



**ANNUAL
REPORT
2020**

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1

Institutional
messages



RESIST TO ADVANCE

Ana Toni, Executive Director of iCS



One year after the outbreak of the Covid-19 pandemic, we continue in the drama of the still uncontrolled spread of the disease, which keeps us, especially in Brazil, in a state of constant alarm and attention. The country has lost thousands of its citizens and, no less worryingly, sees its daily life significantly affected by a fabricated political polarization, which is diversionary and harms the focus on the protection of Brazilians.

This is a scenario that has not only resulted in the loss of many lives, but also, among other consequences, has substantially compromised Brazil's reputation in the international community. Regarding the climate agenda, the situation is no different. Instead of concentrating on taking advantage of the opportunities of the global agenda for sustainability and the new waves of ESG, we are forced to direct our efforts towards resisting the dismantling of the socioenvironmental agenda.

The uncontrollable and unpunished deforestation, the weakening of environmental rules, the devaluation of science and the persecution of environmental activists and traditional populations are subjects that have dominated the national and international agenda. Despite Brazil following the Paris Agreement, the proposal of a "new" first NDC is seen by the climate community as a tactic to undermine its rules of progression. Similar to what is happening in the context of the pandemic, the predominant feeling in relation to environmental management is one of frustration with respect to the public interest and the right of society.

In the light of this situation, we saw both the resilience of Brazilian society and the ability of adaptation by iCS to continue its philanthropic work being tested in an unprecedented manner, even in the midst of such adversity. Fortunately, it has been possible to prove that the level of maturity already achieved by the Institute makes it capable of circumventing obstacles, redefining strategies and consistently pursuing its operations in favor of the causes that combat climate change and defend social justice in Brazil.

2020 was a year in which we celebrated a significant increase in the number of grantees, funders and mainly in partnerships with representatives and institutions from the private sector, subnational governments and social movements. I would like to imagine that this growth is not only an acknowledgment of the collective construction of this platform of relationships that iCS has contributed to build, but also that it represents an affirmation of the desire of Brazilian society to work together on this important climate agenda. On behalf of the iCS team, I really appreciate the partnership and trust of everybody.





In the current portfolios of the Institute, there are a series of important projects that have generated significant impacts. There is no doubt that many of them could be highlighted in this short introduction. However, at this time of so much polarization, I would like to highlight the various networks and coalitions that have been promoting the qualified dialogue in the construction of solutions, such as, for example, the National Platform for Electric Mobility (PNME), which has brought together more than 30 institutions from industry, government, civil society and academia; and the Convergence for Brazil, which includes former finance ministers and former presidents of the Central Bank.

Added to these is the Alliance for Climate Action, which has the mission to mobilize different actors from society for the resumption of the Brazilian leading role in climate action; the Subnational Platform for the Climate, a portal that provides strategic services and information for subnational government actors regarding the climate agenda; MapBiomass, which is a project for the annual mapping of land use and land coverage in Brazil; the Concertação pela

Amazônia, a network of leaders dedicated to the challenge of making the economic attractiveness of keeping the forest standing outweigh the gains from deforestation; the Brazilian Coalition on Climate, Forests and Agriculture, which is a multi-sector coordination, formed by more than 290 members, with the mission to influence the creation of public policies and economic incentives aimed at sustainable land use; the Climate Observatory, a coalition of civil society organizations created to discuss climate change; the Network of Investors for the Climate, which engages and trains local professional investors to advance the decarbonization agenda; the Coalizão Respirar, a group of civil society entities that works for air quality; and the E+ Panel for Energy Transition, an advisory board of the Institute E+, which brings together experts who identify and discuss the fundamental issues of energy transition, among other initiatives. It is a privilege for iCS to be able to contribute and participate in these networks that illustrate the collective effort of Brazilian society in tackling climate change in a structural and effective manner.

In view of the recent damage imposed on the Amazon and the indigenous peoples, I would also like to emphasize the increasing engagement of several civil society organizations in the efforts of climate litigation, understood mainly as a defense mechanism for socioenvironmental causes. In 2020, climate change was, for the first time, addressed by the Federal Supreme Court (STF), in actions that involved, for example, the Amazon Fund, the Climate Fund, and the Action Plan for the Prevention and Control of Deforestation in the Legal Amazon (PP-CDAm). Also, from the perspective of the Amazon, iCS supported an important initiative called the “Urban Amazon” that is focused on the identification of actors that can promote the socioenvironmental and climate agenda in support of improvements for the urban populations.

In 2022, Brazil will have elections and, independent of the candidates, this will be a fundamental moment of choice for Brazilian society, regarding the direction of our democracy, as well as with respect to the proposals for economic and social development that Brazil intends to follow in the coming years. For the climate and socioenvironmental agenda, the next election will represent more than the selection of a representative for the next four years. This is because it can define the destiny of the Am-

azon forest and the possibility of Brazil repositioning itself in the global geopolitics as an environmental power, playing its leading role of green sovereignty and taking advantage of the socioeconomic opportunities that a low carbon world provides for us.

iCS sees itself as having the responsibility, along with its partners, to be prepared to suggest, demand and monitor the proposals and actions of the future candidates, and to engage society in processes of dialogue and mobilization that contribute to the selection of a more environmentally sustainable, fair and democratic Brazil.



RESILIENCE WITH PERSISTENCE, A TRAJECTORY WITH A PURPOSE

Ana Yang, Chairperson of the Board of iCS



There is no denying that we are ending 2020 still under the impacts of the health crisis that shook the world in an unprecedented manner in recent history and that continues to claim thousands of lives, obliging us to review our values and beliefs and to redefine our priorities and practices. From the Covid-19 pandemic to the climate crisis, from extreme economic inequality to structural racism, the world is experiencing emergencies that, even though they appear to be disparate, are profoundly interconnected.

It is at this time when all kinds of weaknesses are revealed that we must remain alert to in order to take advantage of the rare opportunity to redefine strategies to promote the future today, from a perspective that is more respectful in relation to the planet, and also fairer and more egalitarian. Rethinking our daily life and reflecting about the world that we want to guarantee for the next generations is a mission that has been updated in the light of the global crisis and represents an obligatory task that we must comply with responsibly.

Bringing low carbon and sustainability solutions closer to daily life and placing discussions on the agenda about the health of humanity and also the planet: these subjects urgently need to be expressed practically.

The good news amidst this scenario is that the fundamental union and proactivity of the third sector have not cooled down. As shown by the actual evolution of iCS, in its first five years of existence, its growth curve – both in partnerships and in the expansion of projects, both in its network of funders and in the amounts granted in support of the climate agenda – continues to rise and renews hope in the strength of its strategic philanthropic mission.

The iCS Board is aware of the extensive work that the Institute has ahead in everything that refers to the agenda that seeks to strengthen its positionings, alternating progress with the containment of setbacks. It is not news to remember the many backward steps that Brazil has taken, through its leaders, by not prioritizing the climate agenda and ignoring deforestation or encouraging sustainable agribusiness and energy transition, to name only some more obvious examples.

However, we look forward to the coming years of work! We remain optimistic, supported by the certainty of the good causes and our core values. We will always remain willing to reinforce, through iCS and its partners, our contribution to the training of new generations of agents of change, towards a 2030 that allows us to consider the goal to reduce global warming no longer as an objective to pursue, but rather as an achievement to be celebrated!





2

Institute for Climate and Society: Mission and Responsibility





INSTITUTE FOR CLIMATE AND SOCIETY: MISSION AND RESPONSIBILITY

In 2020, the Institute for Climate and Society began its sixth year of activities. Faced with a period of extreme crisis and the unthinkable impacts produced by the new Coronavirus pandemic, iCS saw its responsibility grow.

As a philanthropic organization that raises financial resources from national and international funders, the Institute has made significant progress in reaching grantees, reinforcing its vision: carbon neutral Brazil with economic growth and social justice, compatible with 1.5 °C.

Defined with the objective of marking each step of iCS, this vision has gained even greater relevance, especially when considering the necessary role of the Institute in the light of the worsening of the social, economic and political issues in the country, and the risk that the current scenario represents for compliance

with the goals promised with respect to the Paris Agreement and the Brazilian NDC (Nationally Determined Contribution). And, by extension, the guarantee of prosperity, justice and the development of a low carbon economy in Brazil.

OVERVIEW OF THE WORK

In 2015, when Brazil still played an important role in international climate negotiations, the Institute for Climate and Society began its work with three themed portfolios. As it strengthened its trajectory, this range has been expanded. The Institute ended 2020 with six portfolios – Energy, Low Carbon Economy, Climate Policy and Outreach, Law and Climate, Land Use and Food Systems and Transport.



Accelerate the **energy transition** to a net zero energy sector by 2035.



Ensure that the **private sector and the financial system** accelerate the transition to a net zero carbon economy, in line with the goals of the Paris Agreement.

Promote systems of **zero emission** transport in urban areas.



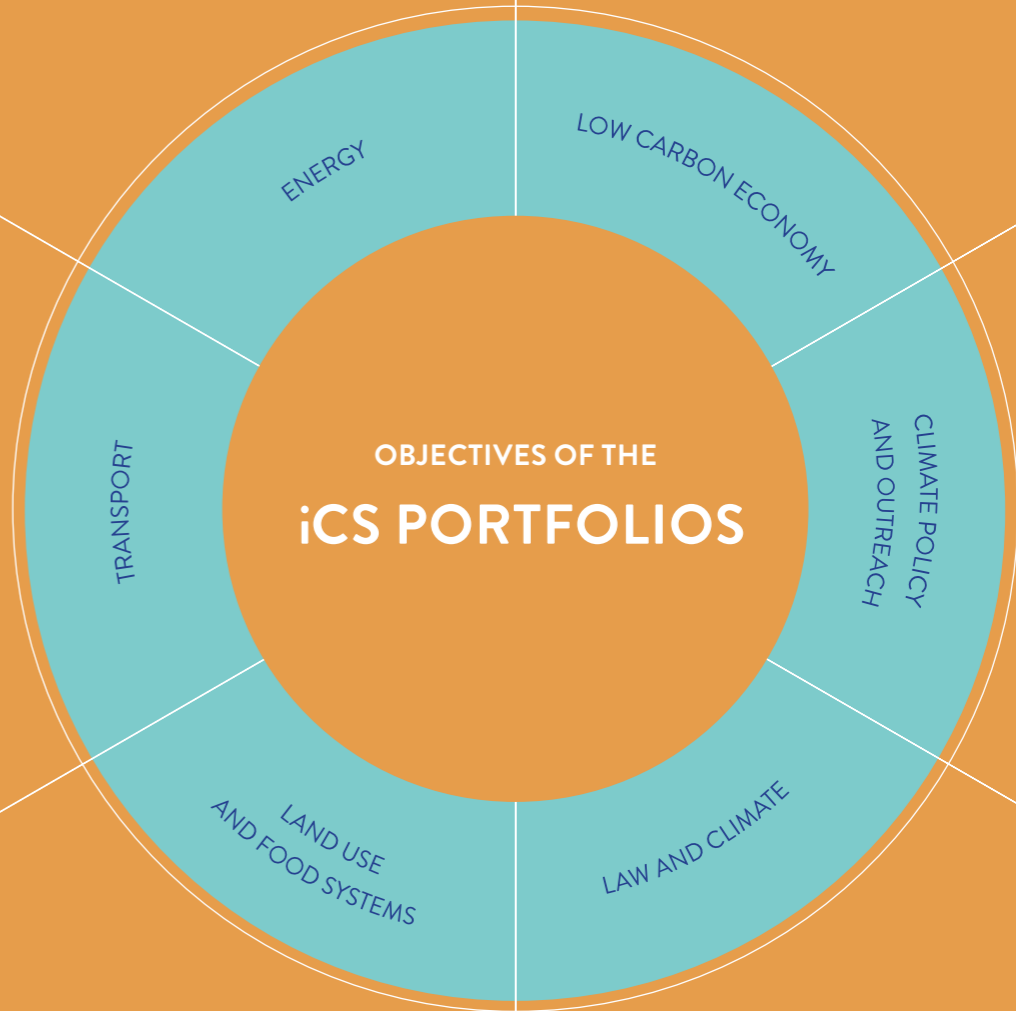
Ensure that the **executive and legislative branches**, at all levels, defend the implementation of the goals of the Paris Agreement.



Promote the sustainable land use in the **Legal Amazon**, disengaging the economic growth from deforestation.



Guarantee that the **justice system** plays a positive and assertive role in the implementation of the Paris Agreement in Brazil.





Objectively, grantmaking is the main work of iCS. The human and financial resources of the Institute are concentrated on these grants. iCS fully believes in the promotion of the prominence of its grantees, which are mainly civil society organizations, think tanks, academia, activist groups and observatories. In some other cases, they can also be companies or private associations.

In addition to the financial resources that it provides to the grantees, iCS also offers political, technical and institutional support, almost always aimed at the expansion of the partners' networks. The grant process includes the monitoring of the execution of the projects, assessment of the outcomes, contribution to the dissemination of the products, outcomes and/or impacts, as well as the consolidation of the lessons learned.

Added to the management of resources for the development of the portfolios, is the operation of iCS in the qualification of partners, through training and consultancy; in coordination and advocacy, with the carrying out of communication campaigns, in the promotion of dialogue between different sectors and meetings for national and international exchange; and in the realization of special projects, such as:

INSTITUTE E+ ENERGY TRANSITION

Focused on the acceleration of the energy transition based on the 5 Ds (decarbonization, decentralization, digitization, design of the market and democratization).

WWW.EMAISENERGIA.ORG/EN/

KIGALI

Works towards the implementation in Brazil of the best international practices for the energy efficiency of refrigeration equipment and the adoption of low GHG refrigerant gases.

WWW.KIGALI.ORG.BR

SUSTAINABLE FUTURE DIALOGUES

A project that holds periodic international meetings on climate issues and is a partnership with the German Embassy in Brazil.

WWW.DIALOGOSFUTUROSUSTENTAVEL.ORG

Also, within this group of special projects, in addition to the three already implemented and in progress as presented above, in 2020 there were three other innovations in the operational sphere of the Institute, as follows:

NATIONAL PLATFORM FOR ELECTRIC MOBILITY (PNME)

An initiative that brings together more than 30 institutions from industry, government, civil society and academia. The Platform continually adds new members and partners, thereby guaranteeing the flow of skills required for prompt responses to the dynamic challenges from an environmental, social, economic and technological point of view regarding the issue of electric mobility.

WWW.PNME.ORG.BR

CONVERGENCE FOR BRAZIL

An unprecedented initiative in the country, which involves 18 figures, including former finance ministers and former presidents of the Central Bank. It originated from the creation of a document with indications for the economic recovery, taking into consideration social and environmental aspects. The idea is that the

project consolidates into a forum and leads to a platform with ample and diversified content to inform and encourage discussions regarding important subjects from the agenda that involves climate change and the economy.

CONVERGENCIAPELOBRASIL.ORG.BR

SUBNATIONAL PLATFORM FOR THE CLIMATE

The Platform seeks to strengthen the networks that operate in the subnational sphere, in order to contribute to the increase of the ambition of states and municipalities in their climate commitments. One of the first outputs of the platform was the Urban Agenda for the Climate, an iCS initiative in partnership with more than 20 civil society organizations and other institutions, listing 10 priority actions at the local level. The Urban Agenda was launched before the 2020 municipal elections and took advantage of the animated discussions with respect to the priorities for the next four years of the cities, bringing even more intensity to the debates with issues such as an inclusive economic recovery that is compatible with the post-pandemic environmental challenges.

