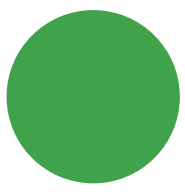


ECOLOGICAL TRANSFORMATION PLAN

Ongoing Actions Status



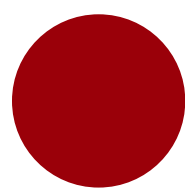
Ecological Transformation Plan: Report on the main actions and their respective drafting or implementation status.



Sustainable Finance

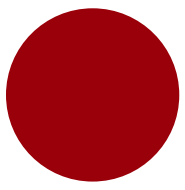
Strategic Action	Status
Sustainable sovereign bond issuance to finance transition projects.	<p>Bonds were issued with a total value of 2 billion dollars after developing a framework for issuance, governance, and a road show.</p> <p>https://www.gov.br/fazenda/pt-br/assuntos/noticias/2023/novembro/tesouro-anunciar-resultado-da-primeira-emissao-brasileira-de-titulo-sustentavel-em-dolares</p>
Carbon-regulated market creation in Brazil with the establishment of the Brazilian Emission Trading System (SBCE)*.	<p>The government's proposal was approved by both legislation houses, but it awaits a new voting in the Senate to be concluded.</p>
Tax Reform: Establishment of a selective tax on activities that produce negative externalities and different rates of IPVA (tax related to the ownership of a car) according to the environmental impact.	<p>The Tax Reform Act was approved and promulgated by the Chamber of Deputies and the Federal Senate.</p>
Innovation competitive credit and ecological transition through the National Climate Change Fund and other sources are tools to finance strategic sectors.	<p>Climate Fund substantial increase in the volume of resources through sustainable sovereign bonds with competitive rate setting (from R\$0.5 billion to R\$10 billion per year).</p> <p>TR + 2% adoption rate for innovation actions in companies originated from FAT (Work Supporting Fund), operated by BNDES (Social and Economic Development National Bank) and FINEP (Studies and Projects Financier).</p>
Adoption of clear and comparable indicators in the sustainable practices of companies that access the capital market.	<p>The CVM (equivalent to the Securities and Exchange Commission) resolution was approved on 10/20.</p> <p>https://www.gov.br/fazenda/pt-br/assuntos/noticias/2023/outubro/cvm-lanca-resolucao-para-adotar-indicadores-claros-e-comparaveis-em-praticas-sustentaveis-de-empresas-que-acessam-o-mercado-de-capitais</p>

(*all abbreviations and acronyms were kept in portuguese before the parenthesis disclosing their translated meaning)



Technological Density

Strategic Action	Status
Neoindustrialization new policy based on strategic missions	Aligned with the Ecological Transformation Plan, the CNDI (National Industrial Development Council) has already defined industrial development missions. New industrial policy details should be released in the coming weeks.
Biotechnology policy development, starting with the Amazon Bio-Business Center	CBA (Amazon Biotechnology Center) conversion to the social organization model, with nomenclature adjustments to clarify the institutional mission. CBA management contract signing. https://www.gov.br/suframa/pt-br/zfm/cba/vice-presidente-alckmin-viaja-a-manaus-para-a-ssinar-ato-historico-para-o-cba
FNDCT (National Fund for Scientific and Technological Development) investments resume, focusing on national challenges and technological missions.	FNDCT resources significantly increased to more than R\$10 billion annually with the approval of the new Investment Plan by the Fund's board, focusing on missions. http://www.finep.gov.br/noticias/todas-noticias/6615-fndct-vai-investir-r-1-25-bilhao-em-10-programas-estrategicos-em-2023
Public purchases and national content	CIIA-PAC: Growth Acceleration Program's Interministerial Commission for Innovations and Acquisitions, which discusses new rules, is in progress.



Technological Density

Strategic Action	Status
Bus and truck fleet renewal	<p>The federal government's temporary fleet renewal program lasts four months, or as long as resources last. For trucks, R\$100 million of the R\$700 million available has been requested by car manufacturers so far. For buses, R\$140 million of R\$300 million.</p> <p>https://www.gov.br/mdic/pt-br/assuntos/noticias/2023/julho/programa-de-renovacao-de-frota-de-bus-e-trucks-tem-primeira-grande-sale-in-country</p>
Brazil's electric vehicles manufacturing new industrial policy, starting with tariff measures resumption	<p>Starting in January 2024, electric, hybrid and plug-in hybrid cars purchased outside the country are going to pay Importation Tax back again. The rates will be gradually increased until they reach 35% of the import value in July 2026. During this period, there will be initial quotas for exempt purchases from abroad. The measure aims at the gradual internalization of production in Brazil.</p> <p>https://www.gov.br/mdic/pt-br/assuntos/noticias/2023/novembro/imposto-de-importacao-para-veiculos-eletrificados-sera-retomado-e-m-janeiro-de-2024#:~:text=Para%20os%20el%C3%A9tricos%20a%20sequ%C3%Aancia,%20em%20julho%20de%202024.</p>



