in the *Federal Official Gazette* as Senate Resolution No. 19, of 2021 with the purpose of promoting debates and initiatives regarding public policies, and other measures that encourage the sustainable use of natural resources and the responsible generation and consumption of energy. The Parliamentary Front will be made up of congressmen from the Federal Senate and the Chamber of Deputies. According to the senator who created the initiative, Jean Paul Prates (PT-RN) for the Senate Agency, the goal is to unite all senators and federal representatives in an umbrella discussion on the energy transition.

Sea/Ocean

In response to the closing of the Parliamentary Commission of Inquiry (CPI) on oil without any approved report, a Parliamentary Front was created in defence of the Brazilian coast, with the leadership of representatives Joseildo Ramos (PT-BA) and Marília Arraes (PT-PE), with the objective of debating the so-called “Blue Amazon”, its potentials and preservation needs. In addition, in celebration of the Ocean Day (8 June), the Environmentalist Parliamentary Front launched, during a [live broadcast](#), the Working Group on Marine Conservation (GT-Mar).

POLÍTICA POR INTEIRO under Discussion

Natalie Unterstell, Chair of Instituto Talanoa and Coordinator of POLÍTICA POR INTEIRO, attended a hearing called by the Chamber of Deputies' Committee on Foreign Relations and National Defence to [discuss projects and proposals that Brazil will present at the Climate Change Conference in Glasgow \(COP-26\)](#). She emphasised that Brazil's critical mission is to adjust its NDC and base year emissions, so that they return to being absolute emissions, just like the first iNDC, and

that the announcement of neutrality made at the Earth Summit by the current administration has not yet been formalized. Ms. Unterstell also stated that “climate policy is also domestic policy, not just foreign policy. We would like to see climate governance reinstated because, since there have been no meetings, it is immobilized. We need transparency and participation”.

3. Analysis

Crises/Steps back/Controversy

Salles Dismissed: One of the highlights of the month was the removal, by request, of Ricardo Salles from the post of minister for the Environment, according to **DECREES of 23 JUNE 2021**. At the same time, Joaquim Álvaro Pereira Leite – until then MMA’s secretary of the Amazon and Environmental Services – was appointed to replace him. **Salles was the 16th minister to leave Bolsonaro’s administration** in two and a half years. Salles’ resignation shall **remove** from the Federal Supreme Court (STF) two investigations on Salles’ relations with loggers. The cases shall be remanded to the trial court.

Before Salles’ removal, Chief Franco Perazzoni, who heads Operation Akuanduba – one of the operations investigating the now former minister, **was removed from the post of Chief** of the Division for the Repression of Corruption and Financial Crimes of the Federal District. Perazzoni was removed from his post less than a month after heading a search operation investigating Salles.

The new minister Joaquim Leite initiated the changes in his team by the executive secretary, a position similar to deputy minister. Luis Gustavo Biagioni was dismissed from the position he had held since 2019 and replaced by **Fernando Moura Alves**, who held the position of Secretary for Institutional and Regional Modernization of the Special Secretariat for State Modernization of the General Secretariat of the Presidency of the Republic.

Conabio: the first Conabio (National Biodiversity Commission) meeting in two years was held in June. POLÍTICA POR INTEIRO gained exclusive access to the meeting’s agenda and **analysed how the collegiate body was and how it is today**. The agenda included the discussion of the proposition for the new *List of Endangered Species of the Fauna and Flora*. It is worth mentioning that the Rio de Janeiro Botanic Garden is responsible for assessing the status of the species and producing the list of endangered flora, and ICMBio (Chico Mendes Institute for Biodiversity Conservation) is responsible for assessment

and production of the list of endangered fauna. The day before the meeting an Inter-ministerial Ordinance was published creating an Inter-ministerial Working Group (GTI) within the Ministry for the Environment (MMA) and the Ministry of Agriculture, Livestock and Food Supply (Mapa), to “assess and recommend conservation and sustainable use actions for species included in the *National List of Endangered Species of the Brazilian Fauna – Fish and Aquatic Invertebrates*” (read more on section 1, theme: *Biodiversity*).

