

## Environmental and Social Assessment Matrix

| Prior Action                                                                                                                                                                                                                   | Social Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Environmental Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Pillar 1 – Sustainable Finance:</b> Direct Public and Private, National, and International Financial Resources to Sustainable Activities, Low Carbon Growth, Resilience, Ecological Transformation, and Biome Regeneration. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Prior Action 1.1:</b> To create a regulated carbon market in Brazil, the GoB enacted Law No. 15,042 of 11 December 2024 to set up the Brazilian Emissions Trading System (SBCE).                                            | <p><b>The likely overall social impact is positive.</b></p> <p>The SBCE offers social and economic benefits, such as driving down GHG emissions at scale, promote innovation in clean technologies, growth of sustainable industries, and new employment opportunities in renewable energy, environmental monitoring, and carbon credit certification, among others. It can also generate targeted social programs (technical training and community-based climate resilience initiatives) and enhance Brazil's credibility and attractiveness for climate finance and sustainable investment. However, the transition to a regulated carbon market may trigger distributional impacts, particularly for low-income populations and workers in emission-intensive industries. Nonetheless, Brazilian legislation provides foundations to mitigate these potential impacts. The Federal Constitution, the City Statute (Law No. 10,257/2001), and environmental regulations such as CONAMA Resolutions mandate public consultation and participation, equitable access to environmental benefits, and protection of vulnerable groups. Furthermore, Law No. 13.334/2016 (PNDR) and Law No. 13.465/2017 include provisions for fair compensation, livelihood restoration, and land regularization. These legal instruments help ensure that the carbon market transition is socially inclusive and equitable.</p> | <p><b>The likely environmental impacts are positive and expected to generate significant environmental benefits.</b></p> <p>The regulated carbon market catalyzes a national, time-bound effort in significant GHG reduction and removal and attaining carbon neutrality. It will be instrumental in attracting investments to catalyze the growth of sustainable industries and adopters of clean and green technologies that will redound in the reduction of GHGs and removal of emissions. The SBCE will set up mechanisms for targeted total emissions to ensure real reductions over time and provide incentives to encourage innovations in cleaner, cost-effective production technologies and pollution control that will spearhead new sustainable industries that will significantly limit, or avoid, the release of contaminants in the environment while promoting sustainable development and climate equity. The law also facilitates conservation and strengthening of native vegetation reservoir and carbon sinks including native forests and water. To ensure efficiency at implementation stage and prevent any over-allocation of permits, it is important that the Regulator apply an accurate emissions tracking system to safeguard the process.</p> |
| <b>Prior Action 1.2:</b> To operationalize the “SBCE Law”, the GoB has committed to establish the SBCE Interim Managing                                                                                                        | <p><b>Unlikely significant adverse social impact.</b></p> <p>The creation of the Interim Managing Body ensures centralized and coordinated governance of the carbon market. Potential impacts associated with the</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p><b>The likely environmental impacts are low and will redound to significant environmental benefits.</b></p> <p>The current institutional strengthening is rightly positioned to address market imperfections. Monitoring, reporting, and verification (MRV)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