WWW.AGENDAURBANADOCLIMA.COM





PANDEMIC

The journey undertaken by iCS, throughout 2020, cannot, of course, be dissociated from the challenges imposed by the pandemic. Due to the difficult situation defined by the crisis generated by the coronavirus, in addition to the grants related to the climate, iCS also provided emergency resources – R\$ 1,160,000.00 – in support of 35 organizations.

The objective was to offer specific assistance to the peripheral and socially vulnerable communities in Rio de Janeiro and the Amazon region. Given the fragility of the indigenous and quilombola peoples, in view of the advance of Covid-19 and with the substantial worsening of their social, economic and sanitary difficulties, the Institute contributed in order to guarantee the food security and health preservation of these communities.



DISTRIBUTION OF BASIC
FOOD PACKAGES

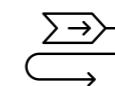
ASSISTANCE TO THE
QUILOMBOLA AND
INDIGENOUS PEOPLES

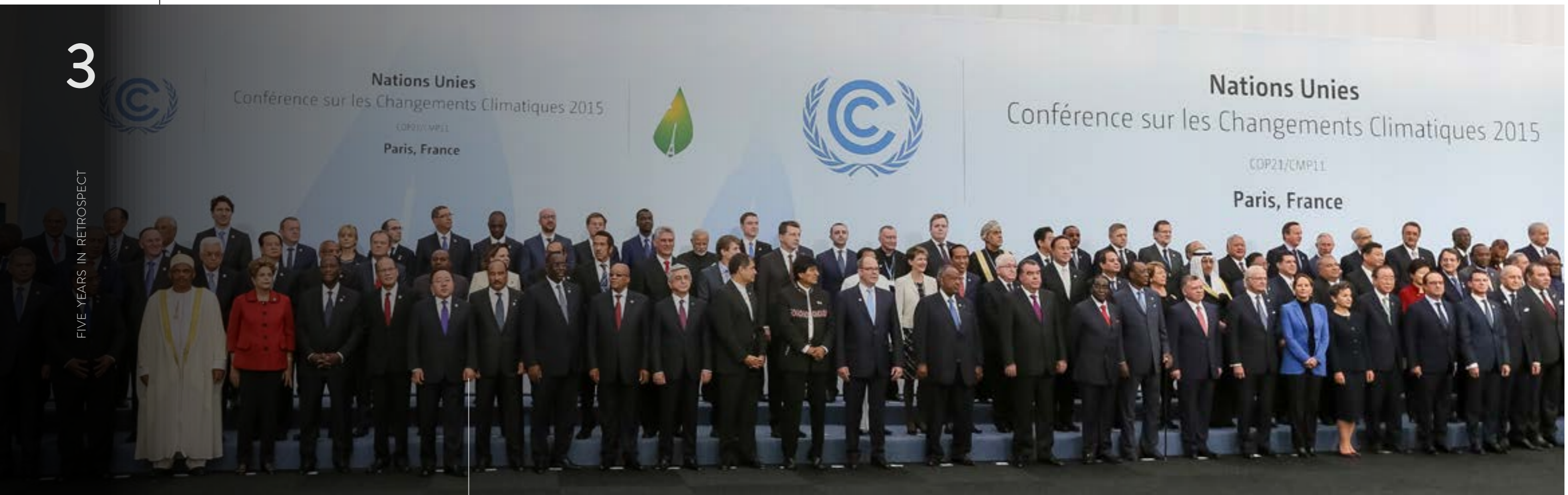
COORDINATIONS
BETWEEN CIVIL SOCIETY

3

Five years in retrospect

Notable moments in the history of iCS,
in the challenging context of the recent
trajectory of Brazil and the world





2015

THE PARIS AGREEMENT IS SIGNED

A new institution is created to promote the climate agenda

SEE THE 2015/2016 ANNUAL REPORT



iCS began its activities in an unparalleled year for the climate agenda. In 2015, after long negotiations during a historic edition of the Climate Conference, the Paris Agreement was approved. Brazil, despite experiencing a phase of mainly political instability, participated decisively in the formalization of the treaty and obtained extensive recognition from the global community.

At that time, the country played a leading role, presenting ambitious terms for the Intended Nationally Determined Contribution (iNDC), while at the same time facing the impacts of the environmental tragedy of Mariana, in Minas Gerais, with the collapse of a dam that devastated the Rio Doce, and the pressure surrounding the impeachment of the president Dilma Rousseff.

The phase of the country was significantly complex and iCS quickly became an identified promoter of change and resistance, by working in favor of the fair and prosperous development for the low carbon economy. The emergence of the Institute took place at an important moment in order to broaden the discussions about the then recent 2030 Agenda and regarding the Sustainable Development Goals (SDGs), both of which were launched by the United Nations.

The Institute embraced its mission with practical and dedicated work, bringing to Brazil resources from large international funders in order to support local actors. However, much more than a simple intermediary or enabler of financial resources, iCS emerged as a multiple agent, also efficient in promoting dialogue between sectors, adding knowledge and establishing information and intelligence networks.





2016

NATIONAL POLITICAL INSTABILITY

Start of the work of funding/grants
(grantmaking)

SEE THE 2015/2016 ANNUAL REPORT



The removal of Dilma Rousseff, with Michel Temer, the vice president, controversially taking over the country's leadership, in a context permeated by an avalanche of accusations and arrests, and the Lava Jato [Car Wash] operation of the Federal Police in full swing. A political division was beginning to be established among Brazilians, which would culminate in the extreme polarization in the 2018 presidential elections.

In Europe, the impact of the United Kingdom's exit from the European Union and, in the United States, Donald Trump's victory in the presidential race, marked the world political scenario. Despite all the drawbacks of the year, the urgency to defend the climate still seemed to be agreed as a global consensus. A record number of countries signed a historic Paris Agreement, seeking to slow down global warming. In all, 175 nations, including Brazil and the world's largest polluters, the USA and China, undertook to adopt measures to keep the rise of the temperature below 2°C.

In this context, iCS completed the structuring of its governance and its programmatic areas, with the construction of three initial portfolios and the approval of its strategic plan for the 2016-2020 five-year period.

In the first portfolios established by the Institute, the focus was concentrated on three subjects: Electric Energy, with the encouragement of renewable energies, the phase-out of fossil sources and the promotion of energy efficiency; and Urban Mobility, with the institutional strengthening of new organizations dedicated to the subject and with a special emphasis on active mobility. The third portfolio – Climate Policies – allowed iCS to provide support to initiatives that had a real impact on the ratification, by Brazil, of the Paris Agreement, with an emphasis on the campaign #ratificajá [ratify now], led by the partners Centro Brasil no Clima and the Climate Observatory, in partnership with other organizations.





2017

THE AMERICAN SETBACK

Expansion of the network of connections to strengthen the climate agenda

SEE THE 2017 ANNUAL REPORT



This was a year that marked a considerable leap in the range of actions by iCS. More challenges and more responsibilities. At this time, the Lava Jato investigations involved the country's largest political parties and Brazil, then with 13 million unemployed, was facing a rising wave of deforestation. Donald Trump, already sworn in as president of the United States, announced his country's withdrawal from the Climate Agreement. New geopolitical arrangements and strong market reserve trends reinforced the need to expand discussions involving compliance with the global climate goals.

Although the reality appeared to be somewhat unpromising for the climate agenda, iCS significantly strengthened its institutional presence and substantially expanded the number of its partners, with its own actions and initiatives related to four portfolios: Electric Energy, Urban

Mobility, Economics and Climate Policy. Economics was a new portfolio and was added to the already existing areas of operation.

The Institute also encouraged national and international campaigns, meetings and initiatives that involved civil society, the private sector, academia and the government, in a continuous effort of information, dialogue and action in favor of the climate agenda.

It was also a year to recover the movement in favor of restoring the activities of the Brazilian Forum on Climate Change, after years of inactivity. Another high point was the qualification of the philanthropic action for the climate, with the encouragement of dialogue between institutions regarding climate change, favoring the expansion of the mobilization of resources.



2018

THE YEAR OF POLARIZATION

New fronts of operation

SEE THE 2018 ANNUAL REPORT



2018 marked one of the most polarized electoral periods in Brazil's history, with consequences that had a strong impact on the leading role of the country in the discussions about climate change and raised concerns for Brazilian society, including the threat of Brazil's exit from the Paris Agreement.

Despite being challenging, 2018 inspired iCS to take on work on more segmented fronts, in addition to the actions encompassed by the four already established portfolios: Low Carbon Economy, Energy, Transport and Climate Policy and Outreach.

Also, in 2018, the Institute E+ was created, nurtured by iCS and dedicated exclusively to the identification of barriers and the search for trends in the consolidation of a Brazilian ener-

gy sector with low greenhouse gas (GHG) emissions. The initiative was inspired by Agora Energiewende, which is the main German think tank dedicated to energy transition.

Another initiative, the Kigali Project, focused on the ratification of the Kigali Amendment and, consequently, in the change of the energy consumption profile of air conditioners, introducing the best international practices in order to encourage the use of refrigerants with a low potential for global warming. Involving several partners, the "Kigali Network" fulfilled a strategic role in the offer of solutions and best practices to the institutions involved with the Brazilian policy of energy efficiency for domestic appliances.



2019

BRAZIL BURNING

The fight against setbacks

[SEE THE 2019 ANNUAL REPORT](#)

Historic fires in the Pantanal and Cerrado and rising deforestation in the Amazon resulted from a veritable dismantling of the instruments of command and control in the environmental area. Added to this critical scenario was the country's largest environmental disaster – the rupture of the dam in Brumadinho – and the oil spill on the Northeast coast. A timid, not to say negligible, participation by the government of Brazil in the global discussions about climate and biodiversity, and Brazil's refusal to host COP 25 completed the disappointing retrospective of the year. Unfortunately, 2019 only accentuated the curve of setbacks that had already begun in 2018, with the change of government and the political bickering.

The weakening in the fight against unlawful activities in the Amazon was yet another fact that shook the country. However, despite the circumstances of the environmental, social, political and economic crises, and the substantial expansion of the agenda of challenges, iCS remained active and participated in several actions of resistance and mobilization. Working in close

harmony with its partners, it managed to end the year even more determined in its actions.

With the challenges of 2019, the promotion of the engagement of Brazilian society with the subject of climate change was reinforced. A new portfolio was launched, Land Use and Food Systems, and a new front of operation emerged with the creation of the Law and Climate program. Consequently, the programmatic areas grew in the number of people, enthusiasm, operation and outcomes.

With a strengthened team and structure, it was possible to work on a historic mobilization of Brazil at COP25. With the commitment and proactivity of iCS, the Brazil Climate Action Hub was organized. This was an area established for the Brazilian delegation and a stage for the interaction between civil society leaders and the private sector, who were representing Brazil before the international community. The Hub held approximately 60 events during the 14 days of the international forum.



4

About the 2020 Annual Report

Information and transparency in the
relationship with society





ABOUT THE 2020 ANNUAL REPORT: INFORMATION AND TRANSPARENCY IN THE RELATIONSHIP WITH SOCIETY

The serious crisis that marked 2020, as a direct consequence of the pandemic, placed the world in a lengthy exercise of resilience and adaptability.

This was an exercise that the Institute for Climate and Society put into practice in its daily routine, adopting new models and operating formats, thereby maintaining a growth curve even in a challenging year.

The paths of action have never been so complex and even involved the adoption of grants aimed at fighting the pandemic, with an emphasis on helping institutions in the states of Rio de Janeiro and Amazonas.

Throughout this report, the Institute reaffirms its commitment with the country towards the development of low carbon, aligned with the resolutions of the Paris Agreement and in convergence with the purpose of a fairer and more egalitarian society.

PATHS AND STRATEGIES OF OPERATION

iCS uses efforts and resources to strategically create the conditions that can leverage effective outcomes to reverse the Brazilian scenario that is averse to the global climate agenda. This action occurs through the support of a network of institutions and projects with the potential to promote real changes that are capable of generating positive impacts on the climate agenda.



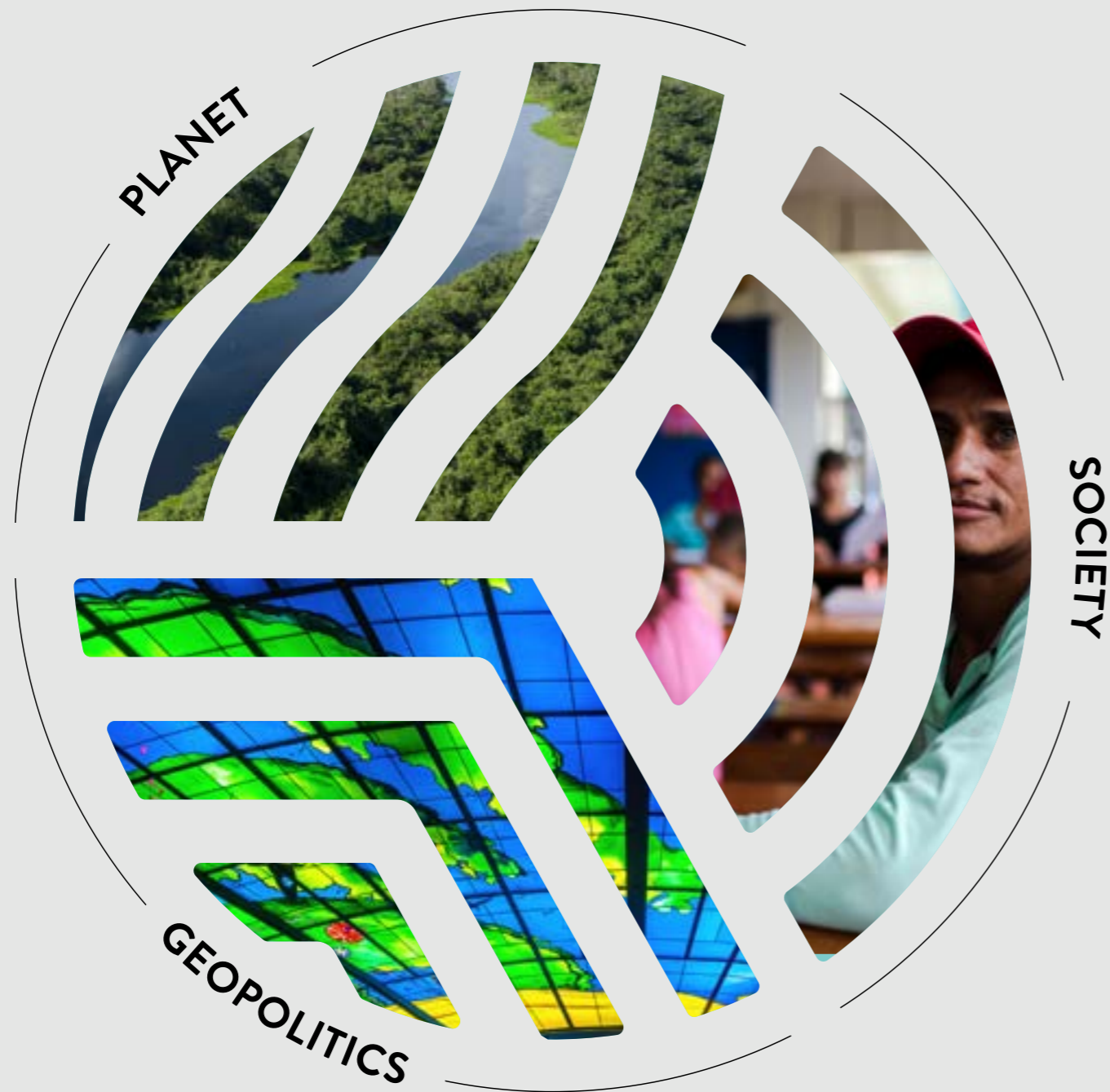
Accordingly, different outputs (products and services) are enabled that, when combined, positively favor the generation of outcomes (strengthening of economic and political conditions, etc., so that it is possible to achieve the desired impact) and impacts (behavioral changes that contribute directly to the reduction of greenhouse gases) in favor of the evolution of the climate agenda and sustainable development in Brazil. The comprehension of these definitions is fundamental for the understanding of the performance of the Institute, whose operational logic is defined in its Mission Model (framework), in which the actions and outputs of all of its partners are related. These are associated with the obtained outcomes and impacts and subsequently results in the derivation of proven data that confirms, in practice, the compliance with the vision pursued by iCS.

iCS ORGANIZES THE OBTAINED OUTCOMES INTO THREE CATEGORIES:

THOSE RELATED TO POLITICAL AND ECONOMIC COMMITMENTS, WITH GREATER CLIMATE AMBITION AND SOCIAL JUSTICE;

•
THE GOVERNANCE AND MORE EFFECTIVE POLICY CONTROL MECHANISMS THAT HAVE AN IMPACT ON THE CLIMATE;

•
AND A MORE ROBUST ECOSYSTEM TO COMBAT CLIMATE CHANGE, WITH A STRENGTHENED CIVIL SOCIETY AND BETTER INTERACTION BETWEEN SECTORS.