Oil: In April, the call for tender and contract model for the 17th ANP Bidding Round was approved, with the offer of 92 blocks with exploratory risk, located in 11 sectors of 4 Brazilian sedimentary basins: Campos, Pelotas, Potiguar and Santos. In June, within the scope of Public Civil Action 5006604-36.2021.4.04.7200, the court partly granted the preliminary injunction to (i) partially suspend the effects arising from the 17th Tender Round of Oil and Natural Gas, in order to exclude from the Pelotas Maritime Basin the offer of blocks in the SP-AP1 sector and the other blocks in the SP-AR1 sector (northern sector), until the conclusion of the Environmental Assessments of Sedimentary Areas (AAAS); and (ii) to ensure the broad, unrestricted and effective participation of the Applicant in the public session of the auction of the 17th ANP Round, as well as to determine that the entire public session for the submission of bids of the 17th ANP Round be recorded and broadcast in real time over the internet to interested citizens. Also, entities alerted the Federal Prosecution Office (MPF) about "potential irregularity in the environmental licensing of offshore well drilling in the Mouth of the Amazonas basin", listing "risks related to block FZA-M-59" and questioning the request for an environmental license formulated by Petrobras to obtain a Preliminary License (LP).

Water Crisis: June saw the aggravation of the water/energy crisis in Brazil, causing effects both on rules amended and published (read more in section 1, under the theme **Energy**) and in speeches and news pieces. In a formal statement, Bento Albuquerque, the minister of Mines and Energy, said that the situation is critical and asked the population to use water and energy “consciously and responsibly”. He emphasised that “water scarcity has reached our hydroelectric plants — specially in the Southeast and in the Center-West — and it is the most severe in the last 91 years”. There have been announcements alerting that water scarcity could be the next pandemic faced by society, especially due to global warming and intense droughts. In this context, there is an increased and urgent need to search for other generation sources. Specialists understand that the “production of solar power may be an alternative for reducing the impacts of the water crisis”. The water crisis was debated by the Chamber of Deputies’ Committee on Mines and Energy, and government authorities like the minister of Mines and Energy and the president of the Brazilian Electricity Regulatory Agency (Aneel) were invited to take part in the discussions.

Extreme events: As forecast by many IPCC warnings, extreme temperatures have become more frequent in the planet. In the last week of June, temperatures reached 50°C in some locations in the USA and Canada, causing 500 deaths related to the [heat wave](#). In Brazil, cold temperatures broke [historical records](#), with snow and frost in the South and Southeast regions. In the city of Itatiaia (RJ), the temperature reached -14,8°C.

Indigenous Peoples: In the Judiciary, the movement to safeguard the rights of indigenous peoples was also intense. The issue of the time framework for the demarcation of indigenous lands (RE 1017365) came to a vote in the virtual plenary of the Federal Supreme Court (STF) twice, but was withdrawn, first, with the [request for prominence by Alexandre de Moraes](#), and in the plenary session of 30/06, the judgment was postponed for the first session of the second semester. The rapporteur of the case, Judge [Edson Fachin](#), had already voted [against the time framework](#) before the suspension of the trial. According to the time framework thesis, indigenous peoples would only have the right to the lands that were in their possession on October 5, 1988, when the Federal Constitution was promulgated.

