

2023 US Brazil CEO Forum Recommendations:

On behalf of the members of the U.S.-Brazil CEO Forum, we are honored to convey these recommendations to both the Governments of the U.S. and Brazil. Our goal is to deliver actionable, pragmatic recommendations that speak to near-term growth opportunities in both of our great economies. As investors, manufacturers, technology and service providers, we see substantial growth opportunities to the mutual benefits of both U.S. and Brazil.

The U.S. and Brazil are well-matched economies with significant two-way trade; high skilled workforces; large geographies offering an abundance of natural resources; and strong industrial bases that support resilient supply chains. Both countries have dynamic domestic business constituencies contributing significant investment and innovation towards the energy transition, circular economy and sustainable production. Our recommendations across 6 topical issue areas are as follows:

SUPPLY CHAIN RESILIENCY:

Developing a common framework to further bolster supply chain resiliency would help to accomplish several important objectives relevant to the bilateral relationship. These include deepening trade and investment ties, strengthening supply chain logistics, and providing mechanisms for coordinating on a bilateral response to supply chain disruptions while improving workforce development and protecting workers' rights.

This would particularly advantage critical inputs that support production on both sides, providing that both governments address key challenges to increased trade and investment. Key objectives should be increased resiliency (i.e., the ability for the system to deal with supply or demand shocks including those associated with public health priorities and potential pandemic threats), efficiency (i.e., minimize system waste and provide cost-effective service), and sustainability (i.e., reduce environmental and community impact).

We recommend the U.S. and Brazilian Governments to prioritize:

RESILIENCY:

Negotiating a dedicated bilateral agreement advantaging regional Supply Chain resiliency for our integrated manufacturing value chains by:

- Initiating a mapping of priority supply chain incorporating bilateral production/access to critical minerals, input materials, essential chemical inputs, renewable energy technologies, electric vehicles, batteries, lithium, energy storage systems, fertilizers, medical technology, and pharmaceutical active pharmaceutical ingredients (APIs), among others;
- Incentivizing bilateral trade in key materials by:
 - Renewing GSP to support bilateral trade of critical inputs necessary to further manufacturing for key industries including energy transition, and domestic economic growth;
 - Incentivizing U.S. and Brazilian components through domestic incentive programs such as qualification to IRA and or other programs with appropriate criteria including performance standards;
 - Encouraging public-private partnerships to improve health care system capacity, leveraging investments made though the new CEIS Development Strategy and PAC in Health,
 - Developing trusted trader treatment for essential elements' value chain, including fast track processing for customs;

- Leverage Mineral Suppliers Partnership negotiations to ensure preferential access for key products, especially energy transition materials and essential performance materials made with processed raw materials;
- Identify and align investment support from development institutions such as the Development Finance Corporation (DFC), the United States Agency for International Development (USAID) and the Brazilian Development Bank for Economic and Social Development and Sustainability (BNDES) to encourage investments in strategic sectors.
- Consider opportunities to expand the ATEC commitments including creating rules for digital trade, sustainable development, inclusive trade, regulatory sectorial annexes (prioritizing medical devices), SMEs and other areas. These trade disciplines can be achieved without requiring either U.S. legislation or Mercosur’s involvement, and they would substantially reduce unnecessary costs and enhance bilateral trade and investment;

EFFICIENCY:

Regulatory Cooperation: Building on the successful outcomes of the November 2023 U.S.-Brazil Commercial Dialogue, accelerate work on sector-based regulatory harmonization to support increased investments and create the enabling environment for deepening supply chains including:

- Implement Annex II of the U.S.-Brazil Trade Protocol on Good Regulatory Practices including but not limited to commitments on Central Regulatory Coordination; Internal Consultation, Coordination and Review; Early Planning; Dedicated Website; Use of Plain Language; Transparent Development of Regulations; Expert Advisory Groups; Regulatory Impact Assessment; Final Publication; Review of Regulations Currently in Effect – reinforcing the U.S. and Brazilian agreement to adopt and implement efficient, less costly, and rational economic and regulatory mechanisms.
- Commit to advancing sound science, risk-based management in regulations foundational for investment & production such as chemicals management and medical device approval among others.
- Pilot sector-specific projects including both the harmonization of standards and definitions; and regulatory reform based on the principles of efficiency, sound science and risk management including:
 - Establish a Chemical Experts Group with industry to advance existing Brazilian draft chemical regulatory management requirements currently pending in Congress
 - Create a Task Force group under MDIC and the Ministry of Health to identify opportunities under the recently announced Economic and Industrial Policy on Health Care;
 - Allow for testing exemptions based on historic compliance of the product(s), conduct random audits on exempt products.
 - Establish a direct dialogue with the Secretary of Economic Reform (and ultimately with the Ministry of Finance) in order to advance topics such as cooperation agreements between regulators (which would allow cross-listing of funds in different jurisdictions, for instance), simplification of registration rules (more details below), risk mitigation mechanisms for long-term investments (especially related to FX risks) and lift restrictions for cross-border investments by institutional clients in both public and private markets, within the context of **financial deepening**, which would allow those entities to reach their goals in a more efficient manner..