TO UNDERSTAND THE STEPS TAKEN

In order to facilitate the understanding of its journey, in 2020, iCS chose to organize this annual report into three macro subjects of interest: *planet, society and geopolitics*.

The idea is to demonstrate how the climate action is the order of the day, from a perspective of the correlation with the subjects of daily life that affect everyone's routine. It is an exercise that relates the performance of iCS and its partners to the following areas: preservation of the environment that we live in (planet), guarantee of the quality of life and well-being of everybody (society) and maximum attention to the global political and socioeconomic issues that interfere with or in some way relate to the climate agenda (geopolitics).

These major subjects are naturally aligned with the iCS vision: carbon neutral Brazil with economic growth and social justice, compatible with 1.5 °C. There is an almost automatic correlation that allows associating “environment/planet” with “carbon neutral Brazil, compatible with 1.5 °C”; “people/society” to “social justice”; and “economy/geopolitics” to “economic growth.” In a similar context, it is also possible to mirror the macro subjects on the three characteristics of sustainable development, in the combination of the environmental, social and economic variants.

5

2020: Resilience and Achievements

Promotion of social justice on the climate agenda for advances in adversity





2020: RESILIENCE AND ACHIEVEMENTS

The confirmation of impacts and outcomes favorable to climate action, in a significant effort by civil society, in which iCS, the grantees and other partners of the Institute worked actively in 2020, is a feat to be celebrated, especially in the exceptional context that marked the year.

The strategic philanthropy of iCS enabled initiatives by various actors who are committed to the climate agenda, strengthening the subject and highlighting its urgent character, which was underlined even more by the pandemic.

The support of the Institute to partners resulted in some achievements, but mainly, as mentioned elsewhere in this report, it contributed to the containment of the weakening of the climate and environmental actions in Brazil.

In this respect, among other factors, some institutional progress was important that inaugurated new fronts of operation for the iCS portfolios, such as the Convergence for Brazil, in Low Carbon Economy; the National Platform for Electric Mobility, in Transport; and the Subnational Platform for the Climate, in Climate Policy.

Also, in institutional terms, another important aspect, in 2020, came with the engagement of new partnerships and the expansion of grants to other regions of Brazil, following a trend already started in previous years, to go beyond the Southeast of the country, where most of the civil society organizations for the environment and climate are located.



By expanding grants and reaching more institutions in the North and Northeast regions, for example, the Institute can map the main local agendas and the potential actors that can play a role in the issues related to the climate. Through the Land Use portfolio, the expansion of grants to three new states in the Amazon was carried out: Amapá, Acre and Rondônia. Similarly, via the Energy portfolio, the Institute has more presence in the North and Northeast, in the development of consultative forums (such as the Forum of Renewable Energies in Roraima) and non-party collaborative platforms for public monitoring (such as the Policy for the Climate, in Recife).

Specifically in relation to the Amazon region, it was important to go beyond the actions included in the Land Use portfolio (with special attention to rural/forestry areas and demands)

in order to strengthen the climate and socio-environmental agendas of the cities. Accordingly, a new initiative called Urban Amazon was implemented, which mapped 81 potential actors (including popular movements, social groups, individuals and small organizations) with the potential to contribute to face the challenges related to the subject. As an outcome of this action, grants were also guaranteed, covering areas and subjects that had not yet been worked on, such as in Transport, for example, with the possibility of supporting projects related to urban mobility in the region. All this was achieved without prejudice to and coupled with the maintenance and even growth of the iCS operation with traditional peoples, including the indigenous and quilombola communities.



IMPACTS AND OUTCOMES IDENTIFIED IN 2020

The development of the initiatives of iCS and its grantees, together with the adaptation of the activities involving the pandemic, allowed the Institute to significantly expand the dialogue with society and involve more actors in its mission, with a consequent commitment to the climate agenda.

The focus was shifted to beyond the federal administration, with a more extensive involvement of the subnational entities (states, municipalities and non-state actors), the private sector, the National Congress and the networks of civil society organizations and international coordination.

There were many achievements arising from the process of supporting these new actors. In practical terms, the examples that prove the effectiveness of this movement can be found in all the portfolios, in a variety of outcomes, including the suspension of licenses to exploit coal mines (in the southern region of the country), the reactivation (after a period of inactivity) of the management committee for the replacement of the fleet for cleaner transport in São Paulo (COM-FROTA), and the mobilization of the economic sector, through the letter signed by 70 Brazilian CEOs of renowned companies, as a tool to pressure the federal government to stop illegal deforestation. In this latter situation, the meeting was



visible of several private entities originating from different segments of the productive sector, which, on assuming a strategic role in the question of the post-pandemic recovery, also connected this agenda with that of the low carbon economy, engaging in the discussion of the climate action and the green economy.

iCS, in a detailed assessment of 2020, mapped 48 positive outcomes for the climate agenda, associated with advances or the mitigation of political and economic setbacks, at different levels (international, national or subnational). Of these, 30 outcomes have been highlighted, which are highly representative of the achievements of 2020, whose contents are closely in line with the more than 500 actions and outputs undertaken by the Institute and its partners over the recent months. All these outcomes and outputs are directly or indirectly related to the effective advances in favor of the commitment assumed by Brazil in the Paris Agreement. They are credited, for the most part, to the operations of grantees and partners, in addition to the Institute's own activities.

In 2020, it was not possible to only concentrate on actions that established a positive agenda for the climate issue. Significant effort was also required to avoid setbacks from legal instruments and from the structure of the government to the environmental agenda, given the political situation of the country. To understand the importance of this work of resistance, it is necessary to remember that, since 2019, the federal govern-

ment has dismantled or paralyzed the structures of climate governance and reversed many of its previous advances. This process includes the weakening of institutions and the imposition of barriers to compliance with the laws that are at the center of the formulation, implementation and management of policies for the climate agenda, especially in relation to land use in the country.

At the beginning of the current government, Brazil suffered from a threat to withdraw the country from the Paris Agreement and, since then, there has been no effective progress in the revision of the NDC. The only revision submitted, at the end of 2020, introduced setbacks into the baseline accounting and maintained the goals of the original NDC, which led to questions about the legality of this new revised version by iCS. The country still faces constant risks of changes in the environmental legislation, the recent paralysis of the Amazon Fund and the weakening of institutions such as IBAMA and ICMBio.

All of this contributes to making the outcomes obtained in 2020 even more representative. It is considered that, in the group of 48 outcomes, more than a third of them are focused on the containment of setbacks (18), especially in the areas of Law and Climate, Land Use and Climate Policy.¹

¹ For a complete list of the selected 48 outcomes, see the end of the chapter, page 39 (Summary of the Outcomes 2020)





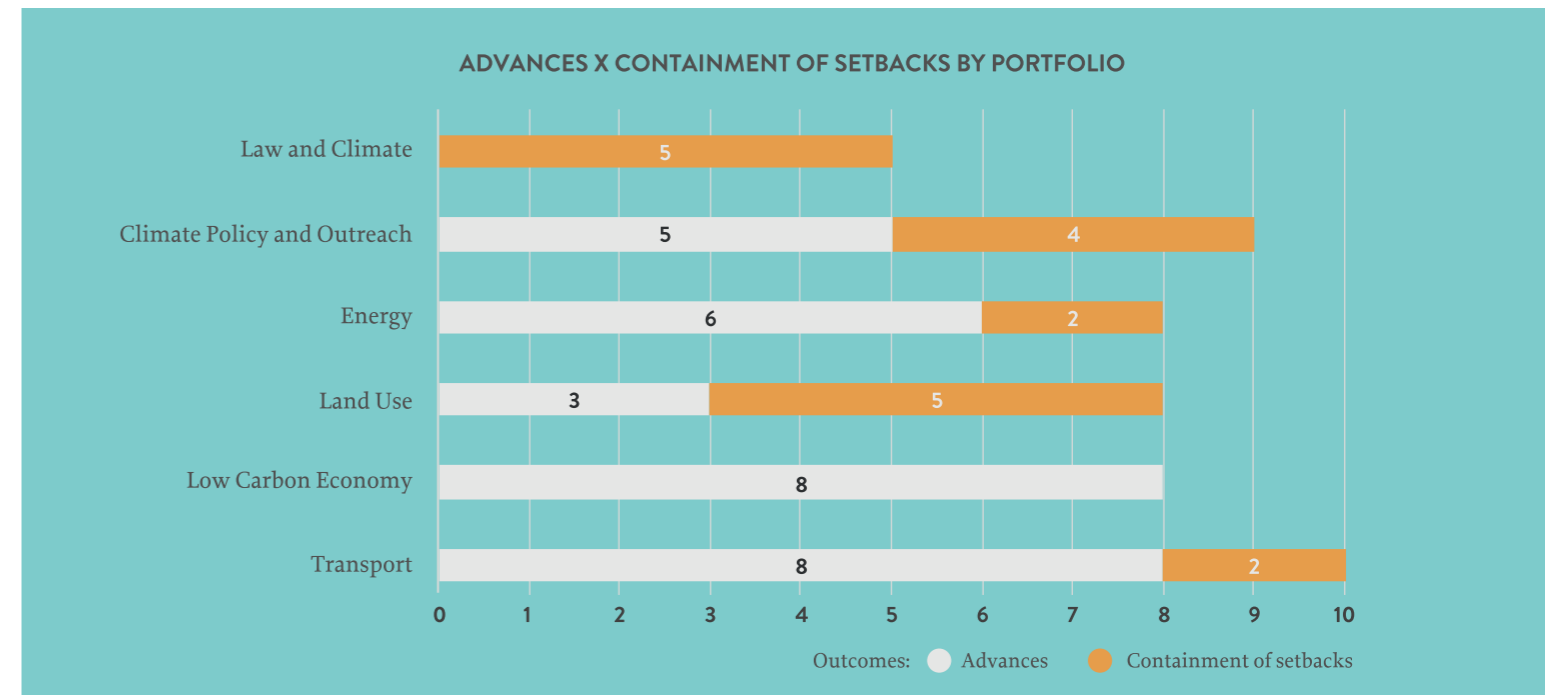
ADVANCES AND CONTAINMENT OF SETBACKS BY PORTFOLIO

Some positive impacts have been identified and analyzed according to two criteria: the effective contribution to the reduction of emissions from greenhouse gases and the alignment with the iCS vision: “Brazil carbon neutral with economic growth and social justice, compatible with 1.5 °C.”

The impacts are generally consolidated with the participation of a variety of strategies and interested parties (including non-grantees) and take a relatively long time to be achieved or confirmed. In 2020, two impacts were confirmed in the Energy portfolio: the contracting of a significant volume of biomass (2.19 TWh), through financed auctions, favoring the reduction of emissions, in comparison with solutions based on gas-fired thermal power plants; and the growth, in the state of Roraima, of the installed capacity of renewable energy (from 0 to 2.5 MW). In addition to these, there was the impact obtained in the Land Use portfolio, with the identification of a fall in the deforestation rates in comparison to previous periods (from -17.7% or a reduction of deforested area from 4,476 km² to 3,686 km², ascertained from Au-

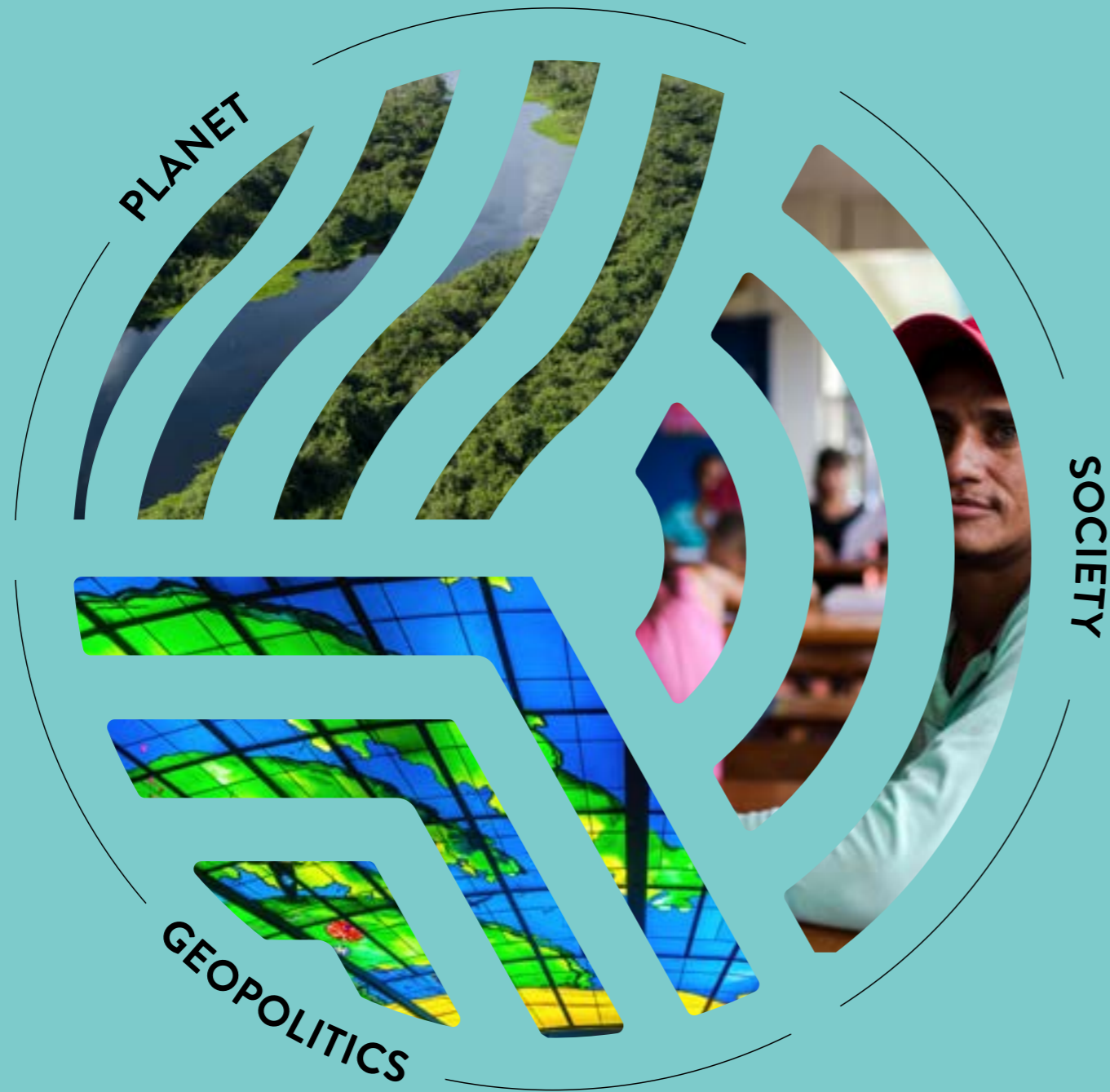
gust to December 2020, compared to the same period in 2019). Although the rate does not guarantee that the fall in deforestation will continue to be confirmed in the future periods, we can still categorize the identified reduction as a positive balance for the year, even more so when we consider the scenario of setbacks that have been observed in recent times.