In the Petition of Non-compliance with Fundamental Precept (ADPF) 709, and after the Articulation of the Indigenous Peoples of Brazil (Apib) filed a petition stating that the Federal Police had launched “Operation Mundurukânia” to adopt measures to protect the indigenous populations that inhabit the Yanomami and Munduruku Indigenous Lands (in view of the threat of violent attacks and the presence of invaders in the areas), but that, after a few days, they had withdrawn from the area despite the conflict and risk to the lives of indigenous leaders and communities, Federal Supreme Court Judge Luís Roberto Barroso issued a [decision](#) determining that the Superintendent of the Federal Police responsible for the operation should be heard, the Public Prosecutor’s Office be summoned to comment on the situation in the area, and that the Minister of Defence be informed of this decision. Also, the injunction related to the Yanomami and Munduruku Indigenous Lands, issued on May 24, 2021, was [ratified](#) by the plenary of the Federal Supreme Court (STF).

Roads: In addition to the controversy over the reopening of the Colono Road within the Iguazu National Park, mentioned earlier in the item ‘Legislative’, other impactful road projects are emerging. The “Road to the Pacific” project, whose [route](#) will cut through national parks, indigenous reserves and drug trafficking zones, is gaining traction in the government. In the case of the BR-163, through which commodities are transported to the ports of Pará, the area around the highway registered

an increase of 359% in deforestation in one year – an area of 1.5 million hectares –, as denounced by [Rede Xingu+](#) and [Greenpeace](#).

Ongoing Policies

GLO in the Amazon: Contrary to the vice-president's [speech](#) and to the Armed Forces' [Plan](#) for leaving the Amazon published in April, on 29 June yet another Operation for Guaranteeing Law and Order (GLO) in the Legal Amazon was established (*read more about this rule in section 1, theme: **The Amazon***). The government once again responds to fighting deforestation with a fruitless policy. A report by [Mapbiomas](#) issued in June, based on 2020 data, shows a 14% increase in the deforestation area if compared to 2019, and a 30% increase in the number of warnings in relation to the previous year. This year, numbers registered prior to the slash and burn season - events intrinsically connected to deforestation – cause concern. In June, slash and burn practices in the Amazon reached a record high for the month in 14 years, according to the [Observatório do Clima](#) (Climate Observatory).

Penalty for Greenhouse Gas Emissions: This month, there was a decision in the 7th Court of the Judiciary Section of Amazonas to freeze assets equivalent to BRL\$ 14.5 million from the landowner responsible for deforestation of native forest without authorization from environmental agencies. According to the [Federal Government's](#) website, in 2019 IBAMA (Brazilian Institute for the Environment and Renewable Natural Resources) identified the deforestation of 640 hectares of native forest in a legal reserve area in the Amazonian municipality of Lábrea, and the owner of the property was fined BRL\$ 3.2 million for the environmental violation and the area has been embargoed. However, economic activities continued in the area, which is why the Attorney General's Office (AGU) proposed action.

Rehearsal

Lira Talks to Agro

Arthur Lira, the president of the Chamber of Deputies, met with congressmen from the agro parliamentary group and with Tereza Cristina, minister for Agriculture, to discuss projects they consider priority. Proposals include the controversial Bill [PL 2,633/2020](#) (land property regularization); [PL 490/2007](#) (demarcation of indigenous lands and time framework), approved by the Chamber of Deputies' Committee on the Constitution, Justice and Citizenship (CCJC); and [PL 6,299/2002](#) (pesticides). [Lira was willing to include these matters in the agenda in case there is an agreement among the majority.](#)

New Legal Framework for Environmental Licensing

The Environmental Licensing Bill, approved in May in the Chamber of Deputies, is now proceeding in the Senate under the number **PL 2,159/2021** (former PL 3,729/2004) with senator Kátia Abreu nominated as rapporteur. Initially, a quick assessment by the Senate was expected. However, a series of events such as the outbreak of investigations against the then minister for the Environment Ricardo Salles, which culminated in his departure from office, and the advances made by the Covid Parliamentary Commission of Inquiry (CPI) in Congress, ended up slowing down the process, favouring the articulation for more debate about the proposal and attempts by civil society to change critical points.

