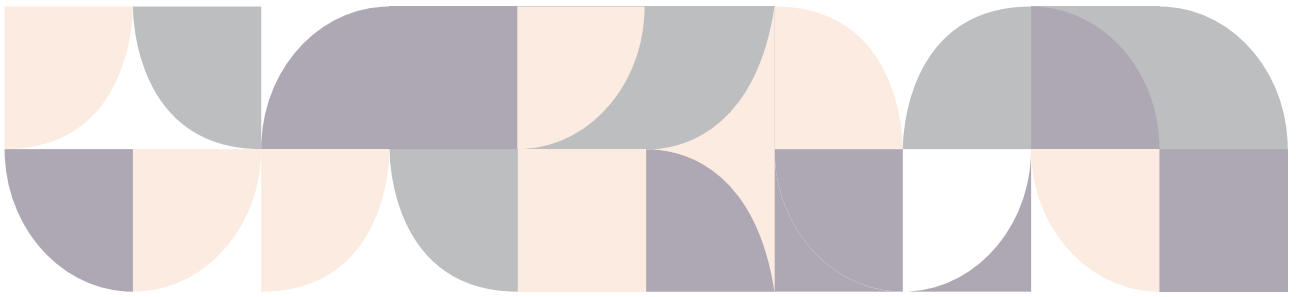




Logistical Infrastructure, Agribusiness and Climate

by Tatiana Oliveira



Inesc

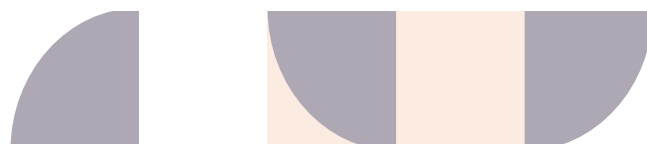
The **Institute of Socioeconomic Studies – Inesc**, created in 1979, is a non-governmental, non-profit, non-partisan and public-purpose organization. Inesc's action is geared to expand social participation in spaces where public policies have deliberation. In its interventions, it uses the budgetary instrument as a structuring axis for strengthening and promoting citizenship.

In order to increase the impact of its actions, it works in partnership with other organizations, movements, and social collectives. It has a multithemed agenda, which is articulated to the historical demands of rights subjects and the social struggle for the guarantee of rights to indigenous peoples, *quilombolas* and farmers, among children, adolescents, and youths. Inesc is part of debates related to the right to the city, environment, and land, among others.

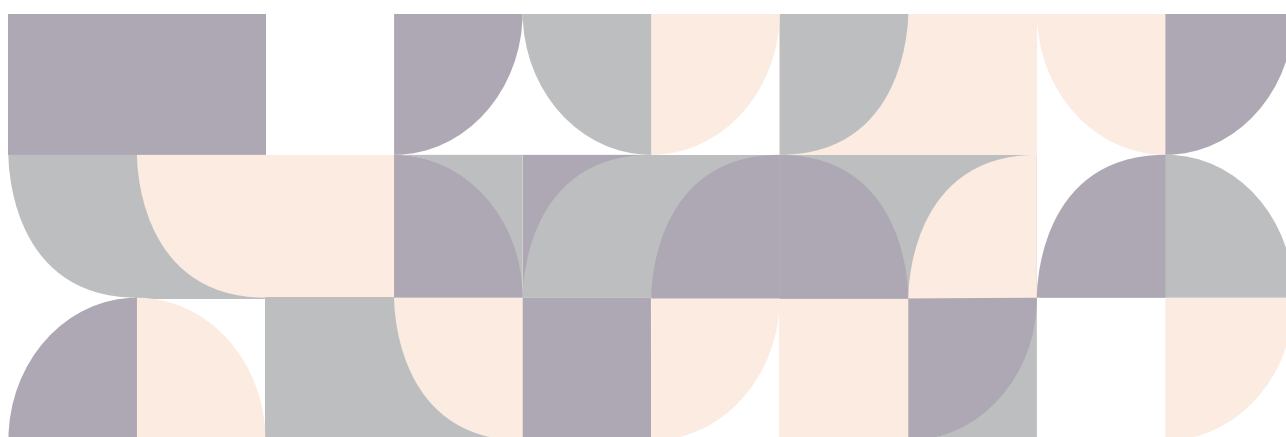
Author

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Executive Summary

→ This article records the socio-environmental and climate policy monitoring in Brazil, executed by the Institute for Socioeconomic Studies (Inesc) over the years 2019 and 2020, considering the government change, which took place in the same period, implied the resumption of the occupation and development project for the Brazilian Amazon, with agribusiness and logistics infrastructure being two of its pillars.

→ An analysis of the socio-environmental and climatic effects produced by the installation of a multimodal logistic complex in the northern region of the country, i.e., in rural and forest areas, has been prepared. Logistics does not appear without reason, as it follows the trail of agribusiness, which expands from the midwest to the north of the country. For this reason, the investment destined to the west of the state of Pará, in particular, to the middle portion of the Tapajós River, district of Miritituba, is the focus of the work.

→ Pará (PA) is the subnational unit that makes up the Legal Amazon with the highest level of greenhouse gas emissions, a scenario caused mainly by changes in land use and by the expansion of agribusiness from the midwest to the north of the country. Although there is no specific segmentation of greenhouse gas emissions data that favors the unequivocal link between the negative results observed in the region, a qualitative reading of the available data from the territory indicates the existence of such a relation and the need to take it seriously.

→ Infrastructure (logistics or energy) is known as one of the main vectors of environmental degradation, also the cause of damage to the ways of living of native peoples and traditional and peasant communities, as it drives deforestation, fires, forced displacement, land grabbing and a series of illegal economic activities (such as mining and logging), which, in turn, stimulate violence and affect community and socio-territorial dynamics.

→ In a context of accelerated socio-environmental and climate policy dismantling, it is necessary to consider that the installation of logistical equipment in the northern region of the country also serves the progressive reconfiguration of the local territorial organization, under the narrative of modernization and progress, both driven by accelerated economic growth imposed from outside the region. Without considering the local ways of living, the intensification of agrarian conflicts is a result of this policy.

→ Given this situation, it is not surprising that the Brazilian climate data show poor results. Recent analyses of the Brazilian emission indices indicate, for the year 2019-2020, that the country will not be able to fulfill the goals voluntarily assumed under the Paris Agreement.

Introduction

This article records the monitoring of the socio-environmental and climate policy in Brazil, carried out by the Institute for Socioeconomic Studies (Inesc) over the years 2019 and 2020. The biennium coincides with the rise of the far right to the government of this country, as it will be seen, a decisive event regarding the dismantling of the legal rules in this area, in addition to other initiatives aimed at transforming land use and forest management.

