

Instituto de Pesquisa Econômica Aplicada



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Climate Change Regulation in Brazil and the Role of Subnational Governments

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Progress in public policy and regulatory frameworks towards international climate governance has become increasingly more complex due to the plurality of political positions and statutory schemes in various countries. The creation of national and subnational policies on climate change can play a key role in advancing the international climate agenda, contributing to the construction of a more effective regulatory framework. The aim of this work is to analyse the evolution of climate change regulation in Brazil with the creation of subnational policies and to verify the impacts of these policies in the context of the 2009 *Política Nacional das Mudanças Climáticas* (PNMC – National Policy on Climate Change).

Several states have adopted forums to encourage the reduction of emissions and promote the development and adoption of less energy-intensive technologies. Additionally, some states have created climate policies, establishing targets and goals to encourage mitigation and adaptation. For instance, in November 2009 the state of São Paulo approved a 20 per cent emissions reduction target by 2020, taking 2005 as the base year. The effectiveness of such policies in achieving their goals and targets will depend on how governments enable the implementation of the relevant activities, as outlined in their respective laws—especially, how governments measure emission reduction targets, verify compliance and implement appropriate sanctions.

To incorporate other views and perspectives in the analyses of this research, semi-structured interviews were conducted with experts in climate change to discuss the following questions:

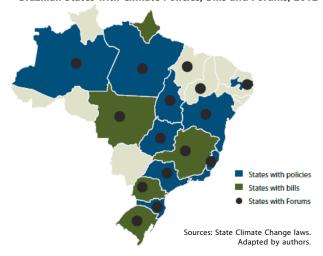
- What are the major structural problems of the Brazilian national and state policies?
- How can the targets of state and municipal policies be combined with the national policy?

According to the interviewees, the policies specify how voluntary or mandatory targets should be applied. However, the national policy has not been very effective yet; there was little evidence of progress in implementing the actions it proposed. Various aspects of the climate change issue have not yet been considered as requiring adjustment or policy within all levels of the government. However, the barriers within the current governance framework should not be seen as a reason for discouragement, but rather viewed as an element that must be part of future planning and analysis of any institution or country that seeks to maintain future competitiveness.

Some recommendations aiming at emissions reductions emerged from the interviews, such as:

 increasing investment in research and development to facilitate the adoption of low-carbon practices;





- fostering sound dialogue with the private sector regarding implementation of the PNMC and subnational policies; and
- promoting more engagement of the various economic actors in discussing climate policies.

These policies are certainly important tools in Brazil's progression towards sustainable development and, consequently, of its productive sectors towards a low-carbon economy. The fact that some of the policies analysed already have voluntary targets for reducing emissions indicates advances toward reducing the effect on climate. The creation of climate policies, coupled with proper regulation and necessary improvements, represents an opportunity for developing countries to enhance their positions in the international arena. In this context, the development of climate policy should be an ongoing effort to provide the conditions for Brazil to join the international effort and contribute to the necessary coordination of global climate change issues.

Reference:

Romeiro, V. and Parente, V. (2011). 'Climate Change Regulation in Brazil and the Role of Subnational Governments' in R. S. Motta, J. Hargrave, G. Luedemann and M. B. S. Gutierrez (eds), *Climate Change in Brazil: Economic, Social and Regulatory Aspects*. Brasilia, IPEA: 45-57.

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