Transversal Strategy for Just Transition of the Climate Plan - Brazil - Inception Workshop Report -ICAT Phase 3 Project







# Inception Workshop Report for Phase III ICAT Project on Just Transition Monitoring in Brazil

### **AUTHORS**

Chelsea Gómez

World Resources Institute

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#### PREPARED UNDER

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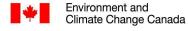








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### Table of contents

Introduction to the ICAT Phase III Project in Brazil	4
Context	4
Workshop Agenda	5
Workshop Summary	5
Opening Remarks	5
Update on Brazil's Climate Plan	6
ICAT Project: Roadmap for Monitoring the Just Transition in	
Brazil's Climate Plan	6
Expert Panel	8
Closing Remarks	9

# Introduction to the ICAT Phase III Project in Brazil

### Context

Brazil has been an active player in the global climate change agenda and engaged in the transparency issue. In 2009 the country issued its Climate Change Law (12187/2009) and in 2010 an Executive Decree (7390/2010) created the legal base for MRV actions and procedures. In addition, Brazil has already published four National Communications (NC) and four Biennial Update Reports (BURs) to the UNFCCC, the last of which was delivered in 2020. Recently the country received support from ICAT to enhance its transparency framework by developing MRV indicators to assess climate policies and actions at the national (1st phase) and subnational (2nd phase) level.

In 2010 Brazil published its Nationally Appropriate Mitigation Actions (NAMAs) with targets for 2020. In 2015 the country issued its first Nationally Determined Contribution (NDC) to the Paris Agreement with an economy-wide target of emission reduction of 37% by 2025 and an indicative target of 43% by 2030, with 2005 as the base year. Since then, the Brazilian commitment has undergone several updates (in 2020, 2022, and 2023), including the inclusion of the target of net zero emissions by 2050. However, the updates in 2020 and 2022 were not well received by society, as they were considered to reduce climate ambition. This is because, with the update of the calculation base, the reduction percentages indicated in those updates would lead to a higher volume of absolute emissions than the first version of the NDC. Seeking to correct this distortion, in 2023, the government presented another update, establishing reduction targets of 48% by 2025 and 53% by 2030, thus restoring the climate ambition of the first NDC in terms of absolute emissions.

the new Brazilian government, inaugurated in 2023, dedicated considerable efforts to reinvigorate the country's commitment to climate change mitigation and to halt the upward trend in deforestation and GHG emissions. A key step in this renewed commitment was the re-establishment of the Interministerial Committee on Climate Change (CIM), overseen by the Ministry of the Environment and Climate Change (MMA). The CIM embarked on several pivotal actions, including the revision of the National Policy on Climate Change and the formulation of an updated Brazilian NDC in 2023. Moreover, a critical initiative under the CIM's purview has been the revision of the Climate Plan, aiming to outline sector-specific mitigation and adaptation strategies, as well as emission reduction targets. These concerted efforts by the new federal administration have been instrumental in addressing the challenge of deforestation and steering the country back towards achieving its climate goals.

Among the various components of the Climate Plan (e.g., sectorial modelling, macroeconomic and social impact analysis, MRV framework, adaptation, etc), one of great importance is focused on the analysis of impacts on sustainable development and monitoring of just transition. These aspects are increasingly gaining importance in the country across various sectors of society and are currently seen as fundamental in the development of public policies on the climate agenda. The topic of just transition, in particular, already extends beyond the energy sector (to which it was primarily confined for a period) and should also be taken into account in other sectors (e.g., agriculture, forests, industry, and waste).

The comprehensive suite of measures outlined in the updated Climate Plan lays a solid foundation for Brazil to meet its existing NDC targets by 2030. These initiatives not only serve to guide the nation towards its current climate commitments but also establish a clear framework for the forthcoming New

Brazilian NDC, slated for release at COP30. This forthcoming NDC is expected to detail specific mitigation objectives for future milestones in 2035, 2040, and 2050, thereby charting a sustainable path forward for Brazil in its efforts to combat climate change and uphold its international obligations.

The extension of the ICAT Brazil phase 3 project, now entitled "Assessment of the socio-economic and socio-environmental impacts of Brazil's mitigation plans and development of a roadmap for monitoring the Just Transition", aims to offer technical support to the Ministry of the Environment and Climate Change in the preparation of the Climate Plan for 2024, specifically contributing to the "Just Transition" transversal axis.