Conama: Members of the National Council for the Environment (Conama) were nominated for the 2021 term with a three-month delay (the previous members left office in March of this year). The last meeting of the collegiate was held in September 2020, that is, there have been no activities for 9 months, contrary to its internal regulations that determine that one meeting shall be held every three months. Read an analysis on the changes in the Conama seats on [Política Por Inteiro's Blog](#).

Slash and Burn Fires: Petition of Non-compliance with Fundamental Precept **ADPF 857** was filed at the Federal Supreme Court by Partido Socialismo e Liberdade (PSOL), by Partido Socialista Brasileiro (PSB), by Partido dos Trabalhadores (PT) and by Rede Sustentabilidade (Sustainability Network), so that the federal government and the states of Mato Grosso (MT) and Mato Grosso do Sul (MS) develop a plan to prevent the repetition, in 2021, of fires seen in the Pantanal in 2020. Judge Marco Aurélio, who will retire on 5 July, was nominated rapporteur. Thus, his successor will “inherit” the rapporteur role.

On Hold

IBAMA/ICMBio Merger Working Group: no news regarding the results of the Working Group in charge of analysing the merger between IBAMA and ICMBio. The Working Group was created in October 2020, “to analyse synergies and efficiency gains in the event of a merger” between the two bodies. The initial term of 120 days, was extended for another 120 days in the first week of February. The new deadline ended in the first week of June. On [Política Por Inteiro's Blog](#), we show that this was a high priority topic in the MMA's agenda, but it stalled since the beginning of investigations against former minister Ricardo Salles.

Bilateral Climate Negotiations with the USA: bilateral negotiations around an agreement to fund the conservation of the

Brazilian Amazon are also on *stand-by* since Ricardo Salles was targeted by Operation Akuanduba. The original report was made by an attaché from the American Embassy in Brasília. In June there was a meeting with chancellor Carlos Alberto França and his American counterpart, when climate change and deforestation issues were addressed, however, with no major repercussions. The Ministry for the Environment (MMA) had direct mandate from the President for international negotiations on the topic – it remains to be seen if there will be changes in this chain of command after Salles' departure.

Mercosur-European Union Agreement: the ratification of the agreement between the European Union and Mercosur still depends on concrete changes in Brazilian environmental policies. Brazil has not yet been able to regain the European Union's (EU) confidence in its ability to fulfil environmental and climate commitments. However, European business associations released in June a document favourable to the ratification of the trade agreement.

Adopt a Park: No news about the *Adopt a Park Programme* in June. The last news announced was relative to Caixa Econômica Federal (Federal Savings Bank), that signed on 12 May a “protocol of intentions” with the MMA focusing on “National Parks”, without specifying which Conservation Units were involved. Therefore, the number of proposals made public from the *Adopt a Park Programme* is still at 8. There was no publication of any Working Plan nor of documents proving any actual adoption. Thus, 4 months after the launch of the Programme, no adoption has been concluded or even any investment made, as can be seen in [our analysis](#).

It is important to emphasise, as reported by POLÍTICA POR INTEIRO in the [March Monthly Outlook Report](#), one problem with this programme is the lack of consultation with extractivist communities, which initiated a movement from the National Council of Extractivist Populations (CNS), that forwarded a letter to the then minister Ricardo Salles requesting, among other things, "the immediate exclusion of all Extractivist Reserves from the Adopt a Park Programme, a programme established by Decree No. 10,623/2021, amending Ordinance MMA No. 73/2021, to remove all Extractivist Reserves listed in its Annex". Regarding the necessary consultation with traditional communities, at the Federal Justice of Santa Catarina (JFSC) and in the scope of [Action No. 5011169-43.2021.4.04.7200](#) proposed by the Federal Prosecution Office (MPF), a [preliminary injunction was granted](#) determining the immediate suspension of effects of the management plan for the Rio Vermelho State Park (Paerve), in Florianópolis, considering the “*lack of participation and of informed consultation with representatives from*

the Comunidade dos Remanescentes do Quilombo Vidal Martins (Vidal Martins Traditional Maroon Community) in the elaboration of the plan, even though they reside in the region and claim the regularization of the area superimposed by the Conservation Unit”. Thus, we observe the courts’ tendency to safeguard the rights of these communities.