Customs Facilitation:

- Reinforce the importance of having more Public Administration entities as part of AEO-Integrated considering their controls exercised over International Trade Operations; the more entities have their modules in Brazilian AEO Program, the more reliable certified companies' operations will be, generating simplified clearance processes, agility, and reduced costs, not to mention the program will become increasingly attractive to Brazilian companies.
- Aligned with the supply chain mapping, identify Tier One priority import/export sites to prioritize for infrastructure investment – including logistics facilitation and technology investments.
- Adopt federal standards that promotes less bureaucracy of transportation documents at the state level, including digital documents. Next steps should include supporting the Ministry of Transportations' establishment of a working group to coordinate efficient integration of information but also including private sector engagement to provide critical technical expertise.
- Phase out antiquated price regulation of land transportation including the minimum freight rate table. As supported by a broad collection of Brazilian industry groups, including the farm export sector, eliminating inefficient regulation will ensure fair and competitive transport costs.
- Leverage non-intrusive inspection (NII) technology and other risk management principles. Work with industry to identify opportunities to deploy NII, prioritizing high-volume clearance operations such as those devoted to small parcels which would reduce clearance times and allow better resource by border management.
- Leverage AEO (authorized economic operator), or other certification designation for customs clearance at sea/air before product arrival.
- Simplification of the process for obtaining a new tax ID (CNPJ) for foreign investors (new applications), exempting them from having to gather and present an extensive list of documents (list of beneficial owners, comprehensive organization charts, notarized translations etc), especially given the fact that CVM already provides a simplified registration process (“cadastro simplificado”).

Tax Simplification:

- Building on progress in Brazilian tax reform, support efforts to further simplify corporate tax treatment including clarifying key requirements for investors (including investment in existing project expansion).
- Negotiate a comprehensive Bilateral Tax Treaty to minimize double taxation on cross-border investment between Brazil and the U.S.
- Allow for efficient transfer pricing adjustments for both tax and customs as Brazil moves to OECD transfer pricing rules (whereas now any transfer pricing adjustments are extremely difficult and potentially with slow down or stop shipments from unloading in Brazil).
- Foster the circular economy by including a provision in Brazilian tax reform to avoid the double taxation of post-consumer recycled materials.
- Implementing a simplified registration process for certain foreign investors applying for a new Brazilian tax ID (CNPJ). This process would exempt certain foreign investors that are regulated by a U.S. supervisory agency (i.e., SEC, Federal Reserve) or that issue securities listed with a recognized stock exchange from the onerous and extensive documentary requirements, including (list and personal details of beneficial owners, comprehensive organization charts, notarized translations of key constituent documents etc). It is important to note that the securities regulator (“CVM”) has already implemented a similar registration process (“cadastro simplificado”).

SUSTAINABILITY:

- Continue to cooperate on technology solutions to combat deforestation and to develop the bio-economy in order to foster solutions to develop the region economically and socially.
- Continue to acknowledge the potential contribution of public-private partnerships and internationally recognized certification for best practices in forest management to address global deforestation.
- Promote bilateral discussions to exchange best practices in sustainable agriculture, including monitoring of extended supplier networks to mitigate risk of deforestation and ensure compliance with environmental legislation.
- Promote bilateral dialogue to discuss the impacts of environmental foreign legislation and regulation that disregards WTO rules.
- Review the current process of land acquisition by foreigners in Brazil to promote effective land ownership, fostering more economic and environmentally sustainable investments.
- Encourage public-private partnerships to predict, track and control diseases and epidemics that can be amplified by climate change.

ENERGY & CIRCULARITY RECOMMENDATIONS:

Brazil and the United States share a commitment to addressing critical environmental challenges and a 200-year history of cooperation. Our two nations continue to collaborate on the protection and preservation of the environment, while promoting sustainable economic growth. Both countries have high skilled workforces, large geographies offering an abundance of natural resource and dynamic business constituencies contributing significant investment and innovation towards the energy transition, circular economy and sustainable production.

Regulatory and trade cooperation are essential to facilitate the adoption of common rules that will help regulators address challenges while attracting capital and strengthening opportunities for economic growth. A participatory and inclusive approach between the public and private sector is crucial to implement this. Companies are already deploying a variety of solutions that together will help Brazil and the United States continue to meet their sustainability goals. Government funding for research and development and the creation of task forces with ongoing private sector involvement, both at the technical and decision-making levels, will also allow for greater knowledge sharing and encourage specific actions to accelerating this transition.

We recommend the U.S. and Brazil Governments to prioritize:

RENEWABLE ENERGY AND NEW TECHNOLOGIES:

- We need a massive investment in our electricity grids, in renewables combined with energy storage solutions, and diversified clean energy supply chains. The U.S. and Brazil are the largest energy markets in North and South America and are uniquely positioned to play a prominent role in the renewable energy sector worldwide, capturing significant investments, to help accelerate the energy transition to a low carbon economy. However, there are opportunities to improve investment conditions.
- Climate-focused incentives, such as the Inflation Reduction Act in the U.S., can serve as a model to help give investors more certainty and incentives to scale up the deployment of clean energy projects combined with new technologies.