The opening seminar of the ICAT Brazil Project (extension of the project's third phase) was held virtually on August 7, 2024, with a duration of four hours. The seminar aimed to present the planned work for the development of the just transition component of the Climate Plan, which is being prepared by the Ministry of the Environment.

### Workshop Agenda

The opening seminar of the ICAT Brazil Project (extension of the project's third phase) was held virtually on August 7, 2024, from 14:00-17:45 (BRT), for a duration of nearly four hours. The seminar aimed to present to society the planned work for the development of the just transition component of the Climate Plan, which is being prepared by the Ministry of the Environment.

Table 1. Agenda for the Workshop.

14h	Opening
14h15	Update of the Climate Plan Mitigation/Adaptation (MMA)
14h35	ICAT Project: Roadmap for monitoring the just transition in the Climate Plan (CBC)
15h15	Break
15h25	Panel with experts on just transition
17h00	Q&A
17h30	Closing

Note: Times are in BRT.

### **Workshop Summary**

### **Opening Remarks**

The event was moderated by Guilherme Lima, Project Manager at Centro Brasil no Clima (CBC), and

featured opening remarks from Ana Toni, National Secretary for Climate Change, and Henning Wuester, Director of ICAT. Representative Ana Toni discussed how national level indicators must be monitored to understand how the impacts of climate change and subsequently the transition to mitigate and adapt to its effects are impacting stakeholders, particularly in the context of a just transition. Director Henning Wuester mentioned how in regard to the results from the Global Stock Take (GST) the world is far away from achieving the Paris Agreement. However, Brazil can be a strong climate leader by showing that ambition is possible through a new and revised Nationally Determined Contribution (NDC). Director Wuester also mentioned that ICAT has provided support to Brazil by supporting the development of Brazil's 1st NDC, efforts to enhance transparency and data in the country and now, on just transition by providing support to assess the socioeconomic consequences of climate change and relevant indicators for measuring progress.

### Update on Brazil's Climate Plan

This was followed by an update presentation on the progress of the Climate Plan by Érico Rocha, General Coordinator of Mitigation, and Inamara Melo, General Coordinator of Adaptation. At the onset of the presentation, the context of the country was discussed. Iit was acknowledged that Brazil's adaptive capacity is limited and there is a high degree of vulnerability facing many of the municipalities of the country with many facing several natural disasters over the years. The structure of the Climate Plan was also laid out, describing how the Climate Plan is under the mandate of the inter ministerial committee on climate change and that the operation of the committee shows the transverse nature of climate policy. The Committee holds the Ministry of the Environment (MMA) as the executive secretary, the Civil House of the Presidency as the committee's chair, and is composed of several ministries, with participation from academia and civil society.

Brazil's Climate Plan is composed of two distinct features: mitigation and adaptation and features a 12-year time horizon. There is a provision for updating and reviewing the plan throughout this period, which features three budget cycles and three rounds of NDC updates under the Paris Agreement. The country's national mitigation strategy and national adaptation strategy provide general guidelines and guidance as well as sectoral plans. There are seven for mitigation and sixteen for adaptation, which go into more detail on a sectoral level. There are also five cross-cutting pillars for climate action, one of which is just transition. The overall objective of the plan is to guide, promote and catalyse coordinated actions aimed at the transition to an economy with net-zero greenhouse gas emissions by 2050, which is the commitment set out in Brazil's NDC, including the adaptation of human and natural systems though short-, medium- and long-term strategies.

## ICAT Project: Roadmap for Monitoring the Just Transition in Brazil's Climate Plan

The presentation of the project's work plan was delivered by Raiana Soares, Project Manager at CBC. Her presentation covered the history of ICAT-supported projects in Brazil; activities already carried out by CBC to discuss just transition in Brazil with ICAT's support; the methodology adopted

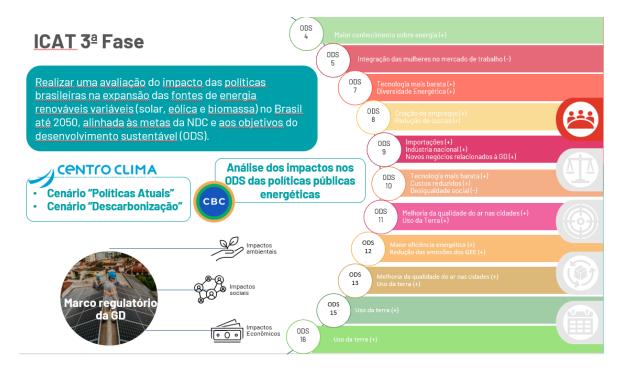
in the project and how it aligns with the ICAT Sustainable Development Guide and the ICAT Just Transitions Monitoring Guide; the project timeline.