On the radar (international agenda)

G7: The G7 summit took place from 11 to 13 June and determined that member countries will stop financing coal-fired thermal power stations at the end of this year, as part of the global effort to decarbonise the economy. However, the summit disappointed activists and governments in developing countries by not delivering a strong message on climate finance.

UNFCCC Subsidiary Bodies’ Virtual Meeting: In the international scenario, the United Nations Framework Convention on Climate Change (UNFCCC) resumed from 31 May until 17 June the informal process of virtual negotiations in preparation to COP26. Brazil defended that Nationally Determined Contributions (NDCs) have 5-year cycles and that a transition period from credits from the Kyoto Protocol regime should be adopted under the Paris Agreement. The results from the rounds were considered insubstantial, and the virtual experience of little benefit.

World Oceans Day: The second fully virtual celebration of the UN World Oceans Day, on 8 June, kickstarted the **United Nations Decade of Ocean Science for Sustainable Development**. The UNFCCC emphasises that, according to a report from the World Resources Institute (WRI), only **four ocean-based activities**, if incorporated into the Nationally Determined Contributions (NDCs), may contribute with more than 20% of emission reductions necessary for keeping the world along the tracks for 1.5 °C. Goals related to blue carbon coastal ecosystem protection; well managed oceanic and coastal fishing; ocean-based renewable energy; and decarbonized water transportation. The Brazilian NDC does not incorporate any commitment related to the huge coastal and ocean Brazilian territories. Still related to the UNFCCC, on 29 June an **informal meeting** was held on Ocean and Climate, called by the United Kingdom and Chile – this time with the participation of Brazil – where countries agreed upon the need for a joint political declaration for COP26 addressing the importance of adaptation and mitigation actions in the ocean.

Biodiversity: The virtual meeting of the Subsidiary Body for Scientific, Technical and Technological Advice (SBSTTA-24) of the Convention on Biological Diversity (CBD) ended on 9 June, marking for the first time an official negotiation of the CBD held virtually and in a six-week period, with plenary interspersed with contact groups and "friends of Chair" sessions. On the agenda, the important new global milestone for biodiversity for the next decade. For several participating countries and NGOs, the **SBSTTA-24 terminou** with several undefined substantive issues, which should lead to a huge negotiation challenge to be carried out during COP-15, with no scheduled date for its realization yet (scheduled to take place in Kunming, China). Brazil's participation was once again considered meagre for the most mega-diverse country on the planet. The Brazilian delegation did nothing more than try to obstruct the approval of the last Global report on Biodiversity (**GBO-5**).

Vaccination or Postponing COP26: In a public hearing at the Chamber of Deputies' Committee on Foreign Affairs, Council member André Maciel, from the Ministry of Foreign Affairs (MRE), indicated the possibility of COP26 being postponed to April 2022, due to the pandemic. The day after the hearing, however, the UK government opened registration for side events, opposing this sign. The UK also spoke to the international press about its willingness to vaccinate negotiators from less-developed countries to ensure the Conference takes place in November.

Climate Goals: The European Parliament passed, on 24 June, a 2050 climate neutrality act, making emission reduction goals and transition goals of member countries binding by the target date. The bill sets goals for EU net emission reductions at 55% by 2030 in relation to 1990 levels, and zero net emissions in 30 years. This way, the European Union will become the 8th government in the world to adopt a climate neutrality goal in a law, in addition to the two countries that have already achieved this goal (Suriname and Butan).²

Carbon Price: The carbon price reached a new record high in the European Union, at € 56 per metric tonne in June.