- Smart grids and energy storage are helping to solve grid bottlenecks in the U.S., but other parts of the grid such as transmission lines are struggling to keep up due to burdensome rules and regulations that are creating significant obstacles to building clean energy projects. Brazil is facing similar grid modernization and transmission challenges.
- Another key element to achieving the energy transition will be the wider adoption of energy storage to accelerate the integration of renewables into the grid in a faster and more efficient way. Battery-Based Energy Storage technology, with the right regulatory framework, could help Brazil increase transmission reliability, accelerate renewables deployment, and avoid curtailments and blackouts. Using battery storage could also help provide backup capacity to the system through regulated auctions and support the decarbonization of the Amazon, bringing renewable solutions, and displacing diesel oil and natural gas now isolated from the grid.
- Incentives could be provided through, 1) reducing excessive taxation, 2) subsidized funding from National and Regional development banks, 3) sectorial/regulatory charges exceptions (like what was done recently for Distributed Generation), and 4) fast track processing for certain regulatory approvals.
- As we progressively transition to lower carbon energy sources, baseload sources such as low emissions energy sources like natural gas or non-emission technologies such as nuclear, can be paired with renewable energy sources, like wind and solar, to mitigate the reliability challenge.
- Other technologies that are still under commercial development such as hydrogen, advanced nuclear, natural gas connected to carbon capture will be required for the clean energy transition.
- In addition to technologies that are in development, both governments should promote investment to fully integrate industries, like biomass, into the energy transition.
- Incentivizing industry for minimizing carbon emissions through carbon capture, usage, and storage should also be part of a comprehensive decarbonization strategy.

BIOFUELS:

- Green and low carbon hydrogen holds immense promise and opportunity to decarbonize the hard-to-abate sectors. Incentives should be created to foster initial project deployment and enhance competitiveness of hydrogen. International standards of green certification, to allow made-in-Brazil clean hydrogen to be accepted by international off-takers, should also be implemented.
- Incentivize production and consumption of biofuels and invest in building a sustainable biofuel supply chain as an alternative energy source. Biofuels have been a significant alternative fuel since their introduction, especially in transportation and industry. Collectively, biofuels avoid 4.4% of global road transport oil use on an energy basis. The U.S. Energy Information Administration (EIA) categorizes biofuels into four main categories; ethanol, which contributed to 82% of global biofuel consumption in 2021; biodiesel, which constituted 12%; renewable diesel which accounted for 5%; and other biofuels including sustainable aviation fuel (SAF), renewable heating oil, and other emerging biofuels that are in various stages of development which accounted for the remaining 6%. They have a global infrastructure capable of accelerating emissions reductions and the energy transition in the short term. Nearly 60% of biofuel demand is in OECD countries and 40% in non-OECD countries, which means their demand and usage are spread across the globe.

CIRCULAR ECONOMY:

- Incentivize investment in the mining and mineral processing industry to evaluate waste streams for creation of value-add by-products, that can be reused by the industry or have value to other industries.

- **Channel R&D investments from both countries:** set a bilateral cooperation track to bridge public policies in Brazil and the U.S. that are capable of channeling R&D investments aimed at developing of critical minerals from mining and mineral processing co-products.
- **Cooperate on regulatory practices that facilitate co-products development and commercialization:** identify regulatory barriers and share best regulatory practices that allow development and commercialization of co-products from mining and mineral processing.
- **Trade and investment promotion:** as the Commercial Dialogue included a trade promotion track in their activities, U.S. and Brazil can build on this new front an agenda of activities that gathers Brazil and U.S. products and services providers that are interested in that new markets.
- Support streamlining regulatory process to allow for safe and sustainable value-add reuse of mining and mineral processing by-products.
- Incentivize research and development for extraction technology so the economics of extraction of critical minerals can be improved – leading to lower loss of minerals that may otherwise not be recovered, longer orebody lifespan and improved domestic production.

Biofuels are essential in the transition to a low-carbon economy, including for the aviation, maritime and heavy vehicle sectors and contribute significantly to achieving the emission reduction targets proposed in the Paris Agreement. For the transportation sector, in which long range and high power are essential, biofuels offer relatively higher energy density and fast refueling. Replacing fossil fuels, therefore, with renewables is the main solution for the aviation and maritime sectors in the short and medium term.

MATERIALS DECARBONIZATION:

Working together, the U.S. and Brazil have a significant opportunity to advance the circular economy by focusing on the decarbonization of the industry. Materials such as aluminum and plastics are clear areas of opportunity.

Brazil is uniquely positioned in this respect, providing a great partnership opportunity for the United States. It is one of the few countries in the world that can produce bauxite, alumina, primary aluminum, and aluminum can sheet, for instance.