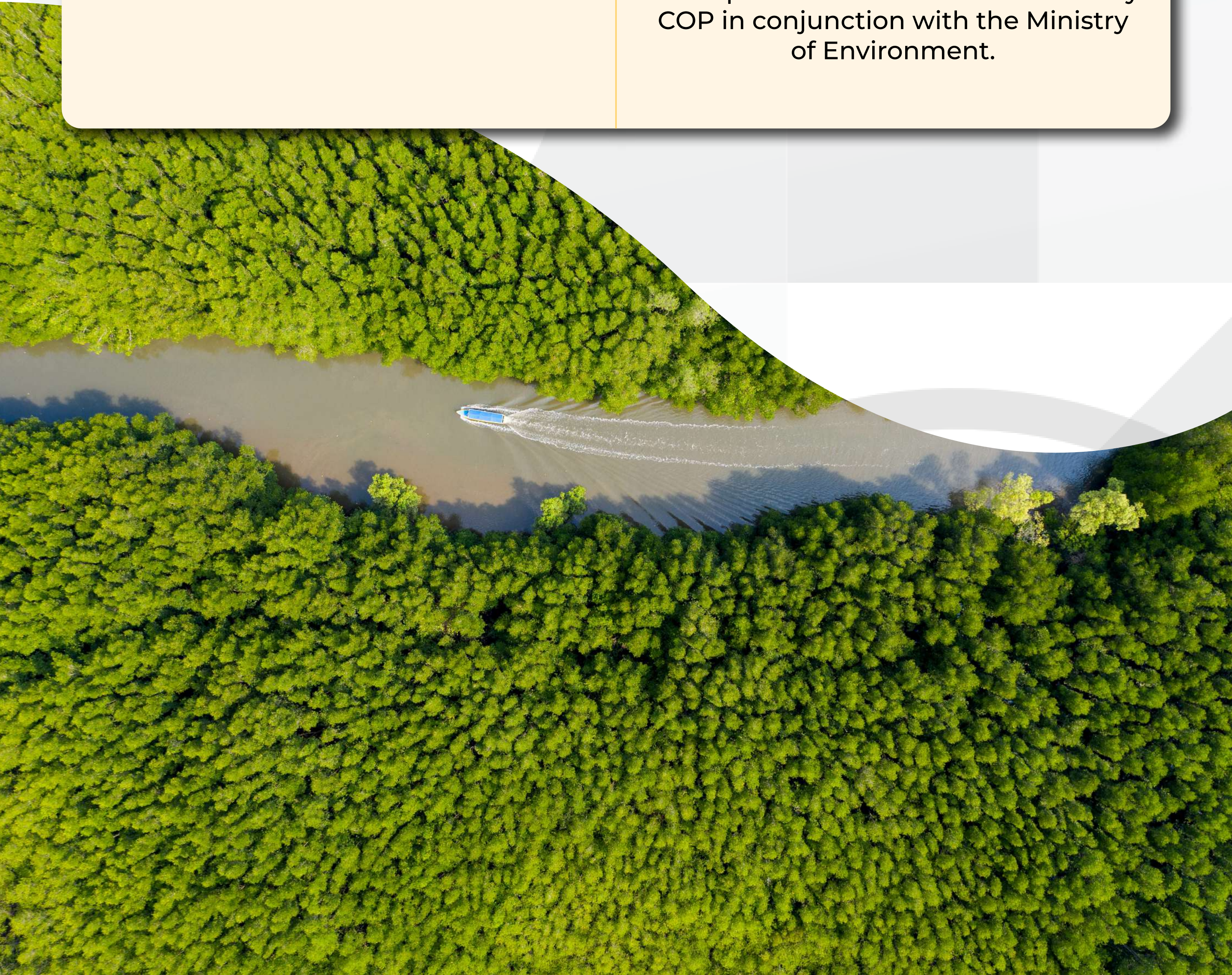
Bioeconomy

Strategic Action	Status
Legal Amazon's Deforestation Prevention and Control Action Plan (PPCDAM)	<p>PPCDAM was updated and relaunched by President Lula on June 5th and according to an Inpe (National Institute for Space Research) report. The deforestation rate in the Amazon falls by almost 50% compared to the same period last year.</p> <p>https://www.gov.br/mma/pt-br/taxa-de-desmatamento-na-amazonia-cai-22-3-em-2023</p>
Harvest Plan's first sustainability initiatives, integrating the low-carbon agriculture program	<p>The 2023/2024 Harvest Plan includes an interest rate reduction for the recovery of pastures and rewards for rural producers who adopt agricultural practices considered more sustainable.</p> <p>https://www.gov.br/agricultura/pt-br/assuntos/noticias/plano-safra-2023-2024-incentiva-sustentabilidade-e-conta-com-13-programas-para-custeio-comercializacao-e-investimentos</p>
Program to encourage productivity and mechanization in family farming and the bioeconomy	<p>More Food Program launched on June 28 to expand the production of machinery and equipment for family farming and bioeconomy cooperatives with interest reductions to 5%.</p> <p>https://www.gov.br/mdic/pt-br/assuntos/noticias/2023/junho/governo-lanca-programa-mais-alimentos-para-ampliar-producao-e-maquinas-a-agricultura-familiar</p>
Green Grant - Regulation of Payments for Environmental Services	<p>Regulation is being discussed by the Ministry of Environment and the Ministry of Economy.</p>



Bioeconomy

Strategic Action	Status
Concession structuring processes accelerate for federal forests and federal conservation units, in addition to providing technical support for state Conservation units (UCs)	BNDES (Social and Economic Development National Bank) is preparing auction notices to structure and expand the scale of existing concessions.
Amazon Fund: incentive for reforestation focused on areas of greatest deforestation	BNDES prepares an auction notice for the Amazon Fund and the Climate Fund for reforestation.
Forest Preservation International Fund	An international mega fund to finance forest preservation will be launched by COP in conjunction with the Ministry of Environment.

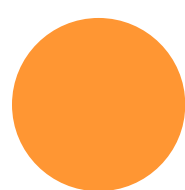


Energy Transition

Strategic Action	Status
<p>Mandatory mixture of biodiesel increases in regular diesel, reaching 15% in 2026</p>	<p>The National Energy Policy Council (CNPE) approved a resolution that establishes the mandatory blending content of biodiesel in fossil diesel oil at 12%, starting in April, and increasing it to 15% progressively until 2026.</p> <p>https://agenciabrasil.ebc.com.br/economia/noticia/2023-03/mistura-de-biodiesel-ao-diesel-passa-ser-de-12-partir-de-abril</p>
<p>Sustainable Aviation Fuel (SAF): Fuel of the Future Bill</p>	<p>Bill 4516/23 brings measures to encourage the use of sustainable fuels in the transport sector. It is being processed in the Chamber of Deputies.</p> <p>https://www.camara.leg.br/noticias/999000-projeto-do-governo-incentiva-uso-de-combustiveis-sustentaveis-no-setor-de-transportes/</p>