The methodology used to build this analysis was based on (i) documentary research and (ii) interviews with specialists.

In documentary research, two aspects were of particular interest for this work: on the one hand, we sought to offer the public an update on data and knowledge about the fulfillment of the climate goals assumed by Brazil under the Paris Agreement; on the other hand, we propose a qualitative and detailed assessment of the results reported by the country, considering the climate effect due to investments in logistics infrastructure in the northern region, particularly, those destined to the west of the State of Pará or to the middle portion of the Tapajós River.

With this aim in view, we confront three groups of documents: a) international agreements and monitoring targets reports; b) the national regulatory framework on climate change and sectoral adaptation and mitigation plans; and c) literature and documents on the advancement of transport lo-

gistics infrastructure through the Legal Amazon.

In the second stage of writing this article, interviews, and consultations with experts from academia, civil society and government were carried out. It is worth saying that the Inesc's participation in spaces for debate and civil society articulation was fundamental for information exchange and for the construction of a shared vision on the conduct of environmental, territorial and human rights policies in a context of scientific denialism (also called negationism) and restriction in the democratic space for social participation.

The set of analyzes gathered along this route represents the center of this article, which is divided into three blocks: in the first, we present the logistics infrastructure as a relevant problem for fighting climate change; in the second, we question about the link between the expansion of infrastructure, the deregulation of socio-environmental and climate policy and the increase in deforestation and fires in Brazil; and, in the third, we present updated data on the climate mitigation and adaptation results reported by the Brazilian government, the latest update being available at the time this article has been composed, the year 2019.

Infrastructure and its Climate Impact

Climate change affects life in many ways. Regarding infrastructures, the most common approach in public debate revolves around the climate mitigation or adaptation on consolidated urban spaces, as well as business, in order to guarantee the offer of a range of essential services, such as lighting, sanitation and transportation. Following this line of analysis, another concern is about the volume of investments required to maintain degraded infrastructure as a result of climate change, in view of the context of fiscal crisis in the states, which translates into a low capacity to carry out expenses.¹

However, the question which is the driving force behind this article has a different order. We will not focus on the inadequacy of the existing urban infrastructure for a greenish economic scenario. Nor are we going to deal with the degradation of current infrastructures due to climate action, or even with the difficulty of financing the maintenance of this equipment as a result of a government vision committed to austerity. Both aspects (the green economy and the problem of public investment) are relevant and part of our analysis. Nevertheless, the purpose of this article is to **shed light on the socio-environmental and climate effects produced by the installation of infrastructures outside the consolidated urban space, namely, large cities.**

¹ In general, this perspective concludes the necessary opening of these markets to private initiative, reducing the role of the State in promoting investments. Regarding the effect of fiscal restriction policies on the General Federal Budget, see Inesc's report: <https://bit.ly/3nrKPIo>

Herein, we will focus on the logistics infrastructures for transporting cargo located in the northern region of Brazil. In this way, we proceed to a reading on deforestation related to the recent proposals for the setting of logistical equipment in rural and forest areas. We deal with the project known as Eixo or Arco Norte, which is an initiative from the federal government, supported by employers' associations and large-scale farmers, whose purpose is to install a multimodal logistics complex for the transportation of grains for export in one of the most preserved areas of the Brazilian Amazon, the west of the State of Pará, in particular, in the middle of the Tapajós River.²

Not by chance, according to data from the Greenhouse Gas Emissions and Removal Estimation System (SEEG, *Observatório do Clima*)³, **Pará is the sub-national unit with the highest level of greenhouse gas emissions in the country, a situation caused by the accumulated effects of agricultural activity and changes in land use mostly.**⁴

² Logistic infrastructure projects for the Amazon region, that is, those that meet the international market demands, but not the population's, have been discussed by many administrations in Brazil. Infrastructure policies resumed momentum in the second half of the 1990s, during Fernando Henrique Cardoso administration. However, it was in the Workers' Party (PT) administration that they consolidated themselves as investments that would provide fast economic development.

³ Reference is made to the Climate Observatory, "Analysis of the Brazilian Greenhouse Gas Emissions and Their Implications for Brazil's Climate Targets (1970-2019)", SEEG Series 8, 2020, available at: <https://bit.ly/2IH163Y>

⁴ The concepts of agricultural activity and changes in land use referenced herein replicate the methodology used in SEEG, available at: <https://bit.ly/38LyzVS>

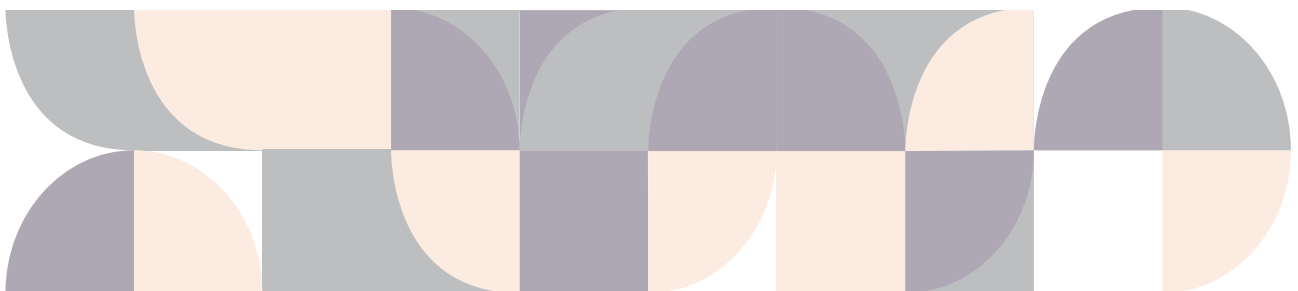
In addition to the high rates of deforestation and fires recorded between 2019 and 2020, the advance of the agricultural frontier and the installation of multimodal logistics complexes for the export of agricultural commodities contribute to the configuration of a landscape of devastation.

The construction and installation of logistics infrastructures for cargo transportation is one of the best known vectors of deforestation.⁵ Further, contrary to what government and business propaganda claims, it does not usually contribute to the quality of life of the local population. On the other hand,

⁵ See, for example: ALARCON, Daniela Fernandes; MILIKAN, Brent; TORRES, Maurício (orgs.). OCEKADI: Hydroelectric dams, socio-environmental conflicts and resistance in the Tapajós Basin. Brasília: International Rivers, 2016. pp. 43-78.

when associated with other factors⁶, great logistics is connected to fires and to the violation of the human and territorial rights of native peoples and traditional and peasant communities. **For Inesc, this table suggests the lack of conditions for the fulfillment of the climate goals assumed by Brazil both within the scope of the National Policy on Climate Change and the Paris Agreement**, considering the biennium in question. Detailed studies reinforce the prospect of not reaching the target for 2019 and 2020, in addition, anticipate an even worse scenario for 2021.