| Prior Action                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Social Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Environmental Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Body, with a clear mandate and sufficient resources.</p>                                                                                                                                                                                                                                                                                                                                                                                                           | <p>concentration of regulatory power or inadequate public participation are addressed through Brazil's strong legal and institutional frameworks. The Federal Constitution guarantees democratic governance, access to information, and social participation in public policymaking. Additionally, laws such as the City Statute (Law No. 10.257/2001), the Access to Information Law (Law No. 12.527/2011), and the Legal Framework for Civil Society Organizations (Law No. 13.019/2014) ensure transparency, public consultation, and accountability in regulatory processes. These instruments require that decision-making bodies to operate with public oversight and stakeholder engagement. Moreover, grievance mechanisms and ombudsman services embedded in public administration help ensure that any adverse impacts, such as exclusion of vulnerable groups or unfair policy outcomes, can be identified and remedied in a timely and equitable manner.</p> | <p>processes can continue to be strengthened to help the Regulator receive and analyze credible data and reflect on further fine-tuning of the system.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <p><b>Prior Action 1.3:</b> To fast-track private investment flows into projects that advance Brazil's climate and ecological transformation goals, at least 6 sectoral ordinances for priority sectors and the criteria and conditions for qualifying projects for tax incentives, including green criteria, were issued by the sectoral Ministries. The sectoral ordinances include simplified procedures for ministerial approval of projects involving public</p> | <p><b>Unlikely significant adverse social impact.</b></p> <p>The sectoral ordinances provide greater clarity for investors, reduced administrative burdens, and more predictable access to tax incentives for climate-aligned projects. By simplifying procedures, the policy supports faster implementation of clean energy, sanitation, sustainable transport, and reforestation projects. The streamlining of procedures poses risks of weakening E&amp;S due diligence if safeguards are not consistently applied. Additionally, while the ordinances promote investments, they may not always ensure inclusive stakeholder participation or the consideration of social equity in project selection. Brazilian legislation provides tools to help mitigate potential negative impacts of expedited project approval processes. The National Environmental Policy (Law No. 6.938/1981) and CONAMA Resolution No. 01/1986 establish clear</p>                         | <p><b>The likely environmental impacts are moderate, provided that the appropriate policy and institutional measures are complied with in each of the six sectors.</b></p> <p>The ordinances define general criteria and conditions for the classification and monitoring of investment projects considered to be priorities under the policy. Brazil has an extensive regulatory framework on ES assessment (CONAMA resolutions), resulting in a high material equivalence with AIIB's policy on CPBF. According to the Law creating Infrastructure Debentures 14,801, investment priorities will follow simplified procedures to report on the potential ES benefits prior to their application for financing. While investment applications for financing will follow simplified procedures that are exempted from onerous bureaucratic requirements, it is understood that the country's environment regulations will capture the potential multiplication of ES impacts that could cause environmental degradation. It is important that the application of relevant legal and</p> |

| Prior Action                                                                                                                                                                                                                                                                                                                                                                                                                                             | Social Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Environmental Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| services owned by subnational entities.                                                                                                                                                                                                                                                                                                                                                                                                                  | requirements for environmental impact assessments (EIAs) and licensing, regardless of whether a project qualifies for tax incentives. Law No. 10.650/2003 also ensures public access to environmental information, while the City Statute (Law No. 10.257/2001) and the Public Participation Framework (Law No. 13.019/2014) mandate social participation in the planning and approval of development projects.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | regulatory frameworks continue to be monitored, so any policy gaps can be swiftly addressed.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <p><b>Prior Action 1.4:</b> To mobilize private capital for climate and ecological transformation projects, the GoB – through the National Treasury Secretariat – has provided a blended finance facility with concessional rate and longer-maturity term credit line, through the enactment of ordinances to launch specific auction under Ecolnvest, for the productive and ecological conversion of degraded land, including in the Amazon Biome.</p> | <p><b>Unlikely significant adverse social impact.</b></p> <p>The prior action offers significant benefits for rural communities, smallholder farmers, and traditional populations. It can create jobs, improve livelihoods, and enhance food security. In the Amazon, forest restoration initiatives can benefit Indigenous peoples and local communities by supporting forest-based economies and reinforcing traditional knowledge systems. With proper designs, these projects are unlikely to trigger social impacts – such as restricted access to land, changes in land tenure dynamics, or the exclusion of vulnerable groups from financial benefits leading to land speculation or reinforcing unequal land ownership patterns. Brazilian legislation includes safeguards to mitigate social risks associated with land-use investments. The Forest Code (Law No. 12.651/2012) establishes legal parameters for conservation and land use. Law No. 11.326/2006 recognizes the role of family farmers and rural communities in sustainable development. In the Amazon, protection is reinforced by constitutional rights of Indigenous peoples and laws such as the Statute of Indigenous Peoples (Law No. 6.001/1973) and the National Policy on Territorial and Environmental Management of Indigenous Lands (PNGATI). These frameworks mandate consultation, safeguard traditional livelihoods, and promote equitable benefit-sharing. Public auctions for land-use projects are subject to</p> | <p><b>The likely environmental impacts are moderate provided that the appropriate policy and institutional measures are complied with, particularly in the Amazon Biome.</b></p> <p>It is expected environmental outcomes are positive as the restoration of degraded land increases carbon stocks by regeneration of natural vegetation, besides promoting the ecological transformation. Brazil has an extensive regulatory framework on environmental assessment. Relevant regulations promoting positive land use change and the prevention of habitat fragmentation, biodiversity loss and ecosystem disruption, as well as biodiversity offsets will apply in order to adopt a holistic approach to environmental management and use of ecosystem services. The oversight role of the federal and state governments is important in the sustainable management of the investment priorities including the implementation of the applicable environmental regulations. When necessary, the appropriate instruments and measures may be identified to help strengthen the institutional arrangements and attendant national and local systems and procedures on environmental management. As a part of the ES monitoring during implementation, the responsible authority may consider carrying out a preliminary assessment to identify whether there are heightened environmental risk due to cumulative Impacts of the various project activities. If necessary, a next course of action could be formulated to further address the accumulation of environmental impacts and the avoidance of the breakup of ecological corridors that may occur due to the discrete development of separate public and private lands managed by different entities.</p> |