<p>Mandatory blends of ethanol in gasoline increase</p>	<p>The Fuel of the Future Bill 4516/23 raises the maximum and minimum limits for mixing anhydrous ethanol with gasoline. The minimum content will be 22% and the maximum 30%, subject to verification of its technical feasibility.</p>
<p>Carbon Dioxide Capture and Storage (CCUS) clear rules</p>	<p>The Fuel of the Future Project provides a legal framework for the activity of capturing and storing carbon dioxide (CO₂). It will be up to the National Petroleum, Natural Gas and Biofuels Agency (ANP) to authorize and regulate the activity, which involves capturing CO₂ and retaining it underground.</p>
<p>Synthetic fuel</p>	<p>The Fuel of the Future Bill (4516/23) establishes that the ANP will also regulate the production and distribution of synthetic fuels (known as e-Fuel), as well as their quality and use.</p>

Energy Transition

Strategic Action	Status
<p>Project Amazon Energies is dedicated to integrating isolated systems and promoting solar energy in distant locations</p>	<p>The objective is to reduce diesel oil usage during energy production in the region (with thermoelectric plants) and, consequently, to reduce the emission of greenhouse gases by replacing the energy generation process with renewable sources, in addition to connecting communities that are without access to the electrical system.</p> <p>https://www.gov.br/mme/pt-br/assuntos/noticias/decreto-que-institui-programa-energias-da-amazonia-and-signed-by-president-lula</p>
<p>Offshore wind power legislation</p>	<p>Bill approved in the Chamber of Deputies on 11/29/2023.</p>
<p>Low Carbon Hydrogen Legislation</p>	<p>Bill approved in the Chamber of Deputies on 11/27/2023.</p>
<p>Investment in public transport (BRT, subways, and exclusive lanes)</p>	<p>PAC (Growth Acceleration Program) Selections: Urban Mobility - Large and Medium Cities</p> <p>Selection of proposals for actions aimed at urban public transport systems, especially medium and high capacity systems, with priority given to collective public transport, such as exclusive corridors and lanes, decreed at the Ministry of Cities, to be supported with resources from the OGU (The Union General Ombudsman's Office) and FGTS (the Time Service Guarantee Fund), within the scope of the New PAC, referred to in Decree No. 11,632, of August 11, 2023.</p> <p>https://www.gov.br/casacivil/novopac/selecoes/eixos/arquivos/portaria-mcid-1273-selecao-novo-pac-2023</p>
<p>Bus fleet renewal, encouraging public transport electrification</p>	<p>PAC - Selections: Fleet Renewal Proposals Selection linked to the competencies of the Ministry of Cities, to be supported with resources from the OGU and FGTS, within the scope of the New PAC, referred to in Decree No. 11,632, of August, 11 2023.</p> <p>https://www.gov.br/casacivil/novopac/selecoes/eixos/arquivos/portaria-mcid-1273-selecao-novo-pac-20233</p>