- Acknowledging that waste is, indeed, a resource, unleash huge investment opportunities for both regions. Brazil has achieved a 100% recycling rate for used beverage cans (UBCs). These UBCs are collected and used to manufacture aluminum can sheet with higher recycled content which can be exported to the United States. There is growing demand for low-carbon, high-recycled content packaging by companies in both countries creating significant global trade opportunities.
- To achieve low-carbon industry and promote the circular economy, **the U.S. and Brazil should develop a joint decarbonization technology and investment roadmap** to examine key technologies, including, but not limited to, the use of inert anodes, renewable energy, electric calcination, plasma burners, and mechanical vapor recompression (using electricity to pressurize waste steam in alumina refineries) and chemical recycling for plastics. Emerging technologies that can enable the transition from a linear to a circular economy demand investments in new product technology, value chain partnerships, business models and waste management infrastructure to discover and scale sustainable solutions that extend the useful life of materials and the resources that go into making them. As producing countries of valuable materials to the global supply chains, both U.S. and Brazil can benefit from fostering bilateral cooperation in these areas. Smart policies, as well as partnerships, can help drive innovation, and accelerate adoption and expansion of new technologies.

FOOD SECURITY & SUSTAINABLE AGRICULTURE:

The world's population is expected to increase by one billion people by 2050. In that same time period agricultural production will need to increase by 70%. 90% of supply will come from land already in production around the world. As global leaders in agriculture, animal protein, crop and animal nutrition, the U.S. and Brazil are vital to providing food security throughout the world and promoting science-based agriculture practices that address today's climate and sustainability challenges, mainly in food and energy sectors.

In making recommendations to our governments, the U.S.-Brazil CEO Forum has identified two broad categories to address these imperatives – **Global Trade** and **Agriculture Science & Sustainability**. Fortunately, our two countries already have a strong foundation across both categories from which to build. Our recommendations identify additional opportunities to accelerate the joint work that is underway.

Global Trade: The U.S. and Brazil are two of the world's largest agricultural commodity and producers and export powerhouses. Although we are global competitors in third markets, our two countries play a critical role in global food security and ensuring consumers around the world have access to high quality food products. We face many of the same challenges in foreign markets and have a common interest in promoting a global trading system based on sound science and transparency.

The U.S. and Brazil governments have already recognized these shared interests through the formation of the Consultative Committee on Agriculture (CCA), a platform for consultation and collaboration between the U.S. Department of Agriculture (USDA) and Brazil's Ministry of Agriculture, Livestock, and Food Supply (MAPA).

In recent years, the CCA's High Level Working Group to Promote Cooperation and Coordination (HLCCWG) has fostered impressive collaboration between the U.S. and Brazil on key issues. In particular, it led to a successful joint effort in 2022 to put forward a declaration and work program at the 12th WTO Ministerial Conference responding to modern Sanitary and Phytosanitary (SPS) challenges. The resulting work themes within the WTO SPS Committee include facilitating global food security and more sustainable food systems and supporting SPS measures based on scientific evidence and principles. This strong foundation of collaboration on key global food trade challenges holds great promise and should be built upon.

We recommend the U.S. and Brazilian Governments prioritize the following activities in the next twelve months:

- **Undertaking bilateral negotiations to ensure food & agriculture trade between the U.S. and Brazil is based upon the standards established by the "Three Sisters" - the FAO/WHO Codex Alimentarius Commission, the World Organization for Animal Health (WOAH) and the International Plant Protection Convention (IPPC):**
 - Resolving longstanding barriers in the U.S.-Brazil trade relationship will not only enhance the bilateral economic relationship, but also strengthen the two countries' ability to lead at the WTO and other multilateral forums.
 - Priority should be given to bilateral regionalization agreements that can be models at the WTO and other international forums.

- **Formalizing the CCA Working Group Meetings and Ensuring Private Sector Input:**
 - The HLCCWG and the other working groups should formalize meetings on an annual basis to address these bilateral issues; assess ongoing cooperative initiatives; and identify new opportunities.
 - The governments should establish separate private sector advisory committees (comprising trade associations represent key agriculture & food sectors) to inform the agenda and priorities of the Consultative Committee on Agriculture.
 - The U.S. and Brazil should fully incorporate climate and environmental issues to ensure an open dialogue for mutual understanding, so that ongoing and future initiatives avoid unnecessary and detrimental obstacles to bilateral trade.
This U.S. and Brazil dialogue can also identify climate-smart solutions that support strong agriculture sectors. For example, the U.N. Food and Agriculture Organisation has identified animal disease as a significant contributor to higher emissions. Partnering at multilateral forums like COP28 to identify animal health interventions as an emissions reduction solution is one option for advancing a positive agenda.