| Prior Action                                                                                                                                                                                                                                                                                                                   | Social Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Environmental Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                                                                                | environmental licensing processes, which require environmental and social assessments, stakeholder engagement, and grievance mechanisms.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Pillar 2 – Energy Transition:</b> Promote National Technologies in the Area of Sustainable Bioenergy with Competitive Cost and Value Chains.                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Prior Action 2.1:</b> To further foster the development of sustainable bioenergy, the GoB established the Fuels of the Future Program, by enacting Law No. 14,993, 2024 on October 8, 2024. The Law created the National Sustainable Aviation Fuel Program (ProBioQAV), among other bioenergy and decarbonization programs. | <p><b>Unlikely significant adverse social impact.</b></p> <p>The development of sustainable bioenergy under the Fuels of the Future Program can deliver meaningful social benefits, particularly in rural areas where biofuel production can stimulate job creation, support smallholder farmers, and generate local value chains. ProBioQAV can catalyze investments in technology, training, and infrastructure, enhancing regional development and reducing inequalities. However, increased demands for bioenergy feedstocks, if not properly managed, may trigger unintended social impacts, such as land-use pressure, competition with food production, and risks to traditional land users. In areas with weak land tenure or where vulnerable populations depend on subsistence agriculture, there is a risk of exclusion or displacement. Nonetheless, Brazil's legal and regulatory frameworks provide risk mitigation. The National Agroecology and Organic Production Policy (PNAPO) and the Biofuels Policy (RenovaBio, Law No. 13.576/2017) encourage sustainable and inclusive bioenergy practices. The Federal Constitution, the City Statute (Law No. 10.257/2001), and the Access to Information Law (Law No. 12.527/2011) guarantee public participation and transparency in environmental decision-making. The Forest Code and land use legislation also establish procedures for licensing and impact assessment that require stakeholder consultation and social safeguards.</p> | <p><b>The likely environmental impacts are low and will result in positive environmental outcomes.</b></p> <p>The Fuels of the Future Program and the ProBioQAV promote research, production, commercialization, and use of SAF and includes directives to air operators to gradually reduce their GHG emissions, supporting Brazil's NDC and NAP objectives. It is important to address the potential environmental impacts by strengthening the applicable regulations in the sourcing of feedstocks, and the production and use of SAF, including the guidelines and requirements on the certification process to ensure real emission reductions and the conservation of protected areas, and the preservation of biodiversity and ecosystem services. It is also important to regulate industrial processing to generate the final product; land use changes; resource conflict and deforestation; high water and energy use; limited feedstock availability and scalability; risk of greenwashing; and potential slight increases in NOx emissions. Brazil's extensive regulatory framework on environmental and social assessment (CONAMA resolutions) applies to the SAF industry. The combination of dedicated federal ES laws and a multi-agency regulatory regime provides a multi-layered defense mechanism against potential environmental degradation. Activities during implementation will help identify sustainability measures that could be strengthened in the SAF industry if needed.</p> |
| <b>Prior Action 2.2:</b> To regulate the certification of the efficient production or                                                                                                                                                                                                                                          | <b>Unlikely significant adverse social impact.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>The likely environmental impacts are positive and expected to generate significant environmental benefits.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