Carbon-free steel: the steel industry, one of the most intense emitters of greenhouse gases in the global industry, is one of the most challenging industries for an energy transition to renewable sources. Swedish automaker Volvo announced that it intends, from 2026, to only use steel produced without burning fossil fuel in the manufacture of its cars. The starting point for the commitment was an **agreement** signed

²Energy & Climate Intelligence Unit.

with steelmaker SSAB for the development and commercialization of a technology that will replace coal coke with hydrogen in the steel production process.

Navegação marítima internacional: The International Maritime Organization (IMO) has taken new measures to increase the energy efficiency of commercial ships and ban the use of heavy fuel oil in the Arctic region. These actions add to the strategy announced in 2019, which anticipates a 40% reduction in the carbon intensity of international maritime transport by 2030 compared to 2008. Under the agreement signed, the commercial maritime transport industry has committed to reducing its carbon emissions by 50% in relation to 2008 levels by 2050, and to improve vessel carbon intensity by 1.5% annually. This is despite independent analyses maintaining that commercial maritime transport would need to lower its carbon intensity by 7% per year to enable global warming of, at most, 2°C by the end of this century compared to **pre-industrial levels**. Brazil is considered an uncooperative and ambitious country in these negotiations, largely due to Vale's influence.

Race to Zero Emissions in Brazil: JBS has become the most recent company accepted at Science Based Targets (SBT), a highly rigorous initiative for long term climate goals. This means that, in two years, the fulfilment of JBS' promise of emission neutrality by 2040 (without resource to *offsets*) and the associated intermediary goals will be thoroughly assessed. The implementation of such commitments is vital for meeting the Paris Agreement goals and the demands of science.

4. Trends

Ricardo Salles' resignation from the post of minister for the Environment temporarily reduced the pressure of the environmental agenda on the government. It even created expectations among the ministries to rekindle bilateral negotiations with the United States, since they had stalled after Federal Police investigations directly involved the now former minister.

The nomination of Joaquim Pereira Leite does not indicate, however, any reorientation trend from the bolsonarist agenda on environmental matters. This assessment takes into account 3 factors: (a) the Amazon Fund, (b) deforestation control, and (c) environmental infractions.

On the first item, Brazilian negotiations with Germany and Norway shall not be resumed to unlock the Amazon Fund. This would essentially depend on the Brazilian government resuming the governance of the Fund, as provided for in the Brazilian Development Bank's (BNDES) contract with donors and of equal representation from the federal government, states and society. Existing signals indicate that, for the time being, Joaquim Pereira Leite's administration at the Ministry for the Environment (MMA) shall have the same positions as Salles'. Brazil's ambassador to Oslo recently made a "discreet" gesture towards the Norwegian government to re-establish high level connections³.

On the second item, Leite would have to demonstrate credible efforts at restructuring Ibama and ICMBio, in addition to pacifying relations with the Vice-Presidency, which coordinates the Amazon Council. During his first week at office, Leite missed the meeting with the Amazon Council, sending the message that he will maintain the unfriendly approach of the former minister.

Thirdly, on environmental infractions, the Bolsonaro administration promised to end an alleged "fines industry" and effectively managed to

³ UOL.

curb the restraint of environmental crimes and the collection of infractions, through decrees such as the one that established the environmental conciliation centres in 2019. It created what we have nicknamed the "industry of pardon" for environmental crimes, generating political and electoral advantages for the current administration, and irrecoverable losses to the environment. There is no indication that Leite will oppose or try to change the direction of the presidential campaign in this regard.

Thus, considering these main factors, Leite in office shall go along the course previously taken by Salles. It can be expected, however, that the Ministry for the Environment will lose political standing among the ministries, with the MMA no longer leading the climate negotiations agenda for the Ministry of Foreign Affairs (MRE) and the Ministry of Agriculture, Livestock and Food Supply (MAPA).