- **Prioritizing continued work at the WTO on an ambitious agriculture agenda and adherence to recognized international standards and guidelines for assessing risk in cases of scientific uncertainty:**
 - The WTO's 13th Ministerial Conference in 2024 provides an opportunity to advance achievable, short-term goals while laying the groundwork for more ambitious reforms of the agricultural trading system; the U.S. and Brazil should be partners in this effort
 - The U.S. and Brazil should seek consensus on a meaningful proposal on market access in agriculture, citing its benefits for global food security and sustainability. This consensus should include other like-minded countries.
 - This proposal should spur engagement with a group of WTO members to seek a reasonable balance between greater market access and domestic support in the agriculture space.
 - The long-standing impasse at the WTO will be difficult to overcome, but creative resolutions are needed to ultimately advance a strengthened WTO Agreement on Agriculture that can meet today's global challenges.
 - The WTO SPS Committee must work closely with members, standard setting bodies, and observer organizations to ensure the acceptance and integration of emerging tools and technologies that improve sustainability, address climate challenges, and address food insecurity.
 - Strengthen the commitment of WTO members to follow guidelines from the "Three Sisters, which reduces unnecessary barriers and ensures the continued flow of global food trade.
 - Promote regionalization efforts on current and potential threats from zoonotic diseases including the development of working towards regionalization agreement between countries. Expand this work to other international forums as appropriate.
 - Climate change and environmental challenges are now an integral part of the WTO SPS Committee's work, but these factors should not be used by countries and regions to unnecessarily restrict the flow of agriculture and food trade.

Agriculture Science & Sustainability:

In the last decades, U.S. and Brazil cooperation has also advanced in the field of agricultural research. Embrapa, in Brazil, and the Agricultural Research Service (ARS) in the U.S. have pursued similar objectives to foster technological solutions for agriculture.

Brazil and United States together have a great opportunity to drive the development of new technologies for agriculture and scale-up sustainable practices that will lead food systems to a low carbon mode. Crop nutrition science and soil health are key areas in which both countries can better cooperate to keep food production competitive and scale-up sustainable practices in agriculture and livestock. Soils have the capacity to hold nutrients for long periods of time, and new technologies can unlock highly stable nutrients in the soil, improve nutrient recovery, which will result in more efficient and sustainable production. Biological research is also accelerating our understanding of the soil rhizosphere and its positive impacts on agriculture adaptation to climate change.

The U.S. and Brazil must keep pace with other nations that are increasing agricultural research funding. Brazil's National Fertilizer Plan and the U.S. engagement in the Global Fertilizer Challenge frame strategic areas of work where Brazil and the United States have opportunities to cooperate, with a view to expand trade and investments in crop nutrients and efficiency industries, while supporting global efforts on food security and low carbon food systems.

We recommend the U.S. and Brazilian Governments to prioritize in the next twelve months:

- **Channel funds and cooperation efforts to expand climate smart research and increase implementation of sustainable practices in agriculture and livestock systems:**
 - Cooperate and channel funds for initiatives that are aimed at restoring degraded pasture and improving productivity for livestock farmers and ranchers, through correct pasture nutrition and introduction of integrated crop-livestock systems.
 - Map and expand collaboration between U.S. and Brazil researchers on tropical agricultural systems.
 - Expand research and technology development that can increase nutrient use efficiency and soil nutrient recovery in cropping systems.
 - Faster path for product approvals: establish a greater understanding between U.S. and Brazil regulatory authorities to make easier acceptance of clinical tests conducted in another country.
 - Performance enhancers in cattle: facilitate talks to increase acceptance for cattle performance enhancers in Brazil considering their successful use in U.S. for decades.
 - Nutrient use efficiency R&D: strengthen cooperation on R&D related to nutrient use efficiency, soil nutrient recovery efficiency and improve crop uptake of nutrients for sustainable intensification of crop production.

- **Strengthen initiatives and funds on biosciences R&D and set a bilateral regulatory cooperation agenda to promote the development of advanced fertilizer products and improve business environment for bilateral R&D investments:**
 - Brazil and the United States can bridge initiatives to cooperate and exchange on regulatory practices as well as identify opportunities to update domestic regulations in order to promote private and public investment on R&D and accelerate the private sector development of new crop nutrition technologies.

- Brazil and the United States can launch a joint initiative to expand the body of research on soil and plant carbon content, by biome, to accelerate the development of precise carbon factors. Once mutually-accepted carbon factors are in play, remote sensing technology will catalyze the growth of carbon markets by enabling quick and accurate carbon content assessment.
- **Cooperation on the development of MRV (measurement, reportability and verification) standards and practices for agriculture and forestry:**
 - MRV standards should not only encompass climate outcomes, but should also include water use, water quality, biodiversity, impacts on crop productivity, and other environmental metrics. Brazil and United States can strengthen collaboration efforts within international organizations (FAO, UNFCCC, IPCC, etc.) to the development of guidelines and protocols for MRV standards.