It is important to emphasize, however, that, in general, the contribution of iCS and its partners in the search for and in the achievement of these impacts are less about operations that are directly related to the identified data (such as, for example, a direct investment in a renewable energy plant in Roraima, or even the funding of coercive actions against illegal deforestation), and more regarding actions that primarily involve the development of knowledge, the provision of technical support and the coordination between the interested parties, in order to pressure and engage the public actors in the positive progress of climate-related policies or even in the containment of adversities and in confronting setbacks.



The abovementioned impacts have been added to other outcomes that were also celebrated in 2020, by iCS, its grantees and partners, in the context of climate action. This good news – generated in such a challenging year – will be detailed below, so that they can be easily identified as specific actions and/or contributions to the preservation of our planet, as improvements for society as a whole and also as a guide for the political and economic decisions aligned with the global expectations and objectives aimed at sustainable development.





PLANET, SOCIETY AND GEOPOLITICS

BRINGING THE GLOBAL EMERGENCY CLOSER TO DAILY LIFE

In order to present the 30 most important outcomes (including the three impacts mentioned on the previous page), in more detail, thematic areas have been established – Planet, Society and Geopolitics/Economy – in order to address them by category. The idea is to promote the visibility of each one of them in a way that is closer to the reality of daily life, emphasizing the importance of the climate agenda and its correlation with more immediate everyday subjects, such as employment, safety, health, urban organization, environmental preservation and waste, among the many others that are present in the daily routine, but which are not yet duly associated with climate action. At the same time, the expectation is to motivate the individual and collective commitment, expanding the knowledge about the environmental cause and the risks that are currently imposed on life and people worldwide.

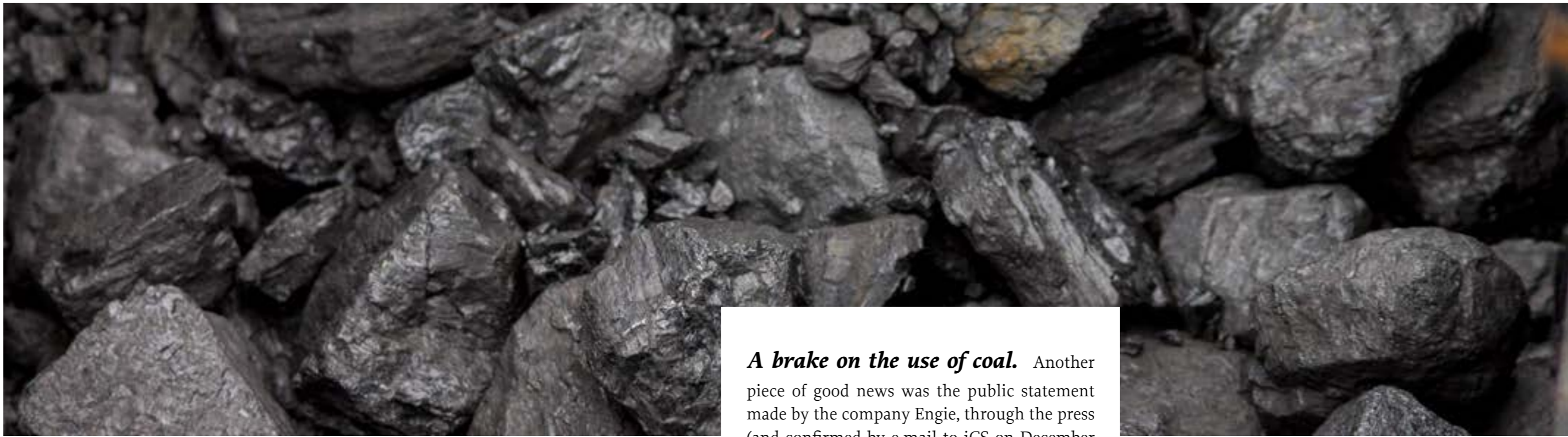
THINKING ABOUT
Planet

EARTH. LAND. HOME.

REFUGE OF CIVILIZATIONS, YESTERDAY AND TODAY.
HOME AND ORIGIN OF THE ENTIRE RANGE OF
SPECIES. THE WELL-BEING OF ALL HUMANITY. A
HISTORY OF ALMOST FIVE BILLION YEARS. TERRITORY
OF WEAR AND EXCESSES. THE CLIMATE EMERGENCY
AS A WARNING. ECOSYSTEMS IN A STATE OF SHOCK.



iCS celebrates the decisions, measures and actions that contributed, a priori, to the improvement of the conditions of life on the planet. The subjects listed below, although diverse, converge in the intention of promoting a rescue of the planet, ranging from the search for cleaner energy sources to the development of actions that confront and combat the deforestation of the Brazilian forests, involving the stimulus for “green” buildings and the electrification of public transport fleets in the country’s large cities.



For less polluting energy sources.

The judicial suspension was ordered of the process for the environmental licensing of a new coal mine planned to be constructed near Porto Alegre, the capital of the state of Rio Grande do Sul, which was called the Mina Guaíba project. If it went ahead, Mina Guaíba would be the largest coal mine in Latin America, and the impacts of its installation could affect more than 4 million Brazilians living in its surrounding areas. The *Instituto Arayara* and the *Instituto Preservar*, which are partners of iCS, together with the Poty Guarani Indigenous Association, filed the action, and the case was judged at the 9th Federal Court of Porto Alegre, in February 2020.

The outcome was celebrated both by the Energy portfolio and by the Law and Climate portfolio. The case had been monitored by iCS since 2019 and it supported the civil society throughout the entire mobilization, with campaigns, studies and with the active litigation of its grantees, all of which were funda-

mental in this positive outcome for the planet being actually achieved.

There were many initiatives, such as the organization of plenary debates in public hearings, the mobilization of people in demonstrations, and the collection of signatures in order to avoid progress in the installation of the mine, as well as awareness campaigns. Among the communication campaigns against the licensing of Mina Guaíba, “#CarvãoAquiNão” [CoalHereNo] is highlighted, which included a series aimed at the training of hundreds of people in interest groups such as indigenous communities, agrarian reform settlements, the Catholic movement, evangelical groups, youth groups and environmentalists, among others (through our partner *Instituto Arayara*).

A brake on the use of coal.

Another piece of good news was the public statement made by the company Engie, through the press (and confirmed by e-mail to iCS on December 17), pointing out the possible closure of the Jorge Lacerda Thermoelectric Complex, in Santa Catarina – powered by coal – on a staggered basis between 2023 and 2025. After these recent victories, other litigation goals are also being analyzed in Santa Catarina and Rio Grande do Sul.

Still on the subject of coal, an important report was produced about Thermoelectric Power Plants and the Crisis in the Electric Sector due to Covid-19, organized by iCS in partnership with the Brazilian Institute for Consumer Protection (IDEC). It proposes the early withdrawal of coal-fired power plants in southern Brazil (up to December 2027), redirecting the subsidy that is currently given to burning coal, so that it will support the fair transition of the workers and communities involved. The study was submitted – between July and December – to the main actors and leaders involved with the energy agenda, such as the deputies and senators from the Energy Commissions of the Chamber of Deputies and the Federal Senate, and to the general director of the National Agency for Electric Energy (ANEEL). In general, it was very well received.

Real impact with the growing use of biomass.

The energy sector can celebrate the constant growth of the use of biomass in Brazil. The energy auctions in the last two years contracted 2.19 TWH of biomass – which avoided the emission of approximately 1 million tCO₂, surpassing the savings in emissions obtained from the generation of energy from electric plants powered by the natural gas combined cycle (NGCC). A major contribution to this impact was given by IEMA, an iCS partner, by providing parameters for the modeling of the energy mix auctioned by the Brazilian regulator of the sector, the National Agency for Electric Energy (ANEEL).





The growth of facilities that are self-sufficient in energy.

Still in the Energy portfolio, in 2020, 52 projects were submitted to GBC Brazil Zero Energy Certification in Brazil, for the construction of smart buildings with the generation and use of energy from non-polluting sources. This results in the generation of renewable energy estimated at more than 7,500,000 kWh per year (to meet an estimated consumption of just under 7,200,000 kWh per year, by the same generating buildings).

Awarded by the Green Building Council Brazil, the GBC Brazil Zero Energy Certification is an efficient tool to promote the search for a balance between energy consumption and generation in buildings, whether new constructions, renovations or industrial operations. It evidences that the local energy consumption of the annual operation of the location is zeroed by a combination of high energy efficiency and energy generation from renewable sources. To obtain the definitive GBC Brazil Zero Energy certification, all the projects must have at least one year of operation that is continuously monitored with their annual energy balance zeroed.

Energy Efficiency with renewed impetus.

Within the scope of combating setbacks in the matter of improving conditions for the sustainability of the planet, and also in the Energy portfolio, all the attempts to reallocate resources from the Energy Efficiency Program of the Federal Government to other purposes were successfully blocked.

During the pandemic, the electricity distributors requested government support due to the low national consumption of energy and the high rates of non-payment. During the discussions related to this subject, there was a proposal to reallocate the current balance of the Energy Efficiency Program, with an approximate allocation of R\$ 5 billion – as well as another 60% of its future resources over the next five years – to cover the losses of the sector with the health emergency.

The proposal by the sector was transformed into Provisional Presidential Decree (MP) 998 by the Government. To combat the diversion of these funds dedicated to energy efficiency, a strong coordination was put into practice (most notably by the iCS partners, the Brazilian Institute for Consumer Protection/IDEC and the International Energy Initiative/IEI-Brazil), so that the negotiations for its approval in the National Congress were blocked. The gathering together of these efforts, which also included public demonstrations and communication campaigns, finally guaranteed that MP998 expired without being approved in December 2020, guaranteeing the integrity of the resources of the program for the next years.



Deforestation reduced in the last six months of 2020: an impact in favor of the forest.

In relation to Land Use, the pressure by society for green preservation – including by iCS and its partners – is beginning to produce specific outcomes. In 2020, it was possible to observe an increase in pressure by different sectors of society to reduce deforestation and for the adoption of more sustainable means of production. There was a significant increase in public demonstrations and monitoring by the media regarding the numbers and trends in the loss of forests in the Amazon. And, in the second half of 2020, as already mentioned, a 17.7% reduction in deforestation was also identified in relation to the same period in 2019. Although it is progress that is still short of that required for the guarantee of the preservation of the remaining native forest in the national territory, and the rate ascertained between August and December does not ensure the effective containment of the deforestation in future subsequent periods, it is still a step forward in favor of the conservation of the planet and a goal to be reinforced and pursued in the coming years.



In fact, if the rate of deforestation is considered throughout 2020, the total area deforested in the year reached 11,100 km² (the largest in the last 12 years), even though this was below the projections made by iCS at the beginning of the year (which indicated an area of approximately 13,000 km²). It proves that deforestation is still far from being a problem that is actually successfully resolved. The Institute has promoted several fronts, from the international level to the subnational level, in the incessant pressure for the reduction of the deforestation and for the accountability of the offenders. Over the past year, the Amazon Council and even the Vice President General Mourão were pressured to present a plan to control and reduce the deforestation. In parallel, iCS partners also acted to support the governors of the Amazon to increase their engagement in the containment of the deforestation in their territories, such as, for example, in the case of “Amazon Now,” which was a plan launched by the state of Pará to combat local deforestation.

Civil society organizations also highlighted the high cost and inefficiency of the Armed Forces in dealing with the deforestation and fires in the Amazon region. iCS supported the engagement of the private sector so that new actors could position themselves and collaborate with the development of more sustainable alternatives for the region, including leveraging the entry of important international connections to the cause.

Deforestation hotspot, Pará celebrates new guidelines.

The governor of the state of Pará – a state that is the largest emitter of GHG in the segment of land use – has also committed to combat deforestation more directly, through the publication, in May, of the Policy of the State of Pará regarding Climate Change, with the objective of creating bases to expand efforts. Pará created a task force to combat environmental crimes such as fires, deforestation and illegal mining in its territory. In addition to the initiative, in August, it also published state decree 941, which established the “Amazon Now” plan, which presents a specific area for the combating of deforestation, as mentioned above.

Some iCS grantees are close to the government of Pará and support these initiatives. This is the case of the Center for Territorial Intelligence, which is linked to the Federal University of Minas Gerais and has been working to indicate strategies to improve the cost-effectiveness of the inspection, based on simulations of the deforestation up to 2050. Imazon has produced studies about the land policy of the region (Land Policy as an instrument to achieve Zero Deforestation in the Amazon). The Climate Policy Initiative (CPI) has processed and analyzed data from different sources with respect to forest degradation, in partnership with the environmental agencies, in order to influence the design of policies for the reduction of the degradation.



The electrification of the São Paulo bus fleet.

On the issue of urban mobility, significant advances were achieved in the renovation of the bus fleet in the city of São Paulo, the largest capital in the country. Among them, we highlight the resumption of work by COMFROTA, the management committee of the city of São Paulo that is responsible for monitoring the replacement of the city's fleet with cleaner alternatives, after almost one year of inactivity. In October, the first results of the plan produced by the entity were shared in a webinar, when the São Paulo committee for the renovation of the bus fleet disclosed a larger-than-expected number of electric buses to replace those powered by fossil fuels.

