

BRAZIL REPORT



At a Glance

Social Media & AI Regulation: Debate on Fake News Bill & AI Bill before G20 in Rio

Brazil's Diplomacy: Lula's push for regional integration; Argentina focuses on stable relations

G20 Countdown: Discussing sustainable energy, tech regulation, & inequality

Floods in Brazil: South region faces tragedy, and deaths reach 107 people

"Regulation should be balanced to promote and ensure freedom of expression while protecting other fundamental rights of citizens.

We understand that the European Union and the United Kingdom are benchmarks of recent legislation moving in this direction and should inspire global discussions."

 $\label{eq:ministerPauloPimenta} \mbox{MinisterPauloPimenta, at the opening conference of the G20's parallel}$ $\mbox{event on information integrity.}$ $\mbox{Audiovisual/G20 Brazil}$



Brazil's Diplomacy in LATAM

Lula in Colombia

For the second time in his third presidential term, President Lula went on an official visit to Colombia on April 17. He met with President Gustavo Petro to discuss regional integration, trade cooperation, border security, combating illegal deforestation, and promoting sustainable development in the Amazon.

The visit also tackled apprehensions regarding the fairness of the forthcoming Venezuelan presidential election set for July 28th. The international community has expressed concerns, particularly regarding the hindrance of Corina Yoris' candidacy registration by the Unitary Democratic Platform (PUD), the strongest opposition group in Venezuela, while President Nicolás Maduro seeks a third consecutive term. Petro, who visited Venezuela the previous week for

Petro, who visited Venezuela the previous week for discussions with Maduro and opposition representatives, emphasized his commitment to political peace in the country.

Lula and Petro also addressed the diplomatic crisis between Mexico and Ecuador. Lula criticized Ecuador for its actions, describing the police raid on the Mexican embassy in Quito and the subsequent arrest of former Vice President Jorge Glas, who had been granted asylum by Mexico, as a serious breach of international law. This issue has been brought to the attention of the Community of Latin American and Caribbean States (CELAC).

Argentina's Chancellor

Simultaneously, during her visit to Brazil, Argentine Chancellor Diana Mondino engaged in discussions with Foreign Affairs Minister Mauro Vieira and business leaders in Brasília, highlighting the importance of bilateral relations between Argentina

and Brazil. Mondino, seen as a more moderate figure compared to President Milei, played a significant role in diplomatic efforts between the two countries.

Her meetings with Vieira, underscored ongoing efforts to strengthen ties despite differing political ideologies. Mondino also met with Vice-President and Minister of Development, Industry, Commerce, and Services, Geraldo Alckmin, to address topics such as Mercosur, bilateral trade, and collaborative economic initiatives.

The chancellor also conveyed a letter from Argentine President Javier Milei to Brazilian President Lula, emphasizing Argentina's dedication to maintaining positive bilateral relations despite political differences and reiterating Argentina's stance of non-interference in Brazil's internal affairs, particularly regarding the dispute involving Elon Musk and the Brazilian judiciary branch. This contrasted with earlier reports of Milei's proposed collaboration with Musk.



Back in April, VP,Geraldo Alckmin, and the Argentinian Chancellor, Diana Mondino, convened for a meeting. Cadu Gomes/VPR



Social Media and AI Regulation on the Spotlight

The debate on Fake News

Discussions on the regulation of digital platforms in Brazil have reached new tensions. After Elon Musk tagged Supreme Court Minister Alexandre de Moraes in posts questioning the judge's decisions regarding blocked profiles on a social media platform, controversy ensued. Brazilian government officials argued that Musk shouldn't challenge Brazilian judicial rulings and use freedom of speech as a pretext for spreading conspiracy theories and fake news that undermine Brazilian democracy. Despite the heightened tensions, progress on the most advanced bill related to this issue, Bill 2630/2020, has stalled due to resistance from various stakeholders, including members of Congress.

Draft of the AI Bill

Al is being one of major topics discussed in Brazil currently, either in the Executive Branch and the Legislative Branch. Lula's government is actively pushing for passing an Al Framework by November this year, before the G20 summit in Rio de Janeiro. The goal is to position Brazil as a pioneer and trailblazer in Al regulation in South America, with clear rules that can serve as an example for other nations. The issue has already been indicated as one of the government's priorities by the Minister of Institutional Relations, Alexandre Padilha.

In the Congress, Senator Eduardo Gomes presented on April 24th his preliminary report on <u>Bill 2338/23</u> (Legal Framework for Artificial Intelligence).

"Brazil will not be colonized in the race for artificial intelligence. Regulation is not urgent. What is urgent is the protection of citizens' rights. AI is a promise of development and competitiveness, but it must be sustainable, and its use, responsible" - Senator Eduardo Gomes.



Temporary Commission on Artificial Intelligence in Brazil of the Senate.

Roque de Sá/Agência Senado

To accelerate the processing of the bill, the rapporteur expressed his intention to gain consensus with the President of the Federal Senate, Rodrigo Pacheco, and the President of the Chamber of Deputies, Arthur Lira. This approach aims to secure approval for the bill by the end of 2024.