CYBERSECURITY, CRITICAL INFRASTRUCTURE & TECHNOLOGY/DIGITAL POLICY

In the face of 2023's challenges and opportunities, the Forum emphasizes the imperative of fortifying cybersecurity, enhancing critical infrastructure, and advancing digital policy. This encompasses a comprehensive approach to protecting data and digital assets, upgrading physical infrastructure to withstand both cyber and physical threats, and crafting policies that drive technological innovation. By doing so, we aim to create a secure, resilient, and technologically advanced framework that supports sustainable growth, safeguards the interests of all stakeholders in an increasingly interconnected world, and encourages economic development and bilateral trade.

INFRASTRUCTURE:

- Immediately bolster the regulatory framework for energy production, transmission, and energy storage with specific targets and guidelines as a part of a robust energy policy, which will bolster critical infrastructure lifelines and diminish brownouts and blackouts that occur. This energy policy with matching investments nationally will increase resilience, industrial production, economic confidence, and prosperity in Brazil.
- Further encourage sustainable infrastructure development aligned with lifecycle environmental and social governance standards and emphasizing the use of green technologies in public procurement.
- Drive policies that support smart grid technologies, energy storage, and renewable sources like green hydrogen and alternate aerospace fuels, with an emphasis on sustainability and clean energy transitions.
- Establish a framework for the regulation and trading of carbon credits, incorporating transparency and accountability principles, to include a bilateral Memorandum of Understanding (MOU) between Brazil and the United States stating their interest in partnering, as a first step toward a bilateral carbon credit trading cooperation agreement.
- Integrate the infrastructure and technology needed to monitor natural ecosystems, with a focus on disaster management and ecological preservation in collaboration with the Amazon Fund.
- Accelerate bilateral collaboration on utility and pipeline policy practices and technology to protect and enhance the resiliency of utility infrastructures against cyberattack, weather events, sabotage, or accidental damage.
- Enhance the resilience of critical infrastructures with needed investment to support increased disaster management and essential services.

- Accelerate the deployment of 5G infrastructure, prioritizing secure and privacy-respecting technology implementation balanced with environmental considerations regarding antenna placement and their impact.
- Conduct bilateral workshops aimed at accelerating and increasing secure internet access with an aim to reduce the digital divide, increasing digital literacy, and information security awareness in Brazil.

FINANCIAL INFRASTRUCTURE:

The Brazilian Central Bank (BCB) is pioneering a robust framework for collaborative innovation between financial institutions and regulatory bodies. Their commendable approach involves orchestrating targeted experiments with engaged industry participants and regulators to preemptively identify challenges and adapt regulations in tandem with the evolution of financial use cases.

- It is advisable for Brazilian regulators, including the BCB, to encourage their counterparts in other jurisdictions to establish a *Supra-Regulatory Working Group*. This group would not only monitor developments but also work towards harmonizing regulations, thereby expediting the process of standardization. Such an initiative would allow for the transfer of insights gained from regulatory sandboxes across different regions, eliminating the redundancy of conducting separate pilots in each area. The supra-regulatory working group should strive to develop a universally accepted taxonomy and definitions for new tokenized assets and related infrastructure. Currently, there is a concerning divergence in the definitions of essential terms; some are too broad or narrow, while others lack clarity. For instance, the term “digital assets on blockchain” has led to confusion, exemplified by the need to clarify the status of our tokenized government MMF with regulators. Addressing this issue requires a collaborative effort involving representatives from traditional finance, the cryptocurrency sector, and regulatory bodies to reach a consensus.
- Implementation and adoption of a *Global Sandbox Model* could significantly accelerate innovation. Findings from various projects should be shared in international forums, leading to discussions on necessary regulatory updates, irrespective of the location of the sandbox pilot. Moreover, this would facilitate the creation of "guidelines" for regulators and financial institutions, promoting a synchronized method for developing new financial infrastructure.
- Establishing a *Supra-Regulatory Working Group* and adopting a *Global Sandbox Model* stand as strategic imperatives for Brazil. These initiatives promise not only to streamline the regulatory landscape but also to pave the way for accelerated innovation and a unified global approach to financial technology. By fostering international cooperation and clear communication, Brazil can lead the charge towards a more integrated and efficient future for financial regulation and technological advancement.

DATA CENTER INFRASTRUCTURES; CAPABILITY & CLOUD DEPLOYMENT:

- Promote fiscal incentives for the establishment and expansion of data centers, ensuring that these centers meet environmental and cybersecurity standards.
- Boost demand for data center services and integrate Brazilian government agency systems with cloud platforms securely, bolstering their resilience.
- Implement favorable energy pricing policies and ensure a steady and reliable energy supply for these data centers through the prior recommendations for power grid flexibility and stability, while maintaining a sustainable energy policy.