On the climate agenda, there is no sign that Brazil will improve its Nationally Determined Contribution (NDC) or climate goal in the near term. In theory, the Government has until 31 July to present a new NDC to the UN and be included in the 2nd evaluation report of the UN Framework Convention on Climate Change (UNFCCC), which should be released in October, before COP 26. The NDC presented by the Bolsonaro administration last December was considered to be of lesser ambition and a new NDC could concretely improve the country's international reputation.

However, there are no practical efforts towards regaining credibility. As we predicted in the [May Monthly Outlook Report](#), the cattle goes on, now transferred from the Executive to the Legislative, where the president of the Chamber of Deputies, Arthur Lira, has adopted the "systemic overload" strategy with many "explosive Bills of Law" that are on the agenda for plenary voting with little reaction time for the opposition.

The government's priority list at Congress is large. Mining and Land (Land Demarcation and Land Property Regularization) deserve special attention, in addition to may Bills altering the essence of the National System of Nature Conservation Units (SNUC), as the Bill on the buffer zone, Bills on diminishing the limits of São Joaquim and Itajaí National Parks, and special emphasis on Bill PL 984/2019, by representative Vermelho (PSD-PR), aiming at reopening the Colono Road in the Iguaçu National Park/Paraná, amidst one of the most exuberant Atlantic Forest areas (*read more on this in the Legislative section*). The trend is that these matters – besides land property regularization and

environmental licensing – continue on the daily agenda for July (until parliamentary recess) and for the second semester.

The National Congress will be in recess from 18 to 31 July in case it manages to vote the bill on the Budget Guidelines Law (LDO). If it doesn't, there may be a "white recess" (a reduction in the rhythm).

Under the Eletrobras Provisional Measure (MP), passed in June by Congress, Bolsonaro will have until 12 July to veto or sanction it, partially or totally. A sanction with vetoes is expected – however, there is practically no chance of fixing the "tortoises" (parliamentary amendments that alter or distort the original purpose of a bill) relative to the mandatory purchase of gas and coal by those who capitalize the company. The government works with a bid calendar for Eletrobras on B3 in February 2022. The opposition is already mobilizing to question the law's constitutionality in the Federal Supreme Court, if sanctioned. In case of vetoes, Congress will still consider them, being able to override them.

At the Federal Supreme Court, Judge Marco Aurélio de Mello, who goes into mandatory retirement at the age of 75, will be replaced. President Jair Bolsonaro is entitled to nominating a new Judge for the STF, who will first be argued at the Senate. One of the favourite names for the position is the current Federal Attorney-General, André Mendonça. There are already rumours that senators will seek to block the hearing as tactics for advancing with the Covid Parliamentary Commission of Inquiry (CPI).

Another important factor on this month's agenda is the water crisis: both because of its effects that have already started to be perceived on the economy and because of the risk of energy rationing. The low volumes of the Southeast and Center-West reservoirs are being managed giving priority to energy use, to the detriment of other uses. Even so, the 52% increase in the electricity bill (red flag level 2) will impact consumers' pockets and the government's expenditure capacity until the end of the year. The significant readjustment of the electricity tariff will therefore impact the economic recovery. The probable energy rationing may occur along the lines of what Brazil experienced in 2001, when there was a blackout.

Finally, July promises low temperatures in the country and high political tension, mainly due to allegations of corruption in the purchase of the Covaxin vaccine, which emerged in the Covid Parliamentary Commission of Inquiry (CPI) and culminated in the delivery, on June

30, of a **request** for "super impeachment" against President Jair Bolsonaro. The plea was filed by a supra-party group and consolidates the arguments presented in 123 previous requests. The president of the Chamber of Deputies, Arthur Lira, ruled out accepting the process and the government would also have the political base to defeat such an initiative. Still, the "super request" has put the government even more on the defensive and has the potential to affect Bolsonaro's popularity. So far, however, neither the CPI nor the impeachment orders have curbed the cattle-driving impetus in Congress.

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