Although, in 2019, SPTrans and the bus operators displayed resistance due to the costs of this renovation, one of the iCS partners – the Institute for Energy and the Environment (IEMA) – developed a fundamental digital tool so that the bus operators could calculate the emissions from their fleets when submitting their renovation plans to SPTrans, the ReFrota, which effectively contributed so that this welcome result could be achieved in 2020. Another iCS partner, the International Council for Clean Transport (ICCT), in association with other entities, such as the C40 project (of the 40 climate “friendly” cities) and the Zebra Project (Zero waste Blade ReseArch project), also produced technical studies in support of SPTrans, to help define the best bus routes for the process of electrification.



Also in São Paulo, it is important to emphasize that actions carried out under the leadership of the Brazilian Institute for Consumer Protection (IDEC), and which included important coordination from civil society, obtained an important achievement in reducing by five years the schedule for the reduction of bus emissions, with the reduction of the timeframe from 20 to 15 years, in a decision also announced at a COMFROTA meeting.

Furthermore, at the end of the year, on December 10, a coalition of 17 investors and manufacturers announced that they intend to invest \$1 billion in the expansion of the electric bus fleet in four Latin American cities, including São Paulo.

Reinforcement of the private initiative in sustainability.

Aimed at the promotion of the low carbon economy, another item of good news was the initiative of the Brazilian Business Council for Sustainable Development (CEBDS), an iCS partner. Through the coordination of Brazilian companies regarding the subject of climate change, a public letter was organized and signed by more than 70 Brazilian CEOs, pressuring the government to stop illegal deforestation and to comply with the environmental and climate commitments assumed by Brazil internationally. The action, which began with 38 renowned companies, published its letter on July 7 and includes, among its signatories, the three largest private banks in the country (Itaú Unibanco, Bradesco and Santander).

Convergence of efforts for a Zero Carbon Brazil.

Still prioritizing the recovery and sustainability of the planet, it is also important to highlight the iCS initiative already mentioned at the beginning of this chapter, the “Convergence for Brazil” project, supported by important economic leaders. The group includes 18 former finance ministers and former presidents of the Central Bank. The project, in partnership with the Instituto O Mundo que Queremos [The World That We Want Institute], seeks the transition to a low carbon economy as an indispensable convergence for the future of the country.

After being revised by the signatories, a Manifesto was released to the press, with principles to overcome the pandemic crisis in Brazil, and also with common points for an agenda that enables the leverage of the international investment, the recovery of economic activity and, simultaneously, contributes towards the development of an economy that is more resilient to future crises related to climate change. At the time, more than 100 articles were published in the press and coverage included major TV stations and economic publications, including international newspapers such as The Guardian and New York Times.



THINKING ABOUT Society

COMMUNITY.

PEOPLE IN MEETINGS, EXPERIENCES OF INTERSECTION. MUTUAL COLLABORATION, SYNERGY. JOINT EXPERIENCE. LIVING BODY. FABRIC FOR THE DEVELOPMENT OF CULTURE AND PEOPLE. MUTANT FORCE. OUTCOME FROM THE UNION OF SEVERAL INDIVIDUALS. FERTILE LAND FOR EVOLUTION.

The support for partners committed to the causes of society, understood primarily from the perspective of the preservation of life, the promotion of social groups and the guarantee of the quality of life in the country, has merited constant attention by iCS in its fronts to encourage climate action. Always aware of the vision that guides its work, the Institute increasingly values the “social justice” component, ensuring, as can be seen below, that philanthropy can achieve this within the context of the climate agenda and generate positive changes for the most vulnerable.



Conscious consumption of home appliances: an emerging alternative.

The approval of INMETRO Ordinance 234/2020, which established more rigorous criteria for the classification of the labeling of the energy efficiency of air conditioners, as well as the revision of the PROCEL Seal by Eletrobras, will significantly increase the ability of consumers to select environmentally friendly and economical equipment. When defined, the new initiatives – both the new INMETRO labeling and the PROCEL Seal – incorporated the recommendations of iCS and its partners, which included the Lawrence Berkeley National Lab (LBNL) and CLASP, in relation to complying with the appropriate energy levels and the methodology for measuring the energy efficiency.

These new rules reflect, on the one hand, the coordination and technical support conducted by the International Energy Initiative (IEI Brazil) – involving not only INMETRO, PROCEL/Eletrobras and the Ministry of Mines and Energy – but also, on the other hand, they are the result of actions of pressure and defense led by the Brazilian Institute for Consumer Protection (IDEC), which are two institutions supported by iCS. In the case of the PROCEL Seal, it is important to emphasize that, in addition to the energy efficiency criteria, environmental requirements were also adopted (such as refrigerants with a global warming potential of less than 750 for the grant of the PROCEL Gold Seal).



The integration of bicycles with public transport.

In the city of São Paulo, the largest in the country, a series of initiatives aimed at the optimization of the use of bicycles was identified. The World Bank, in partnership with the city hall through the Smart Mobility São Paulo program, conducted a survey of international models of bicycle parking to be applied in the city. The survey assists in the design of the next bicycle parking lots, and also provides inputs to improve the operating efficiency of the existing bicycle parking. The expectation is that the study may define a new standard model for bicycle parking as a reference in the processes that involve public contracts in the construction of train stations and subway terminals. The material was included as a reference in the call for sustainable mobility projects by the National Development Bank (BNDES), in partnership with the Ministry of Regional Development (MDR) and with the German state bank of investment and development (KfW). This is the first initiative of this cooperation with the purpose of developing actions to promote sustainable urban mobility in Brazil.

On another front, Socicam – the operator of the bicycle parking in the city’s bus terminals –, digitalized the control of the access to the equipment, which is now sent to SPTrans on a monthly basis, in order to help with the city’s logistics and the search for business models that are capable of reducing the operating costs of public transport.

Still on two-wheeled transport, the approval of Municipal Law 17322/2020 deserves to be highlighted, also in the city of São Paulo, which is the first in Brazil to regulate and encourage bicycle logistics. In addition to encouraging bicycle logistics (through the definition of parking rules for bicycles and cargo tricycles), the law also encourages training courses for delivery cyclists, defines the priority of deliveries by bicycles in public bidding process and establishes rules such as the standardization of the size of the cycle paths. Labmob – Laboratory for Mobility, an iCS partner linked to the Federal University of Rio de Janeiro (UFRJ), provided technical information that supported the analysis of the draft law. Alongside Labmob, other supported partners created areas for dialogue, contributing to the public mobilization that is required for the approval of the law.

Improvements for public transport in Rio.

In Rio de Janeiro, improvements were also witnessed from a legislative point of view. Two state laws, which govern the metropolitan issue of urban mobility, were approved in the city (LC 184/18 and LC 8479/19), with iCS grantees offering effective contributions in order to create a favorable climate for the voting of the laws – with an emphasis on the work by Casa Fluminense and the support of the Institute for Transport and Development Policies (ITDP).

The first law established parameters of shared management and governance for the Metropolitan Region of Rio de Janeiro and the second law deals with the issue of the single ticket, promoting improvements in relation to the inspection and transparency in the bidding procedures. Casa Fluminense, for example, monitored public hearings and mobilized parliamentarians in order to avoid abusive increases in tickets and setbacks in relation to public transport. Despite this progress in the legislation, the political context still makes its implementation an important challenge and this will be pursued throughout 2021.



Protection and voice to the first landowners.

Indigenous organizations maintained their capacity to denounce during the pandemic: members of 19 communities located in the Amazon suffered tremendously from the isolation caused by the health crisis. Without internet access and with the restrictions imposed by the quarantine, some of these organizations were threatened with the risk of their work being silenced. A group of iCS grantees played a key role in maintaining the active voice of these groups, supporting the indigenous associations, making public the data on the victims of Covid-19 and the general situation of the indigenous peoples during the pandemic.

The Amazon Environmental Research Institute (IPAM), for example, together with the Coordination of the Indigenous Organizations of the Brazilian Amazon (COIAB), launched an application to assist the indigenous peoples in the protection against Covid-19, while the Coordination of the Indigenous Peoples of Brazil (APIB) intensified support for the network of indigenous communicators (Mídia Índia). Partners such as A Drop in the Ocean, the Socioenvironmental Institute (ISA), the Institute of Man and the Environment of the Amazon (Imazon), the Institute for Forestry and Agricultural Management and Certification (Imaflora) and the Institute for the Environmental Survey of the Amazon (IPAM), jointly promoted coordinations with the collection of data/



Religion and the environment.

Some religious groups have strengthened their relationships with the climate agenda, through the dissemination of information and guidance regarding the subject among their communities. The Faith in the Climate network, which is a project of the Institute for Religion Studies (ISER), an iCS partner, has been strengthened and its members (non-beneficiaries of iCS) began to spontaneously include the climate issue in their communications, demonstrating progress in addressing this subject with these groups.

Some highlights in this specific field were the presentations and debates conducted by the leaders of different religions, such as: (1) “The preservation of the Amazon is a matter of faith,” with Pastor Arioaldo Ramos; (2) “Environmental Live Session: Policies, sustainable practices and vulnerability,” with Mãe Beth d’Oxum; (3) “Peace and Well-being,” with Dom Mauro Morelli and (4) “Earth Day, Pandemic and Climate change: what does the church have to do with this?” and “Renew Our World,” with Pastor Timóteo Carriker.

information for the indigenous organizations to proceed with their active mechanisms to control the fires and deforestation. Through the Plans for Territorial and Environmental Management (PGTA), in an action by the Indigenous Council of Roraima (CIR), actions of environmental and territorial protection were undertaken with leaders, women and young people.

There was also support for a more effective participation of the indigenous peoples in groups organized by government agencies and/or boards, such as the Platform for Monitoring the Indigenous Situation in the Coronavirus Pandemic (Covid-19) in Brazil. The information consolidated in this channel, based on the report of the indigenous organizations and spokespersons of the indigenous populations, was used by the Regional Federal Prosecutor, Felício Pontes, and by the Federal Supreme Court (STF), which decided to oblige the Federal Government to submit a detailed protection plan for the indigenous peoples against Covid-19.





Outreach and litigation. An increasing number of civil society organizations have engaged in climate litigation, making use of this mechanism to defend environmental causes and to reinforce the need to improve, in general terms, the governance of subjects and actions related to the climate agenda. 2020 was a year in which climate change was, for the first time, addressed by the Federal Supreme Court (STF), in actions involving the Amazon Fund, the Climate Fund, and the Action Plan for the Prevention and Control of the Deforestation in the Legal Amazon (PPCDaM). Some of these were conducted with public hearings.

In this regard, civil society organizations engaged and effectively built a field of climate litigation, with legal declarations and solid technical participation. Thanks to the constant coordination of iCS, over the past year, it was possible to glimpse this scenario that involved different actors, including the Brazilian Association of the Members of the Environmental Prosecution Office (ABRAMPA).

No to the dismantling of environmental policies.

In September 2020, the effects of the revocation of rules by the National Council for the Environment (CONAMA) were suspended by the courts that guaranteed the preservation of the APPS (Permanent Protection Areas), such as areas of sandbanks and mangrove, and those bordering artificial reservoirs of water, such as dams or urban springs.

The risk of damage to the environment was the main argument for the decision, which was offered in response to the class action (5067634-55.20204.02.5101/RJ), which indicated infringements of the National Environmental Policy, the Forest Code and the Federal Constitution. The campaign in favor of the revocation came from several actors from civil society, including iCS partners. It was clear that the support of the Institute for training in litigation processes has proven to be an essential instrument to help avoid the dismantling of already established policies.

More than an outcome, an actual impact: renewable energy in Roraima.

The establishment of the Renewable Energy Forum of Roraima, supported by iCS, was the main driver of this achievement. The state continues to be the only one in the country that is not connected to the national electric grid. As an isolated system, it is totally dependent on the generation of energy by diesel and burns one million liters of diesel oil each day in order to guarantee the distribution of electric energy to the capital Boa Vista, which today has approximately 350,000 inhabitants. The Forum has established itself as a single platform for the gathering of various actors (farmers, industries, public servants, representatives of government agencies, representatives of indigenous communities, professional associations and CSOs, among others) which have in common the search for the construction of a consensual solution for the energy transition and the adoption of renewable energy in the state.

As a result of the campaign of the Forum, the number of distributed generation facilities (2.5 MWp) grew from six (December 2019) to 142 (September 2020), leading to a decrease in the burning of diesel. As well as this favorable outcome, the Forum has also been fundamental in promoting local auctions focused on the generation of renewable energy on a large scale, seeking to replace diesel; and addressing the issue of universal access to energy by local communities, as an essential component of the fair energy transition in the state.

Thanks to the Forum, the lines of funding from development and retail banks are also being divulged, for the installation of photovoltaic systems in residences and small businesses, and the terms of the cooperation agreement between the municipal government of Boa Vista and the Federal University of Roraima (UFRR) are being conducted, with the objective of monitoring the photovoltaic systems in public buildings. In order for there to be a constant update with all these steps, the Forum holds webinars and live sessions with representatives from the financial institutions and the installers of photovoltaic systems accredited by the Brazilian Association of Photovoltaic Solar Energy (ABSOLAR).



THINKING ABOUT Geopolitics

VISION THAT CROSSES BORDERS.

CORRELATION OF HISTORICAL, ECONOMIC AND POLITICAL FACTS. INTEGRATION WITH COMMON INTERESTS BETWEEN DIFFERENT COUNTRIES. UNDERSTANDING AND MIRRORING OF INTERNAL PLANS FOR GLOBAL OBJECTIVES. INTERACTION OF DIFFERENT CULTURES GENERATING REFLECTIONS AROUND THE WORLD. PERCEPTION OF THE MOVEMENTS OF A NATION-STATE IN THE CONTEXT OF THE NEW WORLD REALITY.

In 2020, Brazil faced difficulties in maintaining the alignment with the demands of the global climate agenda, losing space for understanding with the international community in various segments, and especially questioned in relation to the environmental policy it has been practicing. As a reaction, representatives from organized civil society have offered specific answers, by joining forces to attempt to reverse the current scenario and to guarantee the strengthening of the geopolitical role of Brazil and the leading role for the country in global terms, especially involving climate action.





Green bonds on the rise in the Brazilian market.

An item of good news for the green economy in Brazil was the breaking of the country's record in the issue of green and/or sustainable bonds and loans during the year, which exceeded R\$ 15 billion (overtaking the 2019 figures). This fact shows not only the growing demand from investors for products that contribute to the compliance with the climate agenda, but also the urgency of companies to define more sustainable positions in the market, internally and globally, prioritizing environmental, social and governance (ESG) criteria, in order to meet a demand that is increasingly present and demanded by the responsible consumer public.

The outcome reflects the different strategies implemented directly by the Institute and its partners, including several campaigns towards a greener economy and the active involvement of the private sector in the sustainable debate and in the construction of guidelines, at least since 2017, for the issue of green bonds.

Included in this list are the series of Sustainable Future Dialogues about the green economic recovery and, more specifically in 2020, the #estafaltandoverde [itslackinggreen] campaign, with proposals for sustainable tax reform in the country, seeking to help Brazil recover from the economic crisis in a fairer way, with environmental awareness and combating social inequalities.



Investors for the Climate.