She began her presentation by discussing the first phase of ICAT Projects in Brazil, which focused on assessing the potential of mitigation actions that were being proposed at the time. CBC submitted the initial proposal for implementing the Brazilian NDC, which was prepared by the Brazilian Climate Change Forum. CBC assessed the potential of mitigation actions aimed at achieving the Brazilian NDC and defined monitoring, reporting and verification indicators. Under this work, three emissions scenarios were developed: a Business-as-Usual scenario in which everything is maintained as it is, another scenario that evaluated actions mainly focused on the AFOLU sector, and a more balanced scenario, with actions across different sectors. One of the main results was that it identified that it was possible to be more ambitious in the country's proposed NDC target. Within this work, three types of MRV indicators were also proposed: one for absolute emissions, another for emissions drivers, and lastly, a group of emissions intensity indicators. The objective of this work was to contribute to the country's transparency efforts before the international community and meet the requirements of the Paris Agreement.

In the second phase, CBC began to focus on the subnational level. This phase began in early 2020, and the objective was to contribute to developing a strategy to advise and encourage Brazilian states to contribute to Brazil achieving its commitments. During this second phase, assessments of the states' emissions were made, as well as an assessment of emissions scenarios: one for the current trend and another more ambitious one, with mitigation actions. Monitoring, reporting and verification indicators that could be used by the states were once again proposed.

The third phase of the project, started in 2023 and is divided into two parts. The first part aims to assess the impact of Brazilian policies on the expansion of renewable energy sources in Brazil by 2050 and the second aims to assist the government in identifying possible monitoring approaches for the impacts that are considered the most critical. These objectives weave together the use of the ICAT Sustainable Development Methodology and the ICAT Just Transitions Monitoring Guide. It is therefore vital that the monitoring strategy developed considers the most significant impacts to monitor, the best way to monitor and which are the most relevant indicators.

#### Phase III of ICAT Projects in Brazil



Note: Times are in BRT.

The activities planned in the project will result in two main products: the report on the impacts of the proposed measures and the monitoring roadmap for the just transition of the climate mitigation plan.

The objectives of the work are to:

- 1. Support the government in formulating public policies aimed at mitigating the impacts of the just transition.
- 2. Contribute to transparency and accountability with society, ensuring its participation and developing a monitoring plan that is sensitive to these issues.
- 3. Facilitate access to climate finance aimed at reducing the impacts of the just transition, enabling the expansion of projects financed by these funds.

The goal is to ensure a climate plan that includes the just transition as a central and strategic element.

### **Expert Panel**

After a short break, a panel discussion with experts on just transition was held, featuring representatives from the government and civil society with different perspectives.

Government representatives included:

 Marco Antônio Juliatto (MME) – General Coordinator for Policy Coordination on Energy Transition at the Ministry of Mines and Energy;

- Wdson Lycon (MRI) Coordinator for Social Participation and Diversity at the Ministry of Racial Equality;
- Márcia Muchagata (MDS) Project Manager at the National Secretariat for Food and Nutrition Security under the Ministry of Social Development and Assistance, Family, and the Fight Against Hunger.

Civil society representatives included:

- Joilson Costa (FNPE) Executive Coordinator of the Front for a New Energy Policy for Brazil;
- Joana Chiavari (CPI) Research Director at the Climate Policy Initiative at PUC-Rio, coordinating the Climate Law and Governance Program and the Climate Finance agenda;
- Eduardo Armond (FNMC) President of the Federation of Workers in Urban and Infrastructure Industries of Minas Gerais, Coordinator of the ICM (International of Construction and Wood) Brazil Dam Workers' Network, and Workers' Representative on the Climate Fund Management Council (MMA), appointed by CNTI.

Following the panel discussion, a Q&A session with the audience was held.

### **Closing Remarks**

The event was closed with remarks from Erico Rocha, Director of the Department of Mitigation, Adaptation Policies, and Implementation Instruments at the Ministry of the Environment. He closed by stating that the dialogues on just transition are just the beginning in a series of dialogue that will be held as the government engages with stakeholders on the various themes in Brazil's Climate Plan. He noted that the Ministry of Environment intends to present their national mitigation and adaptation plans at COP30. Lastly, he reminded the audience of the transversal nature of the Climate Plan with and that sectoral plans will be coming out following further dialogues.