⁶ Some of them are: the dismantling of socio-environmental policy; expansion of the agricultural frontier, mining or energy sector; land grabbing and real estate speculation. Refer, for example: TORRES, Maurício (org.). Revealed Amazon: the diversions along the BR-163. Brasília: CNPq, 2005; CASTRO, Edna. "Frontier Expansion, Megaprojects for Infrastructure and South American Integration". CRH Caderno, Salvador, v. 25, n. 64, p. 45-61, Jan./Apr. 2012, 45-61pp.



Logistic Corridors within the Forest

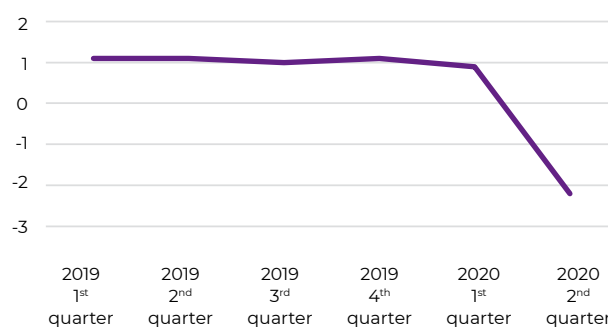
In mid-2019, Brazil drew the attention of the international community after the release of alarming data on the increase in deforestation caused by fires in the Brazilian Legal Amazon. The explanations regarding this phenomenon suggest motivations related to the national interest captured by agribusiness in alliance with a new composition of the federal government or, still, to the action of miners, loggers, and land grabbers. However, another aspect to consider is the contribution of the logistics sector. **Logistic infrastructure is a decisive factor in the current scenario of forest and peoples and communities ways of living destruction.** With regard to the state of Pará, **logistics is connected to two of the main greenhouse gas emissions vectors in the Brazilian context, namely, changes in land use and agriculture.** For this reason, this type of projects which are destined for the region, must be carefully monitored.

Socioeconomic and Territorial Dynamics that Influence Deforestation

In recent years, Brazil, which has already ranked seventh in the ranking of the largest economies in the world, lost positions and left the group of the ten richest countries, according to data from the IMF and the World Bank. However, in the Latin American context, the country maintains a position of great economic relevance. In 2019, Brazilian GDP reached the number of R\$ 7.3 trillion (in current values), accord-

ing to data from the Brazilian Institute of Geography and Statistics (IBGE). In 2020, the global pandemic deepened the economic crisis that precedes this event. Further, in the second quarter of the year, this index reached R\$ 1.7 billion. The assessment of the country's economic performance shows an accumulated annual growth of -2.2%, which describes a general scenario of economy contraction.

Graph 1: Gross domestic product at market prices. Cumulative rate (%), 2019-2020



Source: Quarterly National Accounts, IBGE (Brazilian Institute of Geography and Statistics)

The interpretation on this unfavorable situation should reflect the impact of the pandemic caused by the coronavirus (SARS-Cov-2), which “profoundly affected the expected trajectory for the Brazilian economy throughout 2020 and 2021”⁷, according to experts from the Institute of Applied Economic Research (IPEA). However, it would be incorrect to attribute the recessive

⁷ Souza Jr., José Ronaldo; Cavalcanti, Marco A.F.H.; Levy, Paulo Mansur. “Conjuncture Overview”. *Conjuncture Letter*, n. 47, 2nd quarter of 2020. Brasil: Ipea Available online, with access at: <https://bit.ly/3IDvURK>

effect of social isolation, with the consequent restriction of the circulation of both goods and people, to the different sectors of the economy equally.

During most of the critical period for the spread of the disease, some sectors were declared essential by the government and, as such, maintained their operations. This is the case of agribusiness, mining, energy (especially, the oil and gas sectors) and logistical services (including the execution of works, maintenance, replacement of infrastructure equipment, in addition to other ancillary activities, such as petrol and service stations and roadside restaurants).

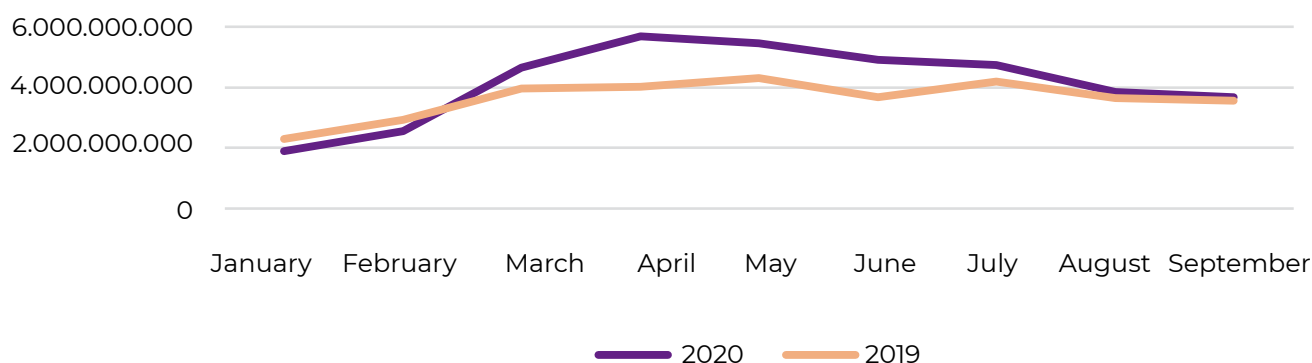
Therefore, **Brazilian agribusiness maintained privileged conditions to develop and expand its activities even in an adverse context and under the closing (lockdown) of world trade.**⁸ The sector's protection measure is not out of time. Brazil is an urban-industrial country that still depends heavily on the primary export sector. That is why, in the current crisis, a historical pattern of the Brazilian econo-

my is reproduced, which privileges and protects agricultural and extractive activities in order to maintain its level of growth or, still, to cushion the impact of economic crises.

In this context, when Ipea's Macroeconomic Studies and Policies Directorate Group (Dimac, in Portuguese) reviewed the projection of the growth rate of the gross domestic product (GDP) of the agricultural sector for the fourth quarter of 2020, and the result was a positive variation, from 1.6% to 1.9%. This means that, **even in the face of a deep economic crisis and the increase in hunger and poverty in the country, Brazilian agribusiness has expanded its operations abroad.** This perception is reinforced by the Brazilian trade balance data for the agricultural sector (see Table 1). In the months of the high harvest season, between April and June, there was growth in grain commercialization, in the comparison of 2020 to 2019, as shown in Graph 2.