Within the subject of finance and the low carbon economy, it is also worthwhile emphasizing that new actors have formally committed themselves to the Investors for the Climate (IPC) initiative, which is led by Sitawi Finance for Good, with the support of iCS and partnerships with the CDP (Carbon Disclosure Project) and PRI (Principles for Responsible Investment). The number of associates of the platform has been growing substantially, which indicates greater interest by professional investors in advancing climate action.

Launched in 2019, Investors for the Climate brings together a plural group of 23 Brazilian participants, including pension funds, insurance companies and family offices, with assets under management in excess of R\$ 3 trillion, as reported by the IPC website (more than the double in relation to 2019, representing over 40% of the capital market). Being part of the IPC signifies an opportunity to receive informative and technical support about decarbonization, offering in return the report of the advances in the management of climate risks and opportunities, in the light of the guidelines of the Task Force on Climate-Related Financial Disclosures (TCFD). The IPC expansion plans for 2021 include attracting more members.

More sustainable guidelines to grant funding.

Still in relation to the implementation of the ESG criteria, it is also possible to highlight the inclusion of the climate, environmental and social impacts in the risk assessment of the funding of projects for the generation and production of energy, in the ESG regulation being prepared by the Central Bank of Brazil (BC) and in the instruments of the development banks, such as BNDES, as well as in the guidelines of the main retail banks.

The Instituto Escolhas, Sitawi Finance for Good and the Carbon Disclosure Project (CDP), among other iCS partners, have worked together in the joint preparation of new guidelines for a series of projects, with representatives from the Central Bank, BNDES, Febraban, the Securities Commission (CVM) and retail banks, with a series of meetings for Case Studies and the Valuation Methodology of the ESG Impacts with all these actors.

Central Bank: good practices in favor of the climate.

In the case of the Central Bank, it is auspicious that the bank has joined the Network for Greening the Financial System (NGFS), which is a network constituted in 2017 that involves more than 80 national financial institutions. They volunteer to share good practices and contribute to the development of climate action in their segment, as well as mobilizing the main actors of the sector in the transition processes towards a sustainable economy.

The participation of the Central Bank – encouraged by SITAWI Finance for Good, one of the iCS grantees, in partnership with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) – is an important step for Brazil to remain aligned with this agenda. As an initial outcome, the Central Bank has already announced its disposition to review internal regulations throughout 2021 and incorporate the climate agenda into its planning, in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), which is a task force for the disclosure of the financial risks associated with climate risks.



Important step for the renovation of the national energy matrix.

In March, the Infrastructure Committee of the Senate approved the energy system reform bill, which contains the main guidelines supported by iCS. One of the main innovations is the division of the electricity distribution companies into two distinct businesses: one for the sale of energy and one for infrastructure management (wire-energy separation). This new arrangement paves the way for a free market in the energy sector, with the prevalence of the competitiveness of the renewable alternatives in the Brazilian energy matrix.

The suggestion of dividing the electric energy distribution companies came as a direct contribution from iCS and its beneficiary IDEC (Brazilian Institute for Consumer Protection), which produced a study to quantify the cost of this task, submitting numbers that were well received by the main interested parties, including ministries, members of congress, public service companies and the National Agency for Electric Energy (ANEEL), which is evaluating the opportunity of starting the spin-off process through its own internal regulations.

Several meetings were held throughout the year with the president and rapporteur of the project in the Federal Senate, Senator Marcos Rogério, with concentrated efforts in December, so that the final text could be approved in the Federal Senate before the end of 2020 in order to guarantee its subsequent submission to the Chamber of Deputies at the start of 2021.

Although the next steps for the full enactment of the law are still pending, because the Covid-19 pandemic delayed all non-emergency voting processes in Congress, this was an important first step in the formalization of the new division of the functions of the sector, which – once definitively implemented – will certainly be a facilitating agent to stimulate the propagation of renewable sources of energy generation, such as solar and wind energy.

For a Free Zone with renewed rules.

Related to the issue of energy efficiency (EE), the Ministry of the Economy (ME) submitted a proposal to revise the rules of the Manaus Free Trade Zone with a public consultation applicable to air conditioning equipment. The ME is responsible for the assessment of who can or cannot produce this equipment within the trading zone, and the new scoring system introduces two areas of action that were suggested by iCS and by some of its partners (notably the Instituto Escolhas): the first aspect listed flexibility in order to consider the national content required for the components of the devices; and the second aspect is the inclusion of points for the manufacturers that produce high energy efficiency equipment (a criterion that does not exist in the Basic Production Process – BPP, which is the rule adopted for production in the Manaus Free Trade Zone). Shortly before the end of the deadline, however, the ME cancelled the public consultation, alleging the need to further investigate the analyses – and the agenda remains as one of the focuses of attention in 2021, so that the process can be finally concluded.



Revision in the legislation optimizes clean mobility in the municipalities.

At the National Congress, an initiative by the partner IDEC (Brazilian Institute for Consumer Protection) – which coordinated with the National Confederation of Municipalities (CNM) for the revision of federal law 14000/20 – resulted in improvements and in the extension of the deadline for the preparation of mobility plans for the municipalities. The revision of the alterations related to the mobility plans was carried out in order to consider solutions that are more compatible with the climate agenda. As a result, procedures were included to improve the clarity and transparency of the municipalities that were obliged to realize Municipal Plans of Mobility and the sources of funding were expanded, based on the possibility of the use of resources from the Federal Office of the Ombudsman (OGU), to assist in the realization of the plans.





Sustainable agribusiness: reaction to the global trend.

One of the portfolios that presented the most advances in the geopolitical sphere was Land Use. Firstly, at the national level, with the disclosure by the Ministry of Agriculture of its annual model of agricultural funding (Plano Safra 2020/2021), which considered an increase of investments in the budget line for low carbon agriculture, with a value above the stipulated initial goal of R\$ 408 million more, in comparison with the previous year.

This increase has proven to be correct because, less than six months after the launch of the plan, 75% of this budget line had already been consumed, significantly contributing to the expansion by Brazil in the adoption of low emission technologies in agriculture, consequently increasing the added value of its commodities in the global market.

This outcome involves the outreach and technical support of some of the iCS grantees, such as the Brazilian Coalition on Climate, Forests and Agriculture, Agroicone and the Climate Policy Initiative (CPI).

These partners have been developing concepts and exerting constant pressure on the government to adopt more sustainable agricultural practices, as well as to increase the rural credit linked to environmental preservation and in strict alignment with the Forest Code.

As well as expanding the volume of resources, the ABC line in the Safra Plan also reduced interest rates (which previously varied between 5.25 and 7% and are now between 4.5 and 6%). Inovagro, a credit line aimed at innovative technologies in rural properties, also received an increase of R\$ 500 million in relation to 2019, and its interest rate fell from 7% to 6%, which contributed to the promotion and adoption of the best agricultural practices.

European blockade of Brazilian products from deforested areas.

Still considering the year's outcomes, it is important to remember that European food industries and retailers raised the bar in relation to Brazilian products and announced their intention to block imports from deforested areas starting from 2021. Similarly, with regard to global agri-food chains, COFCO – one of the main groups of agribusiness in Asia – has also committed to improve traceability and reduce the deforestation of its suppliers. The governments in the United Kingdom and the European Union have sought

to improve legal references in order to avoid the importation of products associated with deforestation, in accordance with the recent proposals for new legislation.

In fact, one of the iCS partners, Imaflora – through the *Boi na Linha project* – is working directly to improve the commitments and assessments of the beef supply chain, through the implementation of a Monitoring Protocol that can be used as a reference so that companies that slaughter cattle and process meat produced in the Amazon comply with their social and environmental commitments, whether they are signed through the Terms of Adjustment of Conduct (TACs) with the Federal Prosecution Office, or by publicly assumed private policies.

iCS has supported a consultation process and ongoing exchange of information with national and European stakeholders on subjects such as the Mercosur-EU Agreement and the sustainable development of the Amazon. IPAM, Imazon and Cindes, through the Observatory of Trade and Environment in the Amazon (OCAA), have been working to guarantee that the principles of environmental protection and safeguards that are required for the execution of the Agreement between the trading blocks, for example, are taken into consideration.





Brazil and the Paris Agreement.

Internationally, and in line with the fight against setbacks, one of the threats of the current government in Brazil was to leave the Paris Agreement signed in 2015, following the example of the path adopted by the United States during the previous government of Donald Trump. The government has already dismantled several areas related to the climate, including the withdrawal from hosting COP25, which was held by Chile and Spain in 2019. Several iCS partners worked hard to prevent and avoid these setbacks, in an ongoing effort to keep the climate debate alive and active at the federal level.

In view of the mistakes and, in some cases, the omissions of the Executive Branch in relation to environmental subjects, the National Congress has been fundamental in reaffirming the country's political and legal commitments with the protection of the environment. Bills that are important for the climate agenda are becoming increasingly visible, with op-

portunities for campaigns and advocacy areas, which are being taken advantage of by iCS partners.

The Institute has supported, for example, the training of the Parliamentary Front for the Environment on issues such as tax reform and its environmental impacts; the partner Pulso Público, in conjunction with iCS, has been monitoring congressional issues and making intelligence data available to other civil society organizations; and partner IESP has developed the Brazilian Legislative Observatory (OLB), which is an online platform that classifies how legislators vote on specific subjects, including the agendas regarding climate change.



Brazil without a leading role in the global discussion.

Due to the current political administration, Brazil has been losing its international influence and was even excluded from the list of countries invited to participate in the Climate Ambition Summit 2020, after an attempt by the government to change the basic data for a new proposal of the NDC by Brazil. The event, in preparation for the next COP, scheduled for November 2021, was held virtually on December 12, 2020, and marked the fifth anniversary of the adoption of the historic Paris Agreement, bringing together more than 70 state leaders, as well as heads of companies, financial institutions and important civil society organizations.

Despite this compromising chapter in the trajectory of the country involving climate issues, iCS accompanied the government presentations during the Summit, sharing the information with various national and international actors.

Cities engaged with zero carbon.

Independent of the federal agenda, the cities of São Paulo, Curitiba, Rio de Janeiro and Salvador are committed to achieving net zero emissions by 2050. Throughout 2020, they developed their climate action plans in order to achieve this goal. These are examples that confirm the importance of promoting and expanding the subnational engagement in the climate agenda. São Paulo, Curitiba and Salvador have officially launched their plans, with the approval of the C40 network, which involves 40 cities around the world in favor of the climate recovery.

The climate plans of the cities display even greater ambition than that submitted by the federal government in its new PAD 2020 (with net zero emissions by 2060). iCS has directly supported these plans and also campaigned with the Subnational Platform to help increase the pressure for bolder goals by the local actors.



2020 Outcomes

COMPLETE LIST OF THE MOST IMPORTANT OUTCOMES IDENTIFIED IN 2020 TO WHICH ICS AND/OR ITS PARTNERS DIRECTLY OR INDIRECTLY CONTRIBUTED.

ENERGY



1. The Federal Court, via the 9th Federal Court of Porto Alegre, ordered the suspension of the environmental licensing process of a new coal mine (Mina Guaíba) (also an outcome of Law and Climate).
2. The project to reform the electric system was approved by the Infrastructure Commission of the Senate, with the electricity distributors being divided into the sale of energy and infrastructure management, with incentives for investment in the renewable energies sector and the strengthening the market of distributed energies.
3. 52 projects were submitted to the Energy Zero Certification of the Green Building Council (GBC) across the country, resulting in 7,586,503.23 KW/h per year of renewable energy generation to supply the annual consumption equivalent of 7,181,054 .23 kW/h.

ENERGY EFFICIENCY



4. The Ministry of the Economy submitted a proposal to revise the rules of the Manaus Free Trade Zone that are applicable to air conditioning equipment, including a new pro-EE measurement system.
5. INMETRO published Ordinance 234, establishing more rigorous criteria for the classification of residential air conditioning equipment, resulting in a 21.5 MT reduction of CO2 emissions by 2025.
6. The new endorsement seal of Procel for air conditioning equipment will significantly increase the consumers' ability to select more environmentally friendly models.
7. The City Hall of Florianópolis has adopted a low-cost tool that allows the municipality to monitor the consumption of electric energy and water in each public building and make more efficient decisions.
8. The resources from the Energy Efficiency Program will continue to be allocated to energy efficiency, even though there was an attempt by the current government to propose a Provisional Presidential Decree to divert these resources to purposes unrelated to EE.

TRANSPORT



9. Significant growth in the field of civil society organizations that work with the air quality agenda.
10. Approval of Federal Law 14000/20, which establishes more clearly the obligation of municipalities to build their Municipal Mobility Plans, with deadlines and funding opportunities.
11. The Federal Prosecution Office (MPF) submitted a formal recommendation to the Ministry of the Environment against the postponement of stricter rules for the control of pollutants.
12. Two Supplementary Laws that favor urban mobility were approved in Rio de Janeiro (LC 184/18 and LC 8479/19).
13. Approval of Municipal Law 17322/2020, by the city of São Paulo, which is the first law in Brazil that regulates and encourages bicycle logistics.
14. Approval of Law 11181/19, part of the Belo Horizonte Master Plan, which establishes a 20% reduction goal for GHG emissions associated with mobility per capita, in relation to the trend line of emissions.
15. The São Paulo committee for the renovation of the bus fleet published a plan with a larger-than-expected number of electric buses to replace those powered by fossil fuels.
16. COMFROTA, the management committee for the replacement of the fleet with cleaner transport in São Paulo, resumed its work after almost one year of inactivity.
17. Train and subway companies of the State of São Paulo (Metrô and CPTM) are analyzing, with the World Bank, ways to include a new benchmark model for bicycle parking, as a reference in new public procurement processes.
18. Socicam, which is a company that organizes bicycle parking in the bus terminals in the city of São Paulo, started to monitor the control of access, identifying ways to forward information to SPTrans.

LAND USE AND FOOD SYSTEMS



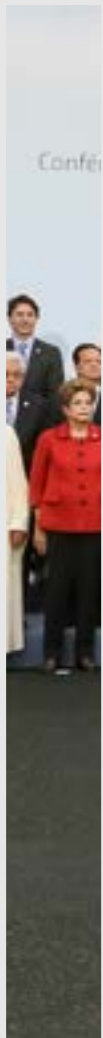
19. The indigenous organizations maintained their ability to denounce the situation of the traditional groups during the Covid-19 pandemic.
20. Civil society organizations and interested parties from the private sector have effectively become involved and constructed a field of bioeconomy and forest economy.
21. Congress abandoned the negotiations for the approval of MP910, which would have legalized unlawfully invaded and deforested areas, mainly in the Amazon (expired in May).





22. Decree 10424, enacted in July 2020, prohibited fires for 120 days in all the national territory.
23. National Congress passed a bill that created the National Policy of Payments for Environmental Services (PNPSA).
24. European supermarkets announced that, after 2020, they will impose blockades on soybeans coming from Brazilian deforested areas.
25. The government of the state of Pará – the largest emitter of GHG due to deforestation – published the State Policy of Climate Change for Pará, created a task force to combat environmental crimes and established the state plan “Amazon Now” to combat deforestation.
26. The Ministry of Agriculture published the “Safra Plan” and increased the budget line for low carbon agriculture by R\$ 408 million.