CYBERSECURITY:

- The 2022 recommendations included the establishment of a "**Cybersecurity First**" national policy, which still holds true today, which mandates comprehensive security protocols across all government agencies, emphasizing advanced security training, process improvement, technological upgrades, and proactive threat information sharing, with a prioritization on the protection of critical infrastructures.
- Invest strategically in cybersecurity systems that leverage AI, machine learning, and big data analytics, offering comprehensive visibility and automation to enhance Brazil's dynamic response to cybersecurity threats. Establishing global interoperability and building trust in Brazilian digital systems are crucial to international cooperation and security.
- Modernize federal and state agency systems with advanced secure solutions, emphasizing robust data protection mechanisms. Integrate comprehensive cybersecurity awareness and training programs for all government personnel to foster a culture and ethos centered on cybersecurity.
- Declare between both countries' mutual recognition of technology product certifications, including those from ANATEL, to streamline the deployment of key technology products across both nations. This recommendation will also provide a more immediate response in emergency situations when a demand for additional technologies is a priority.
- Undertake the digitization of all security agency records and processes, accompanied by enhanced data security and cybersecurity training to bolster the public sector's defensive capabilities.
- Continue to implement the LGPD national data privacy law to ensure compliance and uniformity across all levels of government and industry, safeguarding citizen data against breaches and misuse. This action is even more key for underprivileged communities affected by the digital divide.
- It is key to establish an **Information Sharing Analysis Organization (ISAO)** to centralize and streamline cyber threat intelligence by selecting a national university with a solid engineering program to host this center, incorporating private and public sectors, as well as other academic institutions. SENAC, SENAI, CERT.br, NIC.br and other key organizations should be included. The *Brazil ISAO* would serve as a national collaborative hub to gather, study, analyze, and disseminate cyber threat information. The inclusion of a bilateral dialogue focused on a cybersecurity knowledge exchange that includes key agencies of both governments will bolster this effort. The *Brazil ISAO* could offer a versatile framework that enables companies from diverse sectors to collaborate and exchange intelligence on cyber threats and security measures. This would facilitate widespread involvement from a range of industries, essential services, and entities reliant on operational technologies within Brazil.
- Within the University that would house the *Brazil ISAO*, consider incorporating AI technology development and AI ethics research and best practices. This would serve to strengthen Industry-Academia Collaboration, focusing on creating a skilled workforce that is well-versed in ethical AI, cybersecurity, STEM and emerging technologies, including digital transformation technologies, IoT, IIoT, OT, analytics, industry 4.0, blockchain, and asset tokenization technologies.

ARTIFICIAL INTELLIGENCE/R&D COLLABORATION:

Encouraging ethical AI ventures by attracting venture capital and supporting mechanisms that facilitate the growth of these companies beyond Brazil's borders, ensuring they adhere to global standards of responsible AI development and deployment.

- Develop and announce a national policy for AI strategy incorporating ethical considerations, aimed for societal and workforce benefits. This policy could include comprehensive measures for AI safety,

security, privacy, ethical governance, and measures to encourage development of AI technologies in Brazil.

INTELLECTUAL PROPERTY & ENTREPRENEURSHIP:

- We recommend that Brazil and the U.S. actively focus on the sharing of intellectual property across a diverse array of high-potential and emergent technological sectors. Specifically, emphasis should be placed on biotechnology, renewable energy, and advanced materials, as well as software and advanced technologies development — areas where innovation can drive significant economic and societal benefits. To ensure a robust and equitable exchange, these partnerships should be underpinned by multilateral agreements between both countries. These efforts should be complemented by a framework that supports the negotiation of fair sharing terms, protection of foundational research, and promotion of joint development initiatives that can accelerate the path from concept to commercialization.
- We urge the creation of the Transnational Entrepreneurial Talent Network (TETN), a bilateral platform designed to foster collaboration and knowledge exchange between Brazilian and U.S. entrepreneurs. The network would enable joint venture partnerships, provide market intelligence, and offer specialized training in global business operations and cross-cultural engagement. TETN would include an exchange program for startups focused on a range of emerging technologies, with the aim of promoting innovation and business development in multiple tech sectors. TETN can enable the exchange of experts and professionals across borders, fostering innovation and the sharing of best practices in sectors such as healthcare, environmental sciences, and information technology.

EDUCATION:

Both the U.S. and Brazil have prioritized development of high-skilled, high value workforce, which will be a critical component of post-COVID economic recovery. We congratulate both Administrations for their commitment to the Partnership for Workers' rights, particularly promoting fair and equitable workplaces and empowerment of workers and skills through digital and energy transformation.

Companies of the CEO Forum have made significant efforts to promote greater education and skills development, including in Brazil and particularly on STEM and Information & Communications Technologies (ICT) Cybersecurity education.

The group also believes financial education plays an important role as workers are able to better plan their careers and even influence their behavior as consumers and long-term investors.

Greater alignment and coordination of programs, including those sponsored by both the Brazilian Government and the U.S. Embassy, would allow greater sharing of best practices and ability to scale resources to increase outreach.