8 The analysis of trade indicators, published by the Getúlio Vargas Foundation (FGV), indicates a small retraction in the international market. Nevertheless, the decrease in trade flows did not reach all sectors equally. For example, for Brazilian agriculture, currency devaluation burdens the import of inputs and capital goods, in addition to reducing the price of agricultural commodities abroad. However, the Chinese demand has ensured volume and growth of exports. "The axis of dynamism in foreign trade moved to Asia, which accounts for 49% of exports and 35% of imports from January to September 2020. In the same period, the E.U. percentages were 14% (exports) and 17% (imports). China represents 34% of exports and 21% of imports. The pandemic had a larger impact in the European economy than the Chinese, which may have increased the differences in shareholdings, but that is not all, since China's share has already exceeded that of the European Union as a destination for Brazilian exports since 2015." In: FGV-IBRE. "The devaluation of the real effective exchange rate does not yet impact the volume exported from the manufacturing industry." Foreign Trade Indicator (Icomex): October Icomex referring to the September trade balance, no. 42, October 16, 2020. Available at: <https://bit.ly/3q9iOyf>

Graph 2: Comparing the Brazilian agricultural exports variation



Source: Central Bank of Brazil - BACEN.
Values in US\$ FOB in millions of reais.

Table 1: Brazilian Trade Balance Data - Agricultural Sector

Agricultural		Values in US\$ FOB, in millions of reais		
Month	Variation %	Absolute numbers		
		2020	2019	Difference
January	-17,7	1.882.280.785	2.287.168.160	-404.887.375
February	-12,2	2.565.833.355	2.921.673.114	-355.839.759
March	17,6	4.663.304.832	3.964.083.545	699.221.287
April	41,2	5.689.805.201	4.030.494.896	1.659.310.305
May	27,0	5.464.923.424	4.302.809.253	1.162.114.171
June	33,1	4.897.792.998	3.679.606.475	1.218.186.523
July	13,0	4.730.307.072	4.187.936.650	542.370.422
August	5,5	3.840.168.289	3.641.517.195	198.651.094
September	3,2	3.664.829.324	3.551.935.524	112.893.800

Source: Central Bank of Brazil - BACEN

Data collected through the statistical yearbook of the National Waterway Transport Agency (ANTAQ) go in the same direction.⁹ In this case, it is possible to visualize the movement of grains (herein, mainly, soy and corn) that leave Brazil for the international market by sea. The agency registers an increase of 19.8 million

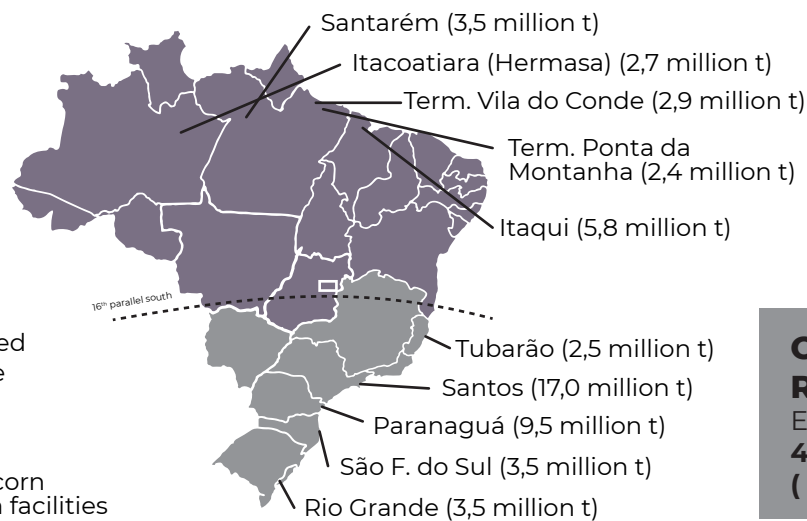
⁹ Available at the Brazilian National Waterway Transport Agency (ANTAQ), statistical yearbook: <http://web.antaq.gov.br/Anuario/>

tons of soybeans and corn, equivalent to 10.8%, exported through Arco Norte in 2020, compared to 2019. The numbers of national agribusiness are so impressive that this greater use of export corridors in the north did not mitigate the simultaneous growth, figuring 22.4% in the ports of the south and southeast.¹⁰ In the accumulated of the historical series, the flow of soybeans through the north has an increase of more than 400%.

Exports from Arco Norte: soy and corn

Exports (1st semester 2020)

Arco Norte
Exports
19,8 million/t
(↑ 10,8%)

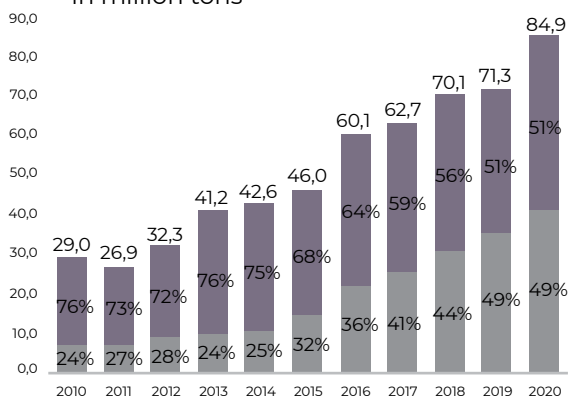


31,4% of the total exports were distributed by Port Facilities in the Arco Norte region

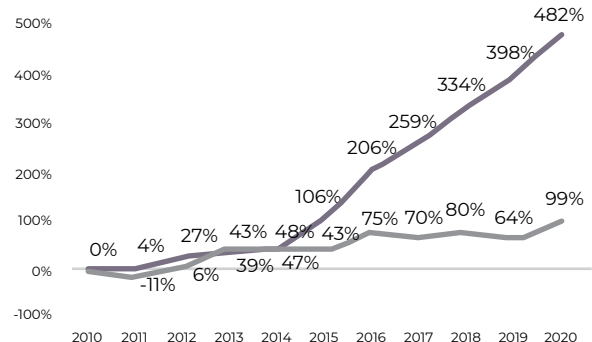
*on the map, soy and corn exports from the main facilities

Other Regions
Exports
43,3 million/t
(↑ 22,4%)

Progress - Transportation in million tons



Progress - Transportation compared to 2010



¹⁰ Santos (SP) and Paranaguá (PR) ports are the ones that support the largest cargo flow destined for export in the country. Soy and corn are no exception. Both remain the country's main grain outlet. However, this article draws attention to the growing importance of logistical equipment in the northern region, particularly in the state of Pará, for the export of agricultural commodities.

Agribusiness demands Infrastructure

Our research identified that Santarém/PA, Barcarena/PA and Santana/AP are the main ports in Pará where Brazilian grains are exported by. However, this equation must also consider the privatization of Brazilian port facilities, through Law No. 12.815/2013. The regulatory adjustment in the port law met the demands of large companies of international “middlemen” (*traders*) (see table 02 below) operating in the Brazilian territory under the promise of **(i)** facilitating the exit of agricultural commodities to abroad, **(ii)** decreasing costs and, thus, **(iii)** increasing the profit margin of national agribusiness.