CLIMATE POLICY AND OUTREACH



27. Brazil remained in the Paris Agreement, despite the threats from the current government to withdraw the country from the agreement.
28. Through Congress, Brazil is still reaffirming the country’s political and legal commitments to environmental protection.
29. Negotiations for the conclusion of the Agreement between the European Union and Mercosur, which could increase the trend of deforestation, are suspended.
30. Brazil was excluded from the list of countries invited to participate in the 2020 Climate Ambition Summit, after an attempt by the current government to alter the basic data for a new NDC proposal.
31. São Paulo, Curitiba, Rio de Janeiro and Salvador are committed to achieving net zero emissions by 2050.
32. Governors from 11 Brazilian states formalized their engagement in a “green” economic recovery in Brazil.
33. 13 female mayors undertook to perform GHG inventories and create climate action plans by signing the Agreement of City Halls for Climate and Energy at the start of 2020.
34. 20 subnational leaders who support the urban climate agenda were re-elected.
35. Religious groups have improved their involvement with the climate agenda and provided their groups with information and guidance in alignment with their beliefs.

LAW AND CLIMATE



36. Eight climate processes were introduced demanding the government’s accountability in actions against climate change.
37. Civil society organizations engaged and effectively built a field of climate litigation.
38. The Federal Supreme Court of Brazil, for the first time in history, addressed the issue of climate change in public hearings about the Climate Fund and the Amazon Fund.
39. Brazilian courts blocked the revocation of several rules of the National Council for the Environment (CONAMA).
40. The federal courts, via the 9th Federal Court of Porto Alegre, ordered the suspension of the environmental licensing process for a new coal mine (Mina Guaíba) (also an outcome for Energy).

LOW CARBON ECONOMY



41. The Central Bank of Brazil joined the Network for Greening the Financial System (NGFS), increasing its exposure to good practices related to climate change.
42. The Ministry of the Economy and the Central Bank publicly expressed support for the establishment of regulations for the carbon market.
43. 18 former finance ministers and former presidents of the Central Bank formalized their engagement in the iCS initiative to support the transition to a low carbon economy, consolidating a necessary convergence for the future of the country.
44. New investors have formally committed to the Investors for the Climate, composed of a group of Brazilian asset managers, which has more than R\$ 3 trillion in AuM (46% of the capital market), with the undertaking to act in accordance with the guidelines of the Task Force on Climate-Related Financial Disclosures (TCFD).
45. A public letter signed by 70 Brazilian CEOs of renowned companies pressured the government to stop illegal deforestation.
46. The three largest private banks in the country (Itaú Unibanco, Bradesco and Santander) launched a joint plan to promote the sustainable development of the Amazon.
47. The Index of Climate Resilience (ICDPR-70) developed by CDP was listed by B3 as a reference for investors in the development of products, taking into consideration the climate risk.
48. Brazil broke the record for the issue of green or sustainable bonds and loans, with more than R\$ 15 billion, in 2020.





6

Partnership
Paths





PARTNERSHIP PATHS

Since the beginning of its activities, iCS has been establishing an important network of partnerships with which it celebrates the credits for the achievements and advances related to the climate agenda.

Among the members of this network are the funders, which are mainly large national and international philanthropic organizations that are willing to offer support to projects that contribute to the acceleration of the climate action in Brazil.

In a highly significant deployment, the network also includes hundreds of partners, who, based on their respective areas of activity or specialties, are inte-

grated into the iCS portfolios. Through them, numerous projects are carried out, which allows the Institute to strengthen specific causes and to expand operations on several fronts.

Finally, in association with these two groups – funders and grantees – the iCS team operates the network, makes connections, develops own projects and maintains the dialogue with governments, academia and other entities that are linked to the work of the Institute.

In 2020, even with the pandemic, this network was boosted. Without a shadow of a doubt, the paralysis imposed by the health and economic crisis was matched with an attentive positioning by iCS and

its partners. The imposed adversities were overcome, for example, with creativity in order to introduce new formats of action and redouble the ability to respond quickly to the challenges that could compromise the evolution of the pro-climate agendas.

This growth has translated into large numbers. A preview of the data attesting to the size of all this mobilization that took place in the year can be seen below. However, it is important to emphasize that more details of the data are available later, in part 8 of this report.

58% INCREASE IN REVENUE IN COMPARISON WITH THE PREVIOUS YEAR

149% INCREASE IN THE VOLUME OF GRANTS

136 GRANTS IN THE YEAR:
39% INCREASE IN THE NUMBER OF GRANTS





PARTNERS

Thanks to the support offered by the funders, we increased the number of awarded grants. In 2020, in the specific context of climate action, 136 grants were formalized by iCS, reaching 101 institutions, with the absolute majority (65%) represented by civil society organizations (CSOs).

Among the 101 grantees supported in 2020, 48 received resources from iCS for the first time, showing the ability of the Institute to create new relationships, which is essential to advance the climate agenda. By taking into account the outputs of these partners, it is possible to identify the offer of a wide range of products and services that can contribute to strengthening the scenario of the reduction of GHG emissions and the promotion of resilience in relation to climate change. In 2020, a total of 580 outputs resulting from the partnerships

were mapped by iCS, with an emphasis on the production of knowledge (by means of documents of reference, research and training); the opening of new areas of dialogue about climate and development; the directing of campaigns and strategic narratives regarding the climate agenda; the improvement of litigation practices; the connection of national and international debates about the climate; as well as the institutional strengthening of the partners.

Over the last year, in addition to the grants related to the climate, 32 other organizations were also awarded emergency resources due to the pandemic, and were able to work to guarantee food security and the maintenance of basic health conditions in disadvantaged communities.

Survey on Partners' Perception

The work criteria of iCS and its essential function are being perceived with increasing clarity by its partners. A recent survey conducted with the partners revealed that there is a broader understanding of the Institute, as well as its thoughts, its strategies and priorities in relation to the initiatives aimed at combating climate change and the promotion of social justice.

The partners also pointed out the indications of modernization in the operational processes, in a perspective of the successful course of development of the Institute, in the comparison between 2017, the date of the previous survey, and 2020.

With 157 participating organizations, the survey revealed attributes of iCS related to responsiveness, transparency in the relationships with its partners and the ability to understand the reality and the challenges and objectives of the organizations where partnerships have been established. Moreover, the role of the Institute was not only associated with the task as intermediary of financial support – 91% of the grantees indicated that they received other types of support from iCS, in addition to the support in the form of monetary values. Furthermore, iCS was recognized as an agent of transformation, which has a positive impact on the climate change agenda, through its partners, and also through its own institutionally strong performance.





PANEL OF ACTIVE PARTNERS IN 2020*

PORTFOLIO LAND USE AND FOOD SYSTEMS



PORTFOLIO LOW CARBON ECONOMY



PORTFOLIO CLIMATE POLICY AND OUTREACH



PORTFOLIO TRANSPORT



PORTFOLIO ENERGY



INITIATIVE URBAN AMAZON



OPPORTUNITIES



* Table of partners illustrates all the active agreements in 2020 (including agreements from previous years that are still in effect).



FUNDERS

In 2020, 21 different funders contributed resources to support iCS, compared to 14 in 2019. In addition to the increase in the number of funders, there was also an increase in the amounts made available. The total amount was R\$ 65.2 million, which is above the fundraising goal established in the strategy defined in 2016.

Unlike most grantmaking organizations, iCS does not have its own endowment fund. iCS receives two types of support. The institutional support enables the range of all the activities and offers stability and flexibility, so that the strategy approved by the Institute's board can be developed. There is also support for specific projects and programs.



INSTITUTIONAL SUPPORT



SUPPORT FOR SPECIFIC PROJECTS AND PROGRAMS





Thank you to the funders

The Institute thanks the foundations of CIFF, Hewlett, Oak, IKEA, Open Society and ClimateWorks, which provided institutional support to iCS in 2020, and to Quadrature, which, at the end of 2020, formalized its institutional support for the coming years.

Other thanks go to the funders who, in 2020, ensured us grants for specific projects. This list includes the German Embassy, which made possible the series of Sustainable Future Dialogues; the Mott Foundation, with support for the Renewable Roraima project; CLASP, which was involved in the work with the energy efficiency of refrigerators; the Foundation for International Law for the Environment, with essential support for the area of Law and Climate; Agora Energiewende, which facilitated the creation of Institute E+; the European Climate Foundation (ECF) and the Climate Emergency Collaboration Group (CECG) (through the Rockefeller Philanthropy Advisors), which have opened up important international connections in climate policy; Bloomberg (through ClimateWorks) in the facilitation of the work with subnational actors; and Walmart, in the MapBiomias project.

Some organizations, as well as institutional support, have also enabled specific projects. Examples such as Oak, with resources for emergencies and quick responses; ClimateWorks, which supports the Kigali Project, the work of iCS on the subject of maritime emissions and the carrying out of an opinion poll about mobility; and also, IKEA, which enabled an incipient work of local observatories of public policies in the Amazon.

Still in the Amazon, João Moreira Salles and Walter Moreira Salles have provided essential support to organizations operating there. In addition to this effort, there was the participation of the Rainforest Alliance, which maintained the support to combat fires, and two other organizations – Humanize and Arapyaú –, which entered into a partnership with iCS to support the joint work of the Amazon states.

iCS TEAM

Since March 2020, the iCS team, currently composed of 27 employees, has been working remotely. The new dynamic required a series of daily adjustments, not only for the maintenance of routines among the employees themselves, but also for the relationships with the partners. Paradoxically, it was necessary to guarantee maximum proximity at a distance, especially with the grantees, in order to reassure them about the directing of the projects, the maintenance

of resources and other guarantees, independent of the unstable situation caused by the pandemic.

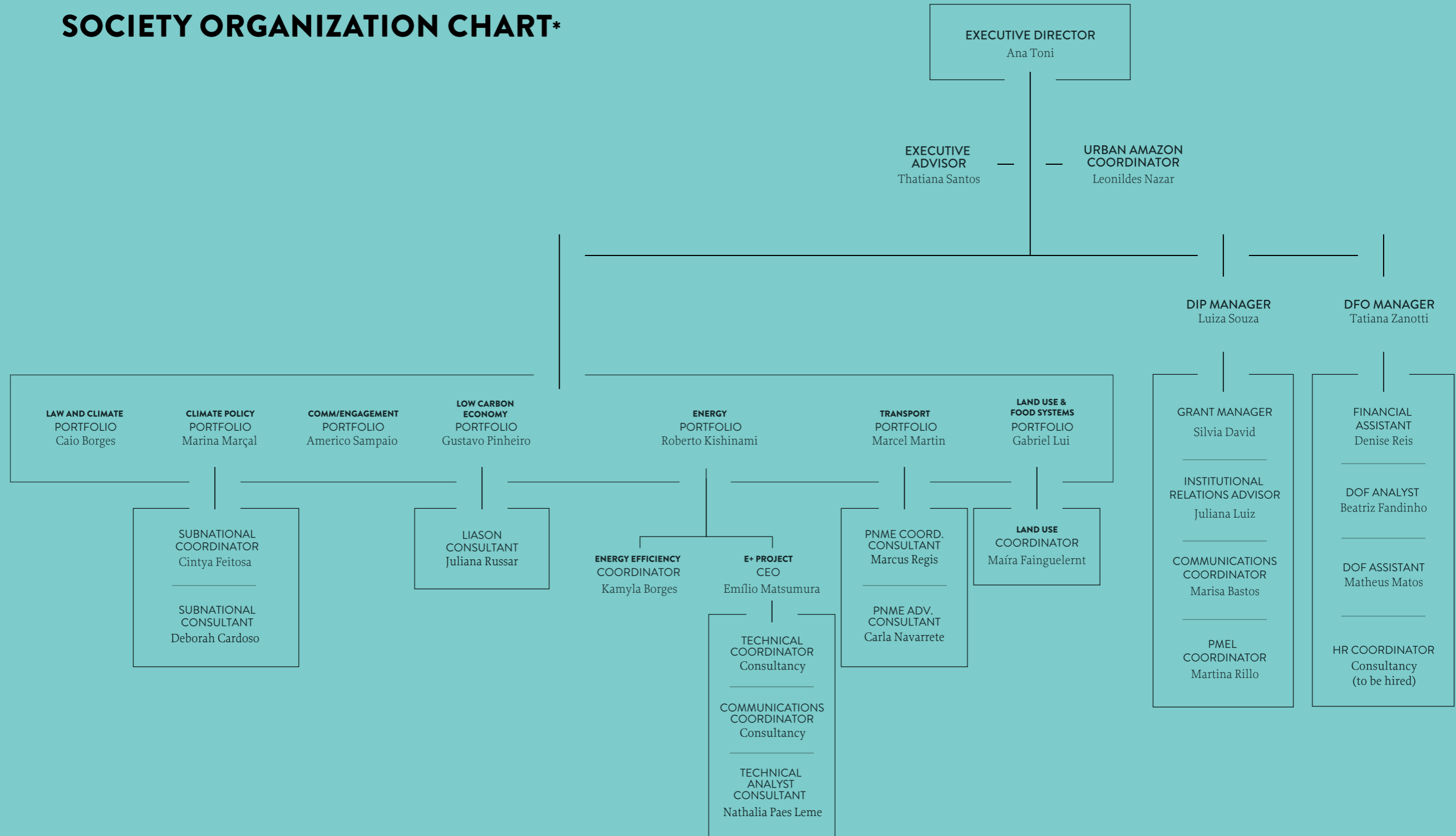
Among the updates made to the team, there was the hiring of Emílio Matsumura, to occupy the position of executive director of Institute E+ Energy Transition (one of the special projects of iCS), and Matheus Matos to support the finance and operations department. Cintya Feitosa took over the coordina-

tion of the Subnational Platform, an initiative of the Climate Policy portfolio; Deborah Cardoso is part of the communications and outreach area of the Subnational Platform; and Martina Rillo who, in the management of institutional development and partnerships, is responsible for the planning, assessment and learning area. Finally, there was the arrival of Marina Marçal, in the position previously occupied by Alice Vogas, as coordinator of the Climate Policy portfolio; and the return of Leonildes Nazar, leading the Urban Legal Amazon initiative.

The changes are expected to continue in 2021, with the opening of the new positions of programmatic director and digital and innovation director, as established in the strategic plan. There are also plans to expand all the departments, in order to accompany the growth of the Institute and to improve the service to the internal and external public. Any new hiring will take into account the commitment of iCS with diversity and the encouragement to include representatives from minorities in the team.



INSTITUTE FOR CLIMATE AND SOCIETY ORGANIZATION CHART*



* Structure consolidated in January 2021.



7

Challenges for the
Coming Years





CHALLENGES FOR THE COMING YEARS

The focus of iCS for the next two years is to continue the work of resistance to any attempt to dismantle the socio-environmental regulatory scope experienced by Brazil, and, at the same time, to act in the defense and monitoring of the advances and achievements obtained in 2020, alongside the grantees and partners.

In parallel, the Institute will work for the protection of communities and institutions, on a front that is duly coupled with investments in the construction of leadership and in the strengthening of key instruments that can allow Brazil to meet the commitment of net zero carbon in 2050.

These can be summarized as the iCS priorities for the next two years. As a result of the pandemic and the scenario of social and political instability in Brazil, the Institute has established, with the approval of its Board, that its planning, from 2020, would only considering the next couple of years ahead.