We urge both governments to focus on:

REGIONAL SKILLS DEVELOPMENT:

- Encourage bilateral agreements between educational institutions in the U.S. and Brazil to foster exchange programs, joint research initiatives, and curriculum development in STEM, ICT, engineering and financial disciplines.
- Map existing skills development efforts - including USG and GOB programs to “train teachers” and more; aligned with industry programs to develop technical skills (including English language training); leverage mapping to create alignment and partnership between programs to further scale and expand impact.
- Accelerate promotion of workforce training aligned with interests and future development for young people in critical areas where talent gaps exist such as :
 - promoting skills to innovate the circular economy – to encourage more sustainable consumer and investor behavior, achieve real-time environmental goals and develop the sustainability pioneers of the future - Circular Movement: for a circular economy (movimentocircular.io)
 - cybersecurity and digital skills; and
 - financial (e.g. ESG investing) education.

PRIVATE SECTOR EDUCATION EFFORTS:

- Establish a public-private sector information-sharing dialogue on artificial intelligence and ICT cybersecurity training and awareness programs, including reviewing already existing programs, to propel workforce development in these areas further.
- Adopt an Education & Workforce initiative in partnership with the Brazilian Government and U.S. support on upskilling including potential military veteran preference programs – leverage best practices of the Fortinet U.S. Security Awareness Curriculum for K-12 Students, expanded to K-12 school boards and private schools in Canada at no cost.

PUBLIC-PRIVATE ACADEMIC INITIATIVES:

- Increase student exchange and enhance educational opportunities between both countries by embedding private sector members of the CEO forum in existing Brazilian and U.S. educational partnerships, such as the Youth Ambassadors Program and 100,000 Strong in the Americas Initiative. Utilizing both programs can introduce language, mentoring, and job skills training as early as high school and reinforce Brazil as a regional training hub.
- Increase Industry-Academia Collaboration (IAC) and Science, Technology, Engineering and Mathematics (STEM) development programs, to create concrete approaches to the Partnership on Workers’ Rights by addressing the skills gap in technical and digital career streams and to further encourage entrepreneurship.

STRENGTHEN K-12 EDUCATION FOR THE FUTURE:

- Promote workshop between both governments to exchange best practices and identify teaching or curriculum gaps in STEM and financial education in Brazil, and identify opportunities related to employability efforts focused on the future of work.
- Organize collaborative research exchanges between government and leading expert to identify mechanisms and best practices for learning recovery considering the devastating effects on children's learning post-COVID 19.

- Develop workshop between academia, public and private sectors about upskilling and reskilling efforts for the future of work and talent gaps, including use of AI and other emerging technologies.
- Expand the Partnership on Worker's Rights to incorporate a private sector/industry association/academia collaborative effort to create a core program of internships, co-op programs, and apprenticeships, along with mentorships and networking opportunities within STEM and ICT disciplines. The result of the above actions would be the creation of a consistent talent pipeline.

SPACE: INTENSIFY COLLABORATION ON STRATEGIC AND CIVIL SPACE

- Advance the General Space Activities Law with in the Brazilian Congress to provide a legal and regulatory framework for space activities covering a full scope of topics, such as conditions for private use of public assets, tax and other forms of incentives and sovereign indemnity for damages to third parties in excess of required insurance coverage.
- Organize a workshop, in the context of the Brazil-U.S. Defense Industry Dialogue, to identify operational and technological needs that could be addressed in joint strategic projects and share ideas for their implementation.
- Identify areas of mutual interest for potential joint civil space projects, with the potential to involve industries from the U.S. and Brazil, particularly in climate-related areas such as studying the impact of space weather on Earth's climate; monitoring of water levels and saturation of soil; and detecting and tracking forest fires.
- Establish mechanisms allowing Brazilian and U.S. companies to access and cooperate with each other's Universities and research institutes in the field of space.
- Organize a webinar on NASA's international partnerships in the Artemis Project that also includes presentations by Brazil's space industry and academic community on technologies and research that may be relevant. This seminar would have as its objective helping to clarify options for the next steps in the AEB/NASA plan to engage on the Artemis Project.
- Include representatives of the Brazilian space launch operating companies in the Committee for the Integrated Development of the Alcântara Space Center (CDI-CEA) to ensure that their plans are well-aligned with those of the CEA project in areas such as improving education, transport infrastructure, communications, energy, healthcare, and its most important dimension: bringing prosperity, opportunity, and social justice to the people of the region.
- Support the re-classification of Brazil to A:5 in the Country Groups - Supplement n. 1 to Part 7408 of Export Administration Regulations (EAR) of U.S. Department of Commerce Bureau of Industry and Security (BIS), as the next step to strengthen the ties between U.S. and Brazil. This action follows concrete actions taken in recent years including the signature of RDT&E (Research, Development, Testing and Evaluation) Agreement and Technology Safeguards Agreement (TSA) between U.S. and Brazil and the designation of Brazil as Major Non-NATO Ally of United States.
- The Brazil – United States CEO Forum encourages collaboration between our governments to strengthen our defense industry supply chains. We welcome practical steps forward in this regard, such as the initiative of the U.S. Government to propose and initiate discussions over a Reciprocal Defense Procurement Agreement (RDPA) to increase defense exchange and cooperation. Rescheduling a meeting of the Defense Industry Dialogue as soon as possible would help to galvanize support from our private sectors for these measures.