After its amendment, the new port law provided expansion for the amount of port equipment across the country. One of the consequences of this policy was the expansion of the movement of goods to the so-called “inland routes”,

where navigation is primarily fluvial and hardly ever has sufficient depth for the entry of large cargo ships. Considering the entire national territory, the ANTAQ Yearbook describes a 369% increase in the volume of soy and corn shipped by inland routes between 2010 and 2019.

This scenario increased the demand for the licensing of cargo transshipment stations (ETCs, from the Portuguese *Estações de Transbordo de Carga*) and private terminals (TUPs, from the Portuguese *Terminal de Uso Privado*), intermediate structures, operated directly by the private sector, which facilitate the cargo transportation until they reach the ports wherefrom they leave to the foreign market. The table below shows that in the district of Miritituba alone, municipality of Itaituba, located on the banks of the Tapajós River, there are five ETCs in operation, which are directly connected to the northern multimodal logistics complex.

Table 2: Miritituba ETCs Logistics Corridor: Export Companies and Terminals

TRANSSHIPMENT Terminal and Companies in Miritituba	EXPORTS Terminal and company (s) to the North
Bunge and Amaggi ETC ("Rio Turia ETC ")	Fronteira do Norte Port Terminal - TERFRON, Barcarena/PA, operated by Bunge and Amaggi.
Cianport ETC ("Itaituba ETC")	Private use terminal for export in Santana/AP
Cargill ETC	Private use terminal for export in Santarém/PA.
Hidrovias do Brasil S.A. ETC ("HBSA Tapajós ETC ")	Private export terminal for export in Barcarena/PA.
Transportes Bertolini Ltda. ETC	Ponta da Montanha Grain Terminal (TGPM), a private-use terminal operated by the ADM/Glencore joint venture in Barcarena/PA.

Own survey execution based on field visits and consultations with residents of Miritituba. Previous studies on the region were also referred: RODRIGUES, Jondison Cardoso. Ports in Tapajós: the development and social justice arc? Rio de Janeiro Brazilian Institute for Economic and Social Analysis - Ibase, 2017; AGUIAR, Diana. The geopolitics of China's infrastructure in South America: a study from the Tapajós Case in the Brazilian Amazon. ActionAid Brasil and Federation of Organs for Social and Educational Assistance (FASE): Rio de Janeiro, 2017.

The proximity of the Tapajós River to the monoculture farms in the State of Mato Grosso (MT) has placed the area in its surroundings in a strategic position for the implementation of these and other types of logistical enterprises. Ports are only part of the story. In addition to the BR-163 (known as the Cuiabá-Santarém Highway), the Federal Government's Partnership and Investment Program (PPI) designed a series of new investments for the region. This is the case of the EF-170, a railway known as "Ferrogrão" (*Railgrain*), in reference to the purpose attributed to it, the exclusive transport of grains.

The PPI also provides for the dredging of Amazonian rivers, as in the case of Tapajós itself and its tributaries, Teles-Pires and Juruena. The objective, in this case, is to allow the construction of the Tapajós-Teles Pires Waterway - an old demand from the national agribusiness. Finally, the region still suffers from flooding pressure for the installation of small hydroelectric plants (SHPs), wherefrom the energy generated is mistakenly considered clean.

In short, by consolidating the northern logistics **axis, the Brazilian government contributes to the expansion of the agricultural industry in the Amazon¹¹, making deforestation and fires merely side effects of the national development process.** The need to have grain outflow attracts the logistics infrastructure to the region. In this sense, it is necessary to register that small and medium-sized Amazonian cities have been living with a pro-

¹¹ It is important to say that the Tapajós logistics corridor affects not only the Amazon biome, but also the Cerrado, considering the incentive to further increase in the volume of soy produced in the country.

cess of disordered urbanization as a result of the entry of these large enterprises in the territories. The case of the municipality of Itaituba is emblematic, but it is not the only one. It shows the radical change in land use in an agrovillage that has, in less than a decade, become a warehouse for grain exports linked to major global production networks. The consequences of this model of regional development have been addressed in other works.¹²

The pandemic created the opportunity for a first major consolidation moment for this logistical turn. In the midst of an exceptional conjuncture, the grains outflow through the export corridors of the northern region was justified based on both the shortest distances from producing municipalities and the risk of workers being contaminated.¹³ Such a justification, at first humanitarian, conceals the environmental and socioeconomic effects it causes. On one hand, the advance of agribusiness and logistics infrastructure to one of the most preserved regions in the Amazon. On the other hand, a forced reconfiguration of the ways of living, creating, and doing of the Amazonian peoples, which, moreover, put the life of the road worker at risk.

¹² OLIVEIRA, Tatiana and MELO, Cecília Vieira de Melo. Logistics in the Middle Tapajós: The Itaituba-Miritituba Case. Brasil: Inesc, 2020.

¹³ Brazil is a country marked by great regional inequalities. The Southeast macro-region is the richest in the country, also the most affected by the first wave of Covid-19.

The socio-environmental policy dismantling and the legislative agenda for infrastructure

Pará represents ¼ of the Amazon, in its Brazilian portion, and practically 60% of the state is protected in Conservation Units and Indigenous Lands formats. Agrarian settlement projects, spaces that are known for maintaining agroecological practices aimed at environmental protection, also exist in the region. However, its population doubly suffers the effects of the necropolitics that excites the decisions of the current government, as for this state, the conjuncture produced the overlap of two problem dimensions: **on the one hand, the progressive and accelerated socio-environmental policy and climate dismantling; on the other, the consolidation of a perverse investment agenda whose implications for the country and the territories are concrete and dramatic.**

As we will see, one thing does not dissociate from the other. With regard to the Brazilian socio-environmental policy dismantling, the government has acted on three main frontlines. Firstly, there is a clear decision to downgrade the Ministry of Environment (MMA) to a “bionic portfolio”¹⁴, i.e., an entity with no real effectiveness and that acts as a shield for obscure interests. Secondly,

¹⁴ Herein, I refer to the Brazilian Military Dictatorship, when deputies and senators were appointed to Congress (which continued to function throughout the period of exception) without them passing through the electoral sieve. To the nominees, the only requirement was to “have no ideas”, that is, to obey the generals orders while they were in office. So, herein, bionic is translated as something merely artificial or façade that, without a life of its own, serves the interests of someone or a group that does not show itself or does not know itself.

