

Decree No. 98.161 of 21 September 1989

Provides for Management of the National Environment Fund,
and Other Items

The President of the Republic, by virtue of the powers vested in him by Article 84, clause IV of the Constitution, and in view of Article 6 of Law No. 7.797 (1) of 10 July 1989, hereby decrees:

Article 1. The National Environment Fund (FNMA) established pursuant to Law No. 7.797 (3), of 10 July 1989, in conjunction with the Secretariat for the Environment (SEMA/PR), is financial in nature and its goal is to develop projects aimed at the rational and sustainable use of natural resources, including maintenance, improvement and recovery of environmental quality, in order to improve the quality of life of the Brazilian population.

Article 2. FNMA revenue shall consist of:

I. Federal Government appropriations and additional credits attributed thereto;

II. donations, cash contributions, securities, chattel and real estate received from domestic, international or foreign individuals or corporations;

III. returns of any nature, received from invested assets;

IV. other sources, as specified by law.

Sole paragraph. FNMA's financial balances, as specified on the balance sheet at the close of each fiscal year, shall be carried over to the next fiscal year, to be credited back to the Fund.

Article 3. FNMA's funds shall be invested through covenants, agreements or contracts entered into with direct or indirect governmental agencies or entities of the Federal Government, States, Federal District and municipalities, as well as private entities that share FNMA's goals, provided that they are non-profit organizations.

Article 4. Applications of financial resources shall be considered priority under this Decree for projects in the following areas:

- I. conservation units;
- II. technological research and development;
- III. environmental education;
- IV. forest management and expansion;
- V. institutional development;
- VI. environmental monitoring;
- VII. rational and sustainable economic use of native fauna and flora.

1. Programs shall be periodically revised in accordance with the principles and guidelines of national environmental policy, and should be presented to the Federal Congress annually.

2. Without prejudice to activities of a national scale, priority shall be given to projects focusing on the Legal Amazon.

Article 5. The FNMA shall be administered by the Committee mentioned in clause XVI, letter "d" of article 19 of Law 8.490 of 19 November 1992, presided by the State Minister of the Environment and the Legal Amazon and composed of:

- I. three representatives of the Ministry of the Environment and the Legal Amazon;
- II. one representative of the Secretariat of Planning, Budget and Coordination of the Presidency of the Republic;
- III. three representatives of the Brazilian Institute for the Environment and Natural Renewable Resources -- IBAMA;
- IV. five representatives of non-governmental environmental organizations in the proportion of one for each geopolitical region of the country.

1. The representatives mentioned in clauses I to III hereof, and their substitutes, shall be appointed by the principals of the organizations and appointed by the State Minister of the Environment and the Legal Amazon.

2. The representatives of non-governmental environmental organizations and their substitutes shall be appointed by a group of these organizations, by geopolitical regions, and shall be recorded in the National Registry of Environmental Organizations -- CNEA, created by the National Environmental Council -- CONAMA and appointed by the State Minister of the Environment and the Legal Amazon.
3. The participation in the Committee is considered of relevant public interest and shall not be a paid position.
4. The representatives mentioned in clause IV of this article shall serve for a two-year term.
5. Persons invited by the President will be allowed to attend Committee meetings without having the right to vote.
6. Committee operations and the obligations of its members shall be established through internal regulations approved by the State Minister of the Environment and the Legal Amazon.

Article 6. The Committee shall:

- I. Establish priorities for projects to be executed using FNMA funding, in accordance with national environmental policy and governmental guidelines for the environment, and for the prevention, conservation and rational use, monitoring, control and development of environmental resources;
- II. establish criteria for prior analysis of the project;
- III. approve projects that are compatible with policies and guidelines mentioned in clause I;
- IV. approve, for each specific case, partnerships, agreements and ventures for the investment of FNMA's funds;
- V. issue regulations for project follow-up and evaluation;
- VI. approve technical reports;
- VII. approve the proposed annual budget and its revisions;
- VIII. propose a funds disbursement schedule or its respective revisions;

IX. prepare and publish the annual activities report;

X. prepare internal regulations;

XI. resolve contingencies not covered by law;

XII. carry out other duties assigned by the Secretary of Environment;

1. The Committee shall meet at the request of the Chairman or of at least 2/3 (two-thirds) of its members;

2. The Committee shall receive technical and administrative assistance from SEMA/PR or IBAMA, particularly regarding previous project analysis, follow-up and evaluation;

3. Projects submitted to the Committee's consideration shall be documented by technical opinions prepared by special units of SEMA/PR, IBAMA, or both, as determined for each case.

4. Technical reports required herein are to be prepared by the special units to which the preceding paragraph refers.

Article 7. The Committee Chairman's responsibilities shall consist of:

I. calling meetings and organizing the respective agenda;

II. submitting technical reports and plans to the Committee;

III. signing covenants, agreements or contracts;

IV. preparing a proposed annual budget and its revisions;

V. preparing a proposed disbursement schedule and its revisions;

VI. requesting, when necessary, appraisals of the authenticity and value of chattel and real estate donated to FNMA;

VII. exercising other responsibilities as necessary for suitable management of the FNMA.

Article 8. FNMA's management, pursuant to applicable

laws shall be the responsibility of the Secretary of the Environment in matters regarding the Fund's budget management, finances, and equity management, and in particular regulations, obligations, settlements or payment of expenses, as well as cancellations.

I. executing, in conjunction with the Chairman of the Board, covenants, agreements or contracts;

II. acting on FNMA matters regarding the Fund's budget, finances, and equity management, and in particular regulations, obligations, settlements or payment of expenses, as well as cancellations.

Sole paragraph. FNMA's management actions may be delegated, subject to it being in the interest of the administration and in conformance with the operational circumstances relating to its objectives.

Article 9. FNMA funds shall be available at the Caixa Unica of the National Treasury, for disbursement through scheduled withdrawals specified by the National Treasury Department (DTN).

Article 10. This decree shall enter into effect on the date of its publication.

Article 11. All provisions to the contrary are hereby revoked.

Jose Sarney
President of the Republic

Joao Alves Filho

Joao Batista de Abreu

ENFLEX History Note:

Amended by Decree No. 99.249 of 11 May 1990, published on 14 May 1990.

Amended by Decree No. 1.235 of 2 September 1994, published on 5 September 1994.