Preparations and Expectations for the G20 in November

As the first major meetings of the G20 under Brazil's presidency are already underway, the country finds itself in a crucial moment of global leadership. The G20 plays a central role in shaping economic policies and coordinating responses to global challenges and with Brazil at the helm, discussions are expected to cover a wide range of issues, from macroeconomic policies to social and environmental challenges.

Artificial Intelligence (AI)

The discussion on the impact of artificial intelligence (AI) and other digital technologies on global economy will take center stage. Issues related to regulation, ethics, and cybersecurity will be addressed, with Brazil leading conversations on policies to promote responsible AI development and maximize its economic benefits.

Promoting information integrity

A parallel event to the G20 Summit was held in São Paulo on May 1st, 2024, focusing on information integrity. Drawing participants from various countries to address global challenges. The event was organized by the Brazilian federal administration, with support from CGI.br (Internet Management Committee) and endorsed by the G20 Digital Economy Task Force. It highlighted urgent issues such as combating misinformation and hate speech. Key highlights included the announcement of a global initiative by the Brazilian Government to ensure information integrity regarding climate change; the emphasis on the need for platform regulation and digital literacy education.

Emphasizing collaboration between governments, civil society, academia, and the private sector, the event underscored the importance of global efforts to promote information integrity and to face the challenges posed by misinformation and online extremism.

Energetic Transition

One of the key topics under debate will be energy transition, focused on the dispute between Brazil and Europe over the role of biofuels. While the European Union advocates for a cascade use principle for biomass, prioritizing food and higher value-added products, Brazil argues for an approach that does not compromise food production and sees biofuels as both an economic and environmental opportunity.

During a Working Group meeting in April, the

Brazilian Minister of Mines and Energy, Alexandre Silveira, highlighted the importance of biofuels as a crucial source of decarbonization, emphasizing that the flex-fuel car (that runs with petrol and ethanol) is emblematic for Brazil. He also emphasized the need for cooperation among countries, noting that carbon "knows no borders" and that the energy transition requires significant commitments, such as those established in the Copenhagen Agreement and COP Dubai, for investments in clean and renewable energies. Members of the Energy Transitions Working Group hope to present a roadmap with policy guidelines for the development of new sustainable fuels, including hydrogen and its derivatives, at an upcoming meeting scheduled for May.



Audiovisual/G20 Brasil

Investments in Emerging Countries

The G20 will provide an important platform to discuss strategies for attracting long-term investments to emerging economies. Aimed at boosting economic growth, reducing poverty, and addressing challenges such as climate change, discussions are expected to focus on improving the investment on environment and facilitating capital flows to these regions.

A working group, the International Financial Architecture, focused on discussing how to reform the global financial order, emphasizing strengthening international financial institutions, addressing sovereign debt challenges, promoting resilient capital flows, and reassessing debt in developing countries, particularly in Africa. Next steps involve proposing enhancements to Multilateral Development Banks, fostering macroeconomic stability, and discussing the impacts of the green transition on capital flows, aiming to finalize a document by November for presentation at the G20 summit in Rio de Janeiro.



Brazil faces devastating flood in the South region

In the wake of catastrophic flooding in Rio Grande do Sul, Brazil has mobilized a multi-faceted response to address the unfolding crisis. The southern Brazilian state has been ravaged by heavy rains, resulting in widespread inundation, deaths and unparallel economic losses. At least 107 people have died, while approximately 164,000 residents have been displaced from their homes, according to official reports.

Approximately 85% of municipalities in the state have been impacted by the floods, with some areas remaining isolated and depending on challenging rescue efforts. The capital of Rio Grande do Sul, Porto Alegre, is surrounded by water and the rain is expected to continue for coming week, aggravating the situation. Water and power supply is disrupted, airports in the regions flooded and closed, and roads affected.

Rio Grande do Sul is responsible for 6% of the Brazilian GDP, being the 5th largest economy at a state level. Besides being a large soy, rice and corn producer, Rio Grande do Sul is also a large meat packer and tobacco processer. The state also plays a relevant role in the auto parts industry.

Administrative action

In response to the situation, the Brazilian government has set up a temporary office in the region, deploying a task force consisting of seventeen out of the thirty-one ministries.

One of the key measures is the introduction of a special line of credit designed to facilitate the

reconstruction of homes for families affected by the floods, recognizing the pressing need for financial resources to help restore livelihoods and infrastructure.

Additionally, the Federal administration has officially recognized the state of calamity in Rio Grande do Sul until December 31, 2024, facilitating expedited access to federal resources and flexibility in fiscal responsibilities. This designation enables the state and its municipalities to expand credit operations and receive voluntary transfers, essential for financing recovery efforts and mitigating further damage.

Climate change

The handling of dimate change in Brazil faces a significant challenge, as evidenced by the lack of prioritization of the environmental and climate-related initiatives among elected officials. Despite the escalating frequency and severity of natural disasters, such as the ongoing tragedy in Rio Grande do Sul, only one of the 513 federal deputies has allocated funds towards climate change actions since 2023.

With Brazil set to host COP-30 in 2025, there is a critical opportunity for the country to demonstrate leadership on the global stage by committing to and implementing credible strategies for climate mitigation and adaptation, at the local, federal, regional and global levels. This requires comprehensive policy updates, transparent governance structures and robust stakeholder engagement to effectively address the challenges posed by climate change.



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