there is a set of deliberate actions to weaken the existing mechanisms for monitoring and controlling environmental crimes by weakening organs such as IBAMA and ICMBio.¹⁵ Finally, there is a silent restructuring of the legal provisions of territorial ordering, which aim at displacing the constitutional meaning attributed to national land policy, that is, the social interest, with Funai and Incra being the main organs affected by this change¹⁶. It is worth remembering that all of that takes place without the participation of civil society, as recommended for any democratic regimes worthy of this designation, in addition to being recognized as a right by varied international treaties, highlighting, for the theme of this article, the Paris Agreement and the 2030 Agenda.¹⁷

¹⁵ Ibama - Brazilian Institute of Environment and Renewable Natural Resources: federal agency, with administrative and financial autonomy, linked to the MMA. It exercises the power of an environmental police and carries out actions regarding national environmental policies related to environmental licensing, to environmental quality control, to the authorization of natural resources use and to the inspection, monitoring and environmental control. ICMBio - Chico Mendes Institute for Biodiversity Conservation: federal autarchy, with administrative and financial autonomy, created in 2007 and linked to MMA. Performs the actions of the National System of Conservation Units (UCs), being able to propose, implement, manage, protect, inspect and monitor protected areas instituted by the Federal Government. The Institute is also responsible for promoting and executing biodiversity research, protection, preservation and conservation programs and wielding the environmental police power to protect federal Conservation Units.

¹⁶ Incra - National Institute of Colonization and Agrarian Reform: federal autarchy, with administrative and financial autonomy, created in 1970, whose priority function is to carry out agrarian reform, as well as to carry out the national land order. The Brazilian military's interest in implementing territorial (re) planning policies was expressed in documents sent to the National Congress in July 2020, namely, the National Defense Policy (PND) and the National Defense Strategy. Both can be accessed through the link: <https://bit.ly/36ywOZg>

¹⁷ Throughout 2020, Inesc launched a series of detailed analyzes on how the destruction of state capacities is taking place with respect to Brazilian socio-environmental and climate policy. Publications can be accessed at:

In general, this strategy can be observed by the budgetary restriction imposed on the organs that make up the socio-environmental governance in the country. But the political-institutional game and disputes over budget policy play a role in this transformation. **The actions of the current Brazilian government aim to submit the socio-environmental agenda to the economic project that accompanies it, as well as to its most relevant supporters, without presenting any commitment to climate mitigation or adaptation.** This is precisely the role of the National Council of the Amazon (CNAL) in the international arena: while promoting landholding dislocation in the territories, it sells abroad the idea of socio-environmental responsibility as a crucial factor in the regional development project.¹⁸ This market (or marketing) action suffers from the same weaknesses as the certification policy in other areas (for example, in the financial sector).¹⁹

From a national point of view, this whole movement is accompanied by other measures that make up the legislative agenda for the Ministry of Infrastructure and Economy. Focused on attacking environmental licensing, as well as the monitoring and control power granted to regulatory agen-

<https://bit.ly/2H25GZR> ; <https://bit.ly/32LQbwY> ; <https://bit.ly/36AokY5>

¹⁸ In the wake of what happens with the extreme rights that govern different countries around the world, it is not possible to say that the President Bolsonaro administration promotes social or environmental responsibilities.

¹⁹ Needless to say that the investment certification policy failed to predict and alert investors around the world about the possibility of a breakdown in the US financial system during the 2007/2008 crisis.

cies or different judiciary instances, the proposals listed below suggest adjustments to the economic policy that favor foreign investment in the country, deliberately ignoring the environmental and socioeconomic consequences that derive from those decisions. Some of them are: new regulatory framework for the infrastructure sector, Bill n°. 3453/2008; creation of the Investment Partnerships Program (PPI), Law n°. 13,334/2016; New General Environmental Licensing Law, Bill n°. 3,729/2004; Landholding Law n°. 13,465 / 2017; Bidding Law n°. 13448/2017; Debt Issue, Law n°. 1659 12,431; Foreign Exchange Risk Mitigation, Bill n°. 2,889/2019; New Law for State-Owned Companies n°. 13,303²⁰, among others.

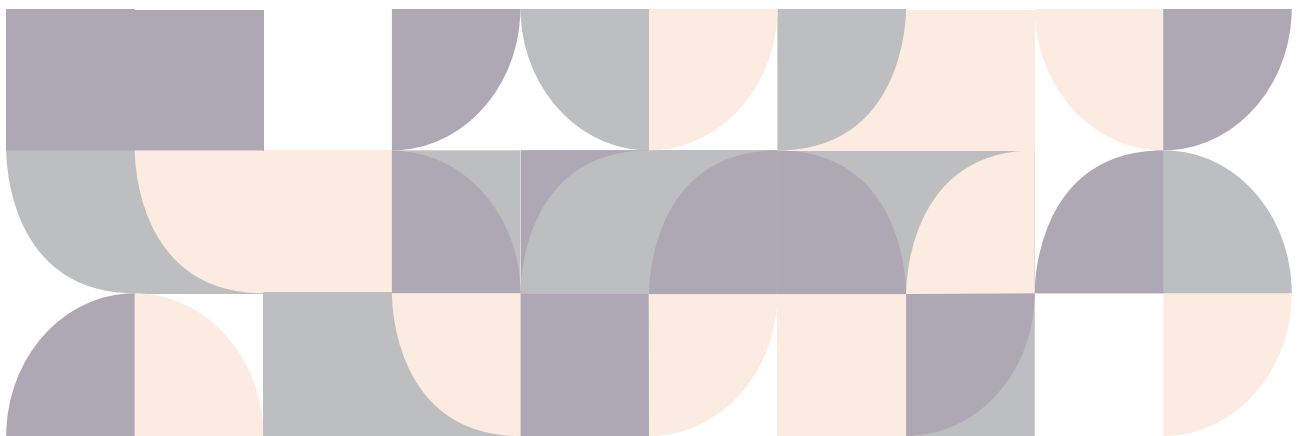
In this way, it is evident that the Brazilian government's bet is on privatization and, above all, on the financialization of the planning and operation stages of the large logistical enterprises that mainly benefit the national agribusiness. To this end, it became necessary to make the country's environmental legislation more flexible and get engaged to guarantees for private investment.²¹ This panorama, seen from the Tapajós River Basin, shows an accelerated process of land

²⁰ The new State Ownership Law brought important consequences for several areas of the government, among them, the functioning of the National Bank for Economic and Social Development (BNDES), which changed its bylaws to adapt to the new regulatory framework. <https://bit.ly/3k50vpC>

²¹ There are numerous private consultancies on business opportunities offered to the infrastructure sector (not only logistics) in Brazil. I highlight two of them: Ana Clara Abrao, Brazilian Infrastructure Investment Opportunities: Beyond the elections. OLIVER WYMAN, 2018; WORLD BANK (IBRD, IDA, World Bank Group). Infrastructure Building the foundation for growth, overcoming the challenge of improving and expanding infrastructure services in Brazil ", 2018.

use change motivated by agribusiness and the infrastructure necessary for its performance. **The focus on the agricultural industry and neo-extraction reinforces the deforestation and fires vectors in the country. A policy committed to the environment and people's**

lives needs to be able to figure a future in which the agricultural and neo-extractive industry gives way to family farming and other short economic circuits, thus discarding the large logistics equipment that connect the local and the global.



