

MINISTÉRIO DA  
FAZENDA



# Ecological Transformation Plan

Inclusive and sustainable  
development to tackle  
climate change



# Main goals

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## 1) HIGHER PRODUCTIVITY AND GREEN JOBS:

incorporate technological innovations in industrial processes and in natural resources management, to generate well paid jobs

## 2) NEW RELATIONSHIP WITH THE ENVIRONMENT:

reduce the environmental footprint of economic development, notably greenhouse gas emissions

## 3) SHARED AND FAIR EARNINGS:

promote equitable development, with better income distribution and widespread benefits

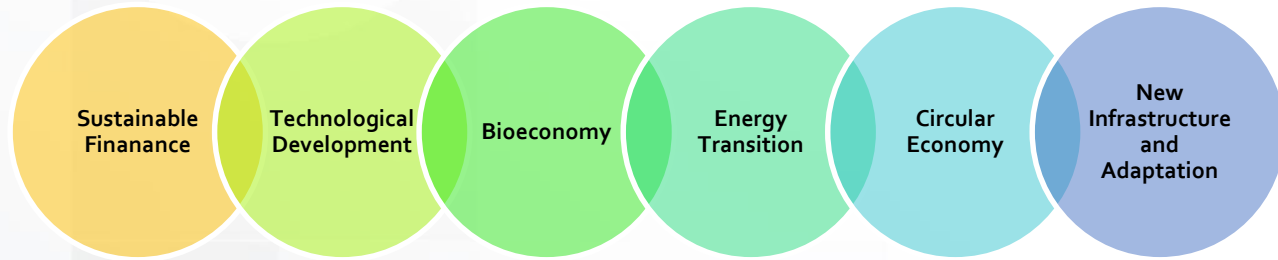


# Overview

## Goals



## Pillars



## Tools



# 1. Sustainable finance

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- **Carbon pricing:** mandatory carbon market (**cap-and-trade system**) and institution of a **carbon tax** (interministerial)
- Issuance of **sustainable sovereign bonds** and opening room for the private sector to issue corporate thematic bonds (interministerial)
- **Competitive credit** for decarbonization and technological innovation (Brazilian Climate Fund) (MMA, MDIC and BNDES)
- Definition of a **Sustainable taxonomy** (interministerial)
- **Financial regulations** to channel resources towards sustainable projects and transparency rules (disclosure) on climate risks and environmental footprint (CVM, Bacen, Susep, Previc)



## 2. Technological development

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- Mandatory **sectoral and R&D funds** aimed at strategic technologies for decarbonization, with clear missions and integrated with the private sector, based on the priorities set by the industrial council and the scientific and technological council (MCTI, MDIC)
- **Innovation procurement:** use of public purchases for innovation, oriented towards the ecological transition missions defined by the industrial council (MCTI, MDIC, MGI)
- Developing **technological innovation centers** (technology transfer offices) in research institutions (MCTI, MEC, MDIC)
- **Local content** with defined deadlines and competitiveness goals (MDIC, MCTI, MGI)
- **Training of high-level workforce** through postgraduate programs and a network of technical schools associated with local production arrangements (MEC, MCTI)
- Incentives for the **national processing and industrialization of products** with comparative advantage, such as critical minerals and agricultural varieties (MDIC, MME, MAPA)



# 3. Bioeconomy

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- **Biotechnology** for sustainable exploration of biomes through investments in R&D (MCTI, MDIC, MMA, MDA)
- **Merger of the Harvest Plan with the ABC Program**, offering technical assistance and credit for farmers, with the dissemination of technologies from Embrapa (MMA, MAPA, MDA)
- Non-timber **forest products export program** to increase Brazilian participation in the global market (MDA, MDIC, MMA)
- **Concession program for forests** and for federal conservation units and technical support for state and municipal ones (MMA, BNDES)
- **Payment for Environmental Services** in forest areas most vulnerable to deforestation pressure (MMA, MAPA, MDA)
- R&D procurement: use of public procurement for innovation, including **laboratory protein** and **gene editing** (MCTI, MGI, MDIC, MAPA)





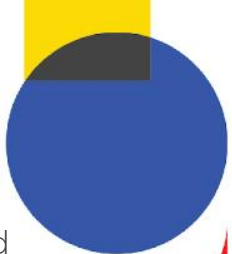
## 4. Energy transition

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- Urban **bus electrification** program for public transport, with national content rules in public purchases (MME, MDIC, Mcid)
- Electric energy: overcoming bottlenecks for the **expansion of wind and solar** in the Northeast and replacement of oil-fired generation in **isolated systems** (Amazon) (MME, MMA)
- Renewable fuels: stimulating the development of **green diesel** and **low-carbon hydrogen** for industry and exports (MME, MDIC)
- Aviation and shipping industry: target for reducing emissions, with incentives for the use of **sustainable aviation fuel (SAF)** and **maritime bunker**, both domestically and for export (MME, MDIC)
- Light vehicle: **emissions target for light vehicles**, with incentives for less polluting automobiles, regardless of technology route, and support for corresponding infrastructures (MMA, MDIC)

# 5. Circular economy

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- Technical and financial support to achieve the target already set by law to **end dumps** and replace with landfills by the end of 2024 (MMA, MCid)
- Support program for municipalities to **expand selective collection of waste** and the use of **biodigesters** (MMA, MCid)
- **R&D procurement**: use of public purchasing power for mission-driven innovation, especially aimed at reusing waste (**recycling** and **energy recovery**) and treating organic waste, such as **biodigesters** (MCTI, MDIC and MMA)
- Comprehensive programs to encourage the circular economy in the industrial sector (**reverse logistics**, reuse, review of **product design** to enable reuse, etc.) (MMA, MDIC)
- **Water and sewage**: expansion of sanitation coverage (water and sewage) and actions to technologically optimize the processes of wastewater treatment plants (MMA, MCid)
- **Biorefineries**: collection of reused oil as an input for biofuel (MME)



# 6. New Infrastructure and adaptation

- Public works program to **reduce the risk of natural disasters**, such as landslides and flooding (PAC/CC)
- **Resilience and impact reduction** in the country's major infrastructure projects, including low carbon transport modes (PAC/CC)
- Declaration of an **environmental emergency in the most vulnerable municipalities** according to CEMADEN, with specific transfer programs to reduce estimated impacts (MMA, MCTI, PAC/CC)
- **Civil defense**: disaster prevention, immediate response and reconstruction (MIDR)
- Strategy for **agricultural, energy and health** security and resilience (MAPA, MME, MS)



# Ecological transformation is an opportunity for Brazil, not a cost

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