It is hoped that, in this way, the Institute will have a margin for the adaptation and adequacy of its positioning and its actions, keeping itself increasingly aligned with reality and, consequently, with the framework conditions that have an impact on its work portfolios. Therefore, the next plan involves a two-year period – 2021/2022 – and no longer a five-year period.

The programmatic adjustments already made in the portfolios in 2020 will contribute to robust action. Examples are the Land Use portfolio – with an update aimed at guaranteeing the coverage of the actions related to the deforestation, fires and other environmental crises that have affected the country in 2020 – and also the Energy portfolio, with a new strategy for natural gas,

in order to avoid, among other measures, the installation, in the Northeast, which is a region with high potential for the generation of renewable energy, of LNG power plants, compromising the Brazilian goal for neutral carbon.

Alongside these updates that aim to provide greater strength to the trajectory of iCS, a few more updates deserve to be highlighted: the Law and Climate portfolio increased its transversality, crossing several fields, while the Communication and Outreach portfolio is about to be reorganized as a new portfolio, and the areas related to food systems will migrate to a new initiative.

In an objective and well-calculated manner, the Institute is defining its steps, always considering that, in terms of sustainability, social responsibility and long-term development, the examples must start, firstly, from within. In this way, it will be possible to inspire partners and, at the same time, define references for the conduct of the climate action based on philanthropy.





8

Numbers that reflect the actions of iCS in 2020



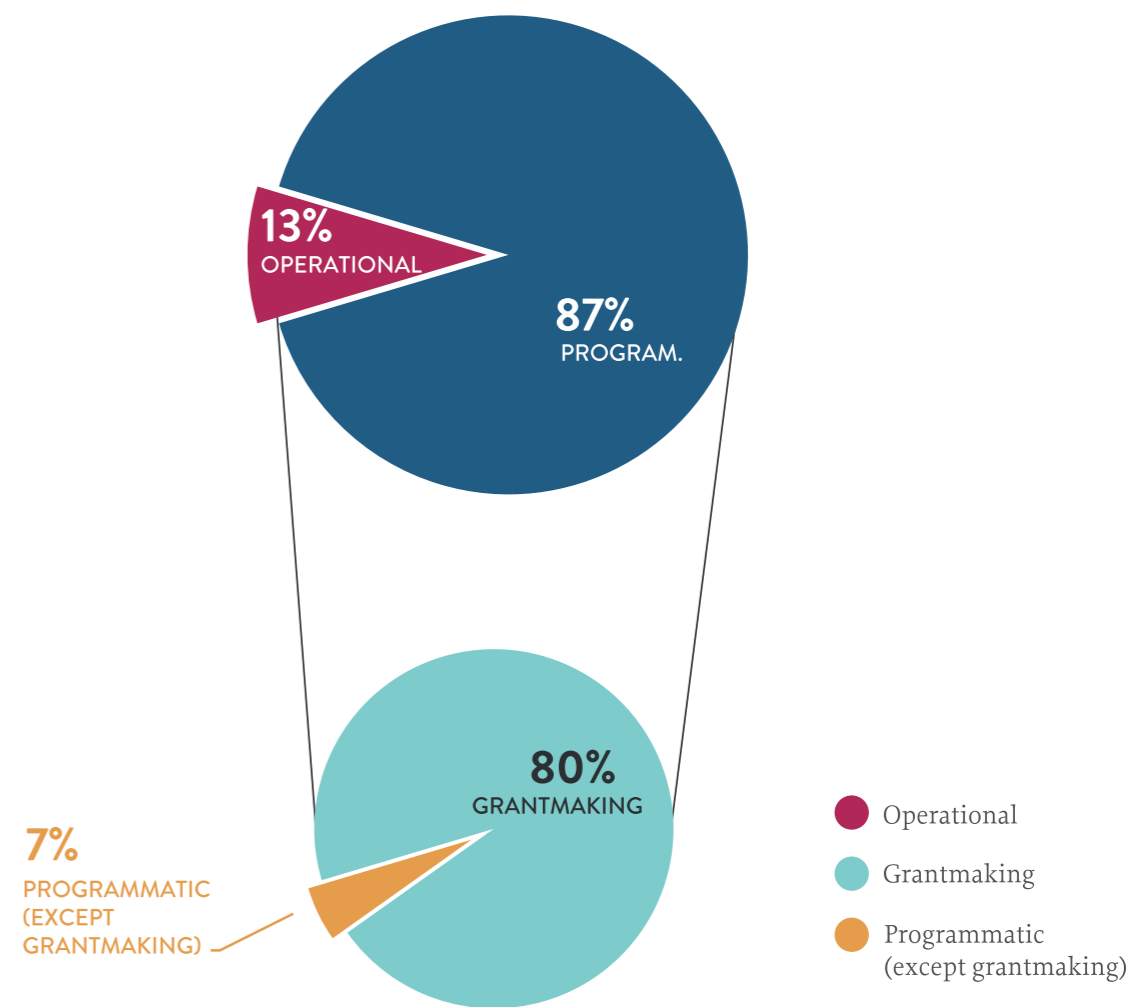


NUMBERS THAT REFLECT THE ACTIONS OF iCS IN 2020

Below are some of the significant numbers referring to the operations of iCS. It is worth emphasizing the commitment – especially financial – of the Institute in favoring the programmatic focus in conducting its philanthropic activity, which, in 2020, was from a budget of R\$ 65.2 million. It is emphasized that the budget performance of the Institute is annually verified by independent auditors. In 2020, as in the other years, the iCS numbers were fully approved and can be seen in detail in the financial statements available on our website.

[FINANCIAL STATEMENT](#)

BUDGET DISTRIBUTION 2020



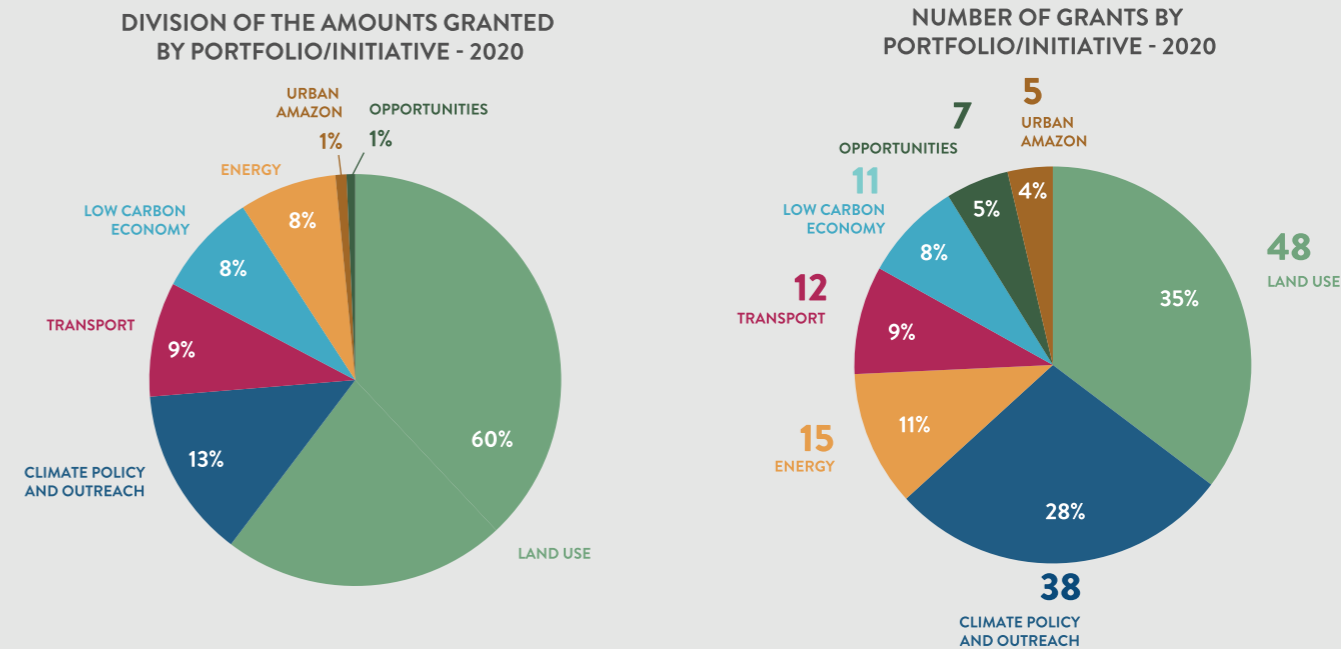
EVOLUTION OF PARTNERSHIPS

Next, information is provided that gives details, in numerical terms, of the performance of iCS and the reach of its philanthropic action. In 2020, the operation of the Institute was expanded and a reference to this advance was the increase in the number of grants made, along with the also significant increase in the number of funders. In 2020, there were 21 in total, which is an increase of 50% in the number of funders, when compared to the 14 funders listed in 2019.

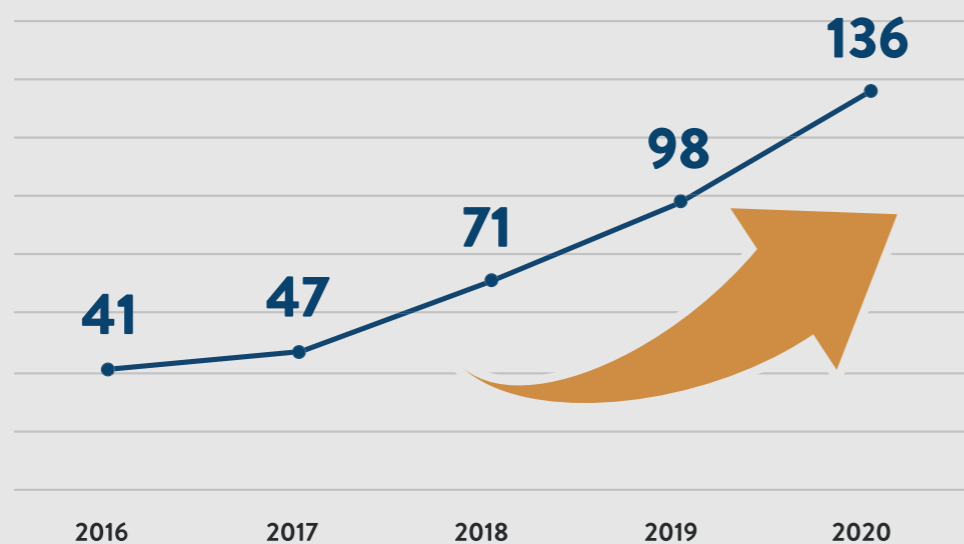
During the year, 136 grants were approved by iCS, which represented an increase of 39% compared to 2019, when 98 grants were authorized. In the year of the pandemic, 101 organizations benefited from this support, some of which received more than one grant in this period.

In relation to the distribution of grants, it can be ascertained that most of them were concentrated in the Land Use and Food Systems portfolio (60%). Next, came the Climate Policy and Outreach portfolio, with 13% of the grants, and the Transport portfolio, with 9%. The chart also demonstrates that the Urban Amazon initiative, which was created to strengthen the climate and socio-environmental agenda of the cities in the Amazon region, was also included.

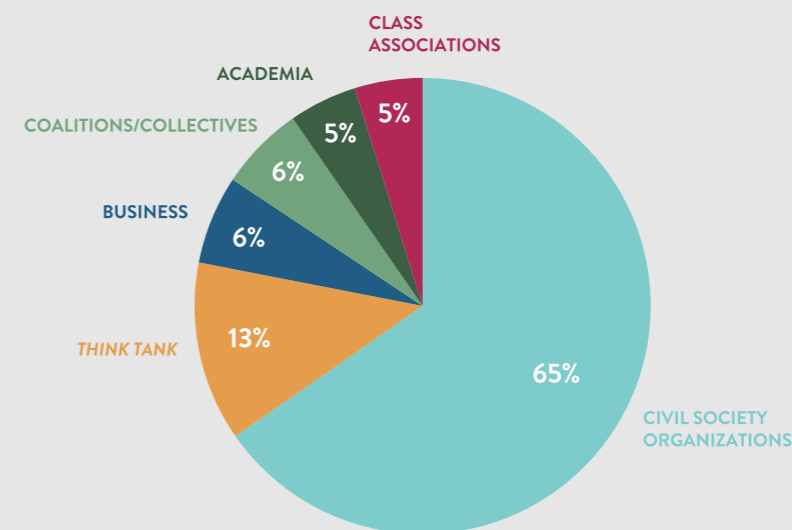
When considering the benefited partners, there is a prevalence of civil society organizations, which maintains a trend ascertained in recent years and coincides with the essential mission of iCS to strengthen them in the path of climate action.



NUMBER OF GRANTS OVER THE 5 YEARS OF iCS*



PERCENTAGES OF GRANTS BY TYPE OF ORGANIZATION - 2020



* The data for the grants presented here does not include the grants provided exclusively to meet with the impacts generated by the Covid-19 pandemic.





THINKING ABOUT **Change**

THE CHANGE WE WANT FOR THE PLANET STARTS WITH US.

Share the same world

With more respect for the planet

Build a new reality

With more empathy for others

Live in a new time

With a focus on the building of a sustainable future

TO BE PART OF THE CHANGE

Engagement with the iCS causes

You can also be an agent of transformation of society and support the Institute for Climate and Society in the promotion of more harmonious relationships between the different segments of society and with the planet. Become an active contributor to the growing iCS community and get involved with the emergency climate issues and committed to the building of a less polluting society, which, at the same time, is fairer and more egalitarian for everybody. Whether as a funder, as a grantee, as a participant in events and activities or sharing the initiatives and ideas of the Institute.

CONTACT

You can send your projects for analysis and enable grants, as long as they are in line with our portfolios. Learn about our objectives and goals for each one of the portfolios on our website:

WWW.CLIMAESOCIEDADE.ORG



OUR BOARD

iCS acts under the supervision of a Board composed of diverse professionals. It is chaired by Ana Yang, who is a senior consultant at the Hoffmann Center on the Sustainable Resource Economy (Chatham House) with a postgraduate degree in Social Policy and Development from the London School of Economics and Political Science (LSE). It also includes Adriana Moreira (PhD and biologist), the economists, Gabriel Visconti and Lucas Assunção, Marilene Ramos (PhD in environmental engineering), Thula Pires (master's degree and PhD in Theory of the State and Constitutional Law), and vice president Rodrigo Fiães, an economist who also graduated from the London School of Economics and Political Science (LSE)."

The Audit Committee contains the economist Helena Penna and the director of R&R Auditoria e Consultoria and Value Gestão de Negócios, Warley de Oliveira Dias.

FOR THE SUBMISSION OF PROJECTS OR REQUEST FOR SUPPORT/GRANTS:



FOR SENDING SUGGESTIONS OR TO REQUEST ADDITIONAL INFORMATION:
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KEEP INFORMED WITH OUR UPDATES

Register to receive the iCS monthly newsletter at the website climaesociedade.org and stay up-to-date on the latest analyses, publications, events, ideas and initiatives from the Institute and its partners.

This publication is our sixth annual report and reflects something of our history and trajectory over the recent years. We share here many achievements and conquests – most obtained in partnership with our partners – and that would not be possible without the help and support of our funders.

The annual audits of the financial statements of iCS are published in full at:



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