Brazil's Climate Targets and Logistics

The climate agreement determines that country parties must submit periodic reports on their mitigation and adaptation efforts to the secretariat of the United Nations Framework Convention on Climate Change (UNFCCC).²² In 2019, Brazil submitted its third Biennial Update Report (BUR). This document confirms the trend in the emission chart mentioned above, according to a sector analysis. Thus, according to BUR-Brasil (2020/2019), energy (33%), changes in land use (31%) and agriculture (24%) are the three main sources of greenhouse gas emissions in the country. The other categories, namely, industrial processes and waste, contribute, respectively, with 5% and 7% of emissions, according to official data.

The analysis of the BUR-Brasil 2020, for the year 2019, led by the team of technical experts (TTE) from UNFCCC, highlights some relevant points of the country's socio-environmental and climate policy that are also being debated in the domestic political space. It should be mentioned that the TTE analysis does not include considerations regarding the quality of the implemented policies. The document limits its assessment to issues related to the transparency of the reported data. Likewise, it does not inquire about the accuracy of the information presented. The mandate of this technical board is limited to ensuring that the report follows the guidelines es-

tablished by the²³ agreements signed and that countries contribute to the circulation of information regarding the fulfillment of the voluntary targets of the Paris Agreement.

The UNFCCC technical report on BUR-Brazil (2020/2019) was delivered in the third quarter of 2019 and completed in July 2020. It was right in this interval that the main changes in the country's socio-environmental and climate governance, operated by the Jair Bolsonaro administration, occurred.²⁴ During this period, there was also the persistence of fires in the Brazilian Amazon, and, in a very unprecedented way, with little respite, even in the rainy season. On April 22, 2020, the country and the international community watched in disbelief the statement made by the Minister of Environment, Ricardo Salles, about the need to "pass the cattle". According to Salles, the pandemic would offer an extraordinary opportunity for several legislative changes, especially those of an infra-constitutional nature, to be approved without the knowledge and pressure of public opinion.

During this period, the Brazilian civil society and the public workers associations repeatedly warned about the social and environmental policies dismantling and militarization. In addition to budgetary asphyxiation of

22 Decision 2 / CP.17, Available at: <https://bit.ly/35vA0p6>

23 Decision 20 / COP19, Available at: <https://bit.ly/35yS-THQ>

24 ASCEMA Report: <https://bit.ly/2H7x9tk>

organs and agencies linked to the National Environment System (SISNAMA) and administrative reforms that displaced organs within the government's organizational chart, putting at risk (and in doubt) the fulfillment of their respective mandates (as in the case of putting Incra under the Ministry of Agriculture, Livestock and Supply - MAPA), **the deregulation of the economic agenda and the fiscal austerity context had a negative effect on the capacity to implement national climate policy.**

Comparing BUR-Brasil (2020/2019) and the analysis of UNFCCC experts, three aspects stand out: **(i)** the reiterated argument that the country needs to improve its practices in terms of climate policy command and control, a failure recognized by Brazilian representatives; **(ii)** the complimentary tone wherein both documents refer to the PNMA, and, in particular, **(iii)** to the climate adaptation plans known as PPCDAm and PPCerrado. Regarding the tasks of monitoring environmental crimes, there is a notorious disarticulation among the institutional capacities built up by various governments since the 1990s.

Thus, it must be understood that Brazilian climate policy is based on a double parameter of results and actions. In the first case, there is a commitment to reduce greenhouse gas emissions to 37% and 43% by 2025 and 2030, respectively. These results are recorded in comparison to 2005, a year that serves as a base parameter for verification. In absolute numbers, this means that the country must limit its emissions to 1.3 GtCO₂eq by 2025 and 1.2 GtCO₂eq by 2030. In the second case, the National Policy on Climate

Change (PNMC, Law No. 12,187/2009) establishes specific actions, also known as sectoral plans to reduce emissions, in order to achieve the previous goals. PPCDAm and PPCerrado are part of this group of actions.

At the time of writing this article, the Executive Committee for the Control of Illegal Deforestation and Recovery of Native Vegetation (CONAVEG) confirmed the decision to close PPCDAm and PPCerrado, replacing these programs with Floresta + Carbono.²⁵ This subject is dealt with more details in the first volume of this series. At the same time, the Greenhouse Gas Emissions and Removal Estimation System (SEEG, Climate Observatory)²⁶, confirmed that **the level of total emissions in Brazil, in 2019, exceeded the target of 1.3 GtCO₂ and it is currently in an upward trajectory. Therefore, the Brazilian commitment** to climate goals is without effect. Brazil, which was once an international leader in climate negotiation, misses the tram of history. With erratic and ineffective social and environmental protection measures, the devastation of the largest tropical forest in the world takes place and causes suffering to the peoples and communities that depend on it to survive.

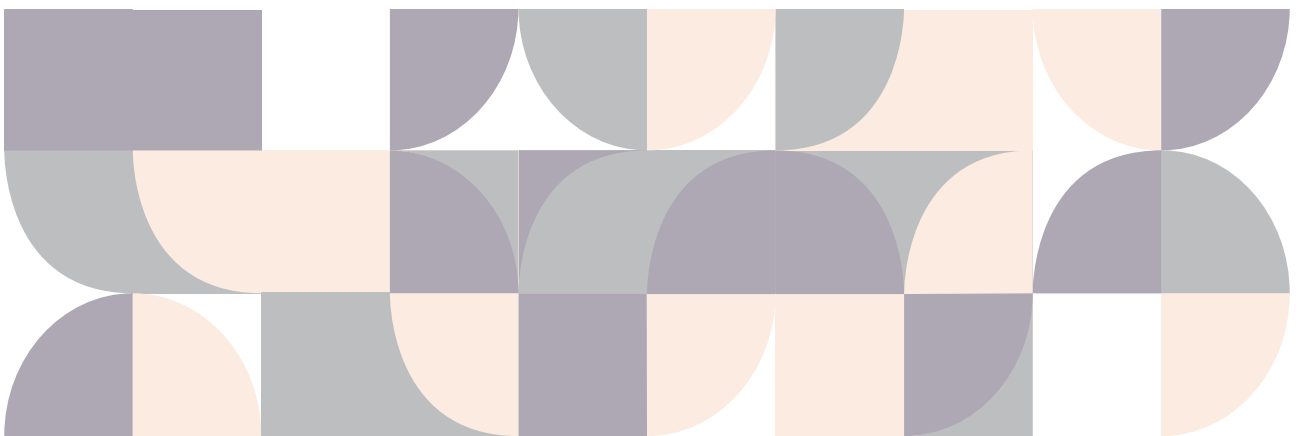
Logistics (transportation and energy) constitute one of the key elements for the analysis of how intense defor-

25 In the document, you can read: "MMA started the procedure to approve the extinguishment of the PPCDAm and PPCerrado and approve the new Plan for the Control of Illegal Deforestation and Recovery of Native Vegetation, which should include proposals that will be presented to the National Council of the Legal Amazon, especially in the region of its scope, and will contribute in the future to integrated actions for deforestation combat and control and illegal deforestation reduction."

