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COP27 Update: Brazil in the Spotlight

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On Wednesday, Brazilian President-elect Lula addressed attendees at COP27 re-affirming his pledge to tackle the climate crisis and “fight hard against illegal deforestation.” He has previously made ambitious statements about his intention to reduce and ultimately stop Amazonian deforestation together with increasing the representation of indigenous people living in the region. In his speech, he confirmed that “I’m here today to say that Brazil is ready to come back.” He told attendees that he intends to apply for Brazil to host COP30 in 2025 in the Amazon rather than in the more populated coastal regions of the country.

Lula stated that “[t]here is no climate security for the world without a protected Amazon,” and that “[w]e will spare no efforts to have zero deforestation and the degradation of our biomes by 2030.” In addition to his ambitions regarding environmental protection, Lula also called attention to the undelivered pledge – first agreed over 20 years ago at a United Nations climate summit in Copenhagen – for wealthy countries to provide \$100 billion a year by 2020 to developing countries to assist their adaption to climate change and reduce greenhouse emissions. Lula said that “[w]e can’t [] keep promising and not doing. One of the reasons for my return is to call in these promises.”

On Monday, Brazil, Indonesia and the Democratic Republic of Congo announced a plan to cooperate on conservation. The three countries, home to over half of the world’s tropical rainforests, have publicized their intention to establish a “funding mechanism” to assist with preserving and restoring critical ecosystems together with establishing economies that will help secure the health and future of the people and the rainforests. However, the plan currently has no financial backing. The three countries intend to seek “payments to reduce deforestation” but no further detail was provided.

Brazil’s Environment Minister, Joaquim Leite, stated that “[t]he most important point is that we can create a group to present the minimum standards for the asset of native vegetation, and a way to recognize and pay for this asset.” The announcement has already received criticism, with Tasso Azevedo, former chief and director general of the Brazilian Forest Service who was

involved in the planning and implementation of the National Plan to Combat Deforestation and the Amazon Fund, stating “[t]here is not one paragraph about action,” and “it’s signed only by ministers, very little impact.”

Taking the Temperature: As outlined in our [previous coverage](#) following Lula’s election, he faces significant hurdles to implement ambitious environmental objectives and turn Brazil into a prime destination for green investment. This lack of certainty has been reflected in recent economic volatility. It appears reasonably likely that international investors will stay on the sidelines until the Lula Administration, which takes office in January 2023, provides proposals with concrete action plans and defined funding mechanisms.