

Instituto de Pesquisa **Econômica Aplicada**



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The Brazilian Policy on Climate Change: Regulatory and Governance Aspects

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Through the Copenhagen Accord and the Conference of the Parties (COP 16) in Cancun, Brazil has confirmed its national voluntary reduction targets for greenhouse gas (GHG) emissions, with reductions between 36.1 per cent and 38.9 per cent of projected emissions by 2020. These targets were defined in the National Climate Change Policy (PNMC, in Portuguese) approved by the National Congress (Law No. 12.187, dated 29 December 2009). These national targets focus on controlling deforestation, which represents a comparative advantage for Brazil. Reducing deforestation is certainly less restrictive to economic growth than mitigation actions related to energy consumption and industrial activities that other emerging economies would have to adopt.

However, the PNMC goes beyond formalising the Brazilian position from an international perspective. In addition to supporting the Brazilian positions in the multilateral and international discussions that address global warming, the PNMC essentially offers a legal framework to regulate national actions aimed at mitigation and adaptation. Seroa da Motta (2011) analyses how this framework dictates principles, guidelines and instruments for attaining the national targets independently of the evolution of the global climate agreement.

In doing so, the study also discusses in detail Decree 7.390, which was implemented to regulate Articles 6, 11 and 12 of the PNMC, and offers other provisions. This decree made it possible to clear up and define several regulatory aspects of the legal text.2

The regulating decree of the PNMC has improved rules for the measurement of targets and the elaboration of sectoral plans. The progress made with regard to governance structure, though significant by allocating the coordination of the plans to the Executive O-ffice of the Presidency, still requires a bolder and more complex institutional improvement in regulatory power. The same applies with regard to the necessary guidance on how to accommodate sub-national climate policies within the national framework.

The development of sectoral plans, if coupled with appropriate economic instruments, will consequently offer opportunities for Brazil to increase the efficiency of its transition to a low-carbon economy. However, for this to take place, the PNMC, as advocated by Seroa da Motta (2011), should adopt a regulatory governance structure similar to that of other regulated sectors, in which an autonomous agency is responsible for the implementation of the objectives of the regulatory framework established by law. Such an initiative would be the beginning of compatibility between the federal and state governments, the private sector and non-governmental organisations (NGOs), and efforts along these lines should be on the agenda of the current discussions on sectoral plans.

Notes:

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- 2. For a detailed analysis of the regulatory aspects of PNMC, see Seroa da Motta (2010a and 2010b).

References:

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