26 To access the document, see note above, No. 2.

estation and burning in the Amazon is nowadays, as it puts pressure on the “changes in land use” component and reconfigures the relationship of the Amazon peoples with the land and the territory. This does not even require the physical installation of these infrastructures. Following the speculative logic of the financial capital, incorporated above and below (i.g., by institutions and individuals),

the mere announcement, or mere expectation, of future construction of logistic equipment unleashes a vicious circle that includes real estate speculation, land grabbing, burning and deforestation. The negative result of the Brazilian climate mitigation and adaptation numbers are not by chance. They are directly linked to the expansion of a predatory economic logic to a, so far, preserved forest area.



Conclusion

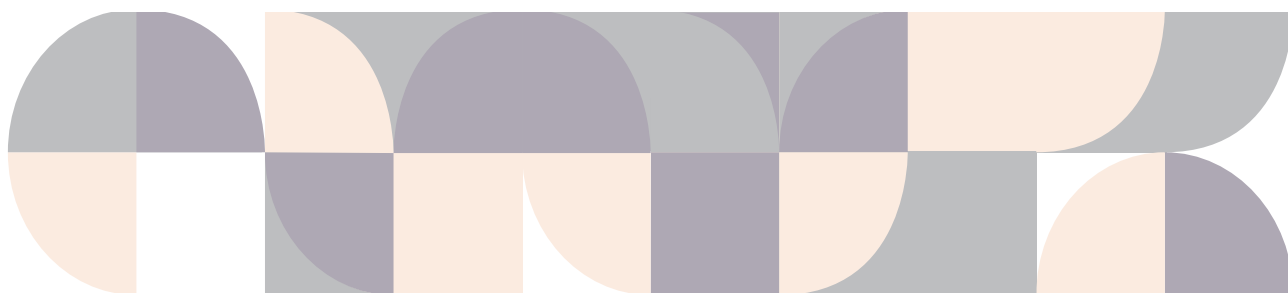
As we have argued in this article, the development model adopted by Brazil has been guided by the elimination of environmental and social guarantees that help prevent environmental crimes and the worst quality of life for the population. The threat of installing large logistics equipment in one of the most preserved areas of the Amazon, as reported, has contributed to the country's unsatisfactory climate mitigation and adaptation results within the framework of the Paris Agreement (and the 2030 agenda). Furthermore, the expansion of agribusiness to the northern region demands investment in this type of infrastructure.

The dismantling of social, environmental and climate policies must be added to this analysis. For example, we have seen that regarding inspection and control mechanisms, anchored in bodies such as IBAMA and ICMBio, the lack of investment and failures resulting from the loss of capacities are recognized even by far-right members, currently in office. However, this rec-

ognition has not been converted into actual change.

The weakening of the Ministry of the Environment and militarization of socio-environmental policies have, over the past two years, formed innocuous solutions to the climate issue, failing to deliver efficient results in combating deforestation. Likewise, as we read in the first volume of this series, the republican dimension of socioenvironmental and climate policies has been displaced by market devices linked to the financial system. This is the meaning of the Floresta + Program, the subject of analysis by Inesc's political advisor, Alessandra Cardoso.

Finally, it should be mentioned that the **interpretation of climate data cannot be made based on a purely conservationist perspective and restricted to emissions / absorption accounting. It must contain a political, social and economic dimension of what these data represent.**



Recommendations

The scenario of expansion of cultivated areas for soybeans and corn is not something new in Brazil. Considering the recent history of the country, it was driven by the commodities super cycle in the first decade of the 21st century. In this period, the government channeled a significant part of the available investment resources to the logistic (and energy) infrastructure. The goal of supporting the expansion of national economic activity in its most dynamic sector at the time (agribusiness), negatively affected, though, the government's capacity to meet concrete demands from its population. Currently, as a consequence of the government's adherence to a neoliberal and financial rationality, the structure of public spending and financing has been altered to meet corporate demands and allow greater participation of private sector in investment, which disregards the different purposes inherent to each of these fields of action (public and private). With this in mind, we present the following recommendations:

- Reconstitution of budgets and increased appropriations for the public investment portfolio in the area of economic infrastructure, in particular logistics, in order to enable greater social control over these resources in the form of public hearings and prior consultations with traditional peoples and communities under the terms of Convention 169 of the International Labor Organization.
- An end to the so-called Spend-

ing Ceiling (EC no. 95 of 2016) in order to enable the reconstitution of budgets and the increase of revenues for the portfolio of public investments in the area of social infrastructure, namely drinking water, sanitation, housing, public transport, health, and education, which must occur in parallel with the investments of an economic nature, aimed at encouraging development and strengthening a healthy relationship between the State and the market.

- Rebuilding the budgets and increasing the revenues for the Brazilian environmental and territorial governance, especially the Ministry of Environment and subsidiary bodies such as Ibama, ICMBio, Funai and Incra. In this sense, it is also recommended the adoption of a policy of hiring and valorization of the bureaucracy linked to these bodies, reverting of the process of military and police equip initiated in the government of Jair Bolsonaro.
- Interruption of negotiations and restart of discussions regarding a series of bills that affect socio-environmental rights and have direct or indirect climate impact, such as: New regulatory framework for the infrastructure sector, Bill (hereinafter just PL) no. 3453/2008; creation of the Investment Partnership Program (PPI), Law no. 13.334/2016; New General Law for Environmental Licens-

Recommendations

ing, PL no. 3.729/2004; Land Law no. 13.465/2017; Bidding Law no. 13.448/2017; Debt Issuance, Law no. 12.431; Foreign Exchange Risk Mitigation, PL no. 2.889/2019; New State Companies Law no. 13.303; Environmental Licensing, PL no. 3.729/2004; Land Purchases by Foreigners, PL no. PL 2963/2019; Territorial Planning, PL no. 2.633/2020; and Privatization of Coastal Shipping, PL no. 4.199/2020.

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