Circular Economy

Strategic Action	Status
<p>Program aimed at collectors of recyclable materials and monitoring of the Pro-Collector policy</p>	<p>DECREE No. 11,414, OF FEBRUARY 13, 2023</p> <p>Diogo de Sant'Ana Pro-Collector's Program for Popular Recycling has the purpose of integrating and articulating the actions, projects and programs of the federal, state, district and municipal public administrations aimed at promoting and defending the human rights of waste pickers and collectors of reusable and recyclable materials.</p> <p>https://legislacao.presidencia.gov.br/ficha/?legisla/legislacao.nsf/Viw_Identificacao/DEC%2011.414-2023&OpenDocument</p>
<p>Technological development of urban solid waste reuse through biodigesters, in order to produce biomethane and fertilizers</p>	<p>Work and financing plans for urban and infrastructure resilience, especially considering disaster prevention (slope slides and floods) linked to the competencies of the Ministry of Cities, are to be supported with resources from the OGU and FGTS within the scope of the New PAC.</p> <p>https://www.gov.br/casacivil/novopac/selecoes/eixos/arquivos/portaria-mcid-1273-selecao-novo-pac-2023</p>

Circular Economy

Strategic Action	Status
Recycling credit regulation	<p>Decree edition to regulate the Reverse Logistics Recycling Credit Certificate (CCRLR), the General Packaging Structuring and Recycling Certificate (CERE), and the Future Mass Credit Certificate within the scope of reverse logistics systems.</p> <p>https://www.gov.br/casacivil/novopac/selecoes/eixos/arquivos/portaria-mcid-1273-selacao-novo-pac-2023</p>
Sanitation coverage (water and sewage) expansion plan with actions to enhance and technologically optimize the wastewater processes on treatment plants	<p>Sanitary Sewage – Cities:</p> <p>Normative Instruction 39 2012 - Resources from FGTS and OGU, within the scope of the New PAC, for contracting projects under the Sanitation Treatment for All.</p> <p>https://www.gov.br/casacivil/novopac/selecoes/eixos/arquivos/instrucao-normativa-39-2012_propostas-fgts</p>





New infrastructure and adaptation

Strategic Action	Status
<p>Works and financing for the upgrading of favelas to prevent disaster risks</p>	<p>Alive Periphery - Favela Urbanization</p> <p>Manual Proposals — Alive Periphery: integrated actions that cover socio-economical, housing, environmental, land, urban infrastructure, disaster risk prevention and access to public services and equipment aspects; National Social Interest Housing Fund (FNHIS); General Budget of the Union (OGU); counterpart from the Proponent/Executing Agent.</p> <p>https://legislacao.presidencia.gov.br/ficha/?/legisla/legislacao.nsf/Viw_Identificacao/DEC%2011.414-2023&OpenDocument</p>
<p>Urban and infrastructure resilience works and financing plan, especially considering disaster prevention (slope slides and floods)</p>	<p>Natural Disaster Prevention:</p> <p>Urban Drainage and Slope Containment prevent the occurrence of disasters related to landslides, erosion on slopes, undermining of banks, debris flow and processes related to mass gravitational movement.</p> <p>General Budget of the Union (OGU), – voluntary and/or mandatory transfers contained in the Annual Budget Law (LOA).</p> <p>https://www.gov.br/casacivil/novopac/selecoes/eixos/arquivos/manual-propostas_contecao-de-encostas</p>
<p>Urban and infrastructure resilience works and financing plans, especially considering disaster prevention (slope slides and floods)</p>	<p>New PAC - Growth Acceleration Plan</p> <p>With an investment of R\$1.7 trillion in all Brazilian States, the President of the Republic, Luiz Inácio Lula da Silva, launched the New PAC (Growth Acceleration Program) - Development and Sustainability.</p> <p>https://www.gov.br/mds/pt-br/noticias-e-onteudos/desenvolvimento-social/noticias-desenvolvimento-social/novo-pac-e-lancado-com-foco-no-crescimento-economico-com-inclusion-social-and-sustainability-ambiental</p>