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Why global NGOs are slamming Brazil's proposed mining code changes

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Proposals to change Brazil's [mining code](#) under discussion in congress have come in for severe criticism from global environmental NGOs and could complicate mining firms' efforts to obtain financing for [projects](#).

"The review of the mining code under consideration represents a significant setback and if approved it could create problems for major mining companies in Brazil to finance their projects, since the legal and reputational risk could become enormous," Sergio Leitão, a lawyer and founder of sustainability-focused NGO [Instituto Escolhas](#), told BNamericas.

A working group of lawmakers is drawing up a draft proposal to update the [mining code](#). The lower house created the group in June to update sector regulations dating back to 1967, including amending rules regarding tailings dams, auctions for mining concessions and financing mechanisms, among others.

In an open letter, a group of nine prominent NGOs, including [Greenpeace](#) and [WWF](#), say the proposals under discussion would have a major environmental impact in the country.

"It is urgent that Brazil deal better with its environmental issues, but the government and congress are in a hurry to push forward measures that encourage a mining model that destroys forests and people's health," said Mariana Mota, public policy coordinator at Greenpeace Brasil.

According to NGOs, the proposals to change the mining code include an exemption from the need for environmental licenses when a prior environmental impact study is not required, that is, practically all mining activity that precedes the exploitation phase.

In addition, NGOs claim the revised mining code would guarantee the right of exploitation even if the applicant does not show the financial capacity to carry out a project, which will affect the implementation of the conditions of environmental licenses, among other issues, such as the ability of miners to pay for any damage caused to third parties.

"Major mining companies remain silent, but they should raise their voice against this review, as there is a clear focus inside the Brazilian congress to formalize illegal activities in the Amazon region, where there is intense illegal gold mining," added Leitão.

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