| Prior Action                                                                                                                                                                                                                                        | Social Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Environmental Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>import of biofuels, including Sustainable Aviation Fuels (SAF), and the accreditation of inspection firms, ANP establishes methodologies for calculating well-to-wake GHG emissions and efficiency criteria for biofuels.</p>                    | <p>The Resolution can bring significant social benefits in rural and underdeveloped regions where biofuel feedstocks are produced. By incentivizing local biofuel production and imports, it can generate employment in agriculture, processing industries, and related logistics, contributing to poverty reduction and improved livelihoods. It also encourages capacity-building initiatives to enhance worker skills and labor conditions, supporting equitable participation of vulnerable groups, including smallholders and local communities, in the biofuel value chain. Potential social risks include land use conflicts, economic or physical displacement, and pressures on community resources resulting from expanded biofuel feedstock cultivation and import activities. These can be mitigated through Brazilian legislation incorporated into Resolution 984, which requires comprehensive social and environmental impact assessments, stakeholder consultations, and grievance mechanisms. The law mandates transparency in licensing processes and enforces compliance with labor rights and environmental safeguards. These measures can mitigate adverse impacts by ensuring affected communities are engaged, informed, and have access to remedies.</p> | <p>The ANP will provide the policy certainty needed to scale ETP's action framework to attract private capital, alongside unlocking fiscal incentives (tax exemptions, low-interest credit) and government support programs for businesses that proactively invest in biofuel. This includes establishing the values of the total equivalent emissions per unit of energy computed in the well-to-burn cycle of each technologies option for the purpose of accounting for decarbonization in the production and use of SAF. It has the same environmental implications of Prior Action 2.1, including the likely positive environmental impacts through the reduction of GHG emissions and the regulation of the sourcing, production, and use of SAF, with the sustainability measures embedded in the SAF regulations. During implementation, the experience in applying the relevant environment regulations will help identify appropriate policy and management actions applicable to the SAF industry.</p> |
| <p><b>Pillar 3 – Green and Resilient Infrastructure:</b> Build Resilience of Critical Natural Assets and Infrastructure to Mitigate and Address Potential Impacts of Climate Change as well as Protect and Restore Critical Natural Ecosystems.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p><b>Prior Action 3.1</b> To develop the National Adaptation Plan for the Health sector, the GoB enacted the law number 14,904 on June 27, 2024.</p>                                                                                               | <p><b>The likely impacts are significant and positive.</b></p> <p>The National Adaptation Plan (NAP) for the health sector delivers significant social benefits by strengthening health infrastructure and services, especially for vulnerable populations such as children, the elderly, and marginalized communities who are disproportionately affected by climate-sensitive diseases. By proactively addressing health risks linked to climate variability, the Plan helps reduce morbidity and mortality, improve public</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p><b>The likely environmental impacts are low and will redound to significant and positive environmental outcomes.</b></p> <p>The NAP for the Health Sector will operationalize climate adaptation across government by requiring sectoral ministries to develop health-focused climate adaptation plans into a systematic health sector planning framework. The NAP comprises institutional measures and strategies to address climate change risks and inform national programs such as AdaptaSUS as well as strengthen institutional capacity, especially at the subnational level, for climate risk</p>                                                                                                                                                                                                                                                                                                                                                                                                      |

| Prior Action                                                                                                                           | Social Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Environmental Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                        | <p>health outcomes, and enhance overall community resilience. Brazilian legislation mandates inclusive stakeholder engagement and prioritizes vulnerable groups in the planning and implementation phases to ensure an equitable access to adaptation benefits and avoiding disparities in health service delivery across different regions and social groups. The law also requires monitoring and evaluation mechanisms to track progress and adjust strategies as needed, ensuring that social equity and human rights are upheld in climate adaptation efforts.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p>communication and service continuity in priority areas. The NAP for the health sector established the guidelines for the preparation of climate change adaptation plans, including identification, evaluation and prioritization of measures to address natural disasters, and management and reduction of climate risk due to the adverse effects of climate change. It defined principles, objectives, and responsibilities for public agencies in charge of sectors most exposed to climate risks. It also established criteria for risk and vulnerability assessments, public participation, and inter-ministerial coordination, thereby providing a framework for more consistent, science-informed adaptation action at national and subnational levels.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p><b>Prior Action 3.2</b> The National Adaptation Plan for the Health sector was finalized and disclosed for public consultation.</p> | <p><b>Low social impact. The social outcomes are significant and positive.</b></p> <p>The NAP strengthens Brazil's ability to protect public health against climate-induced threats, such as heat stress, water- and vector-borne diseases, and disruptions to healthcare infrastructure during extreme weather events. It particularly benefits vulnerable populations, including low-income communities, the elderly, and indigenous peoples, by prioritizing resilience in public health services, improving early warning systems, and fostering local health system preparedness. The Plan also promotes cross-sector collaboration between health, environment, and disaster risk management institutions for holistic social outcomes. Brazilian legislation provides safeguards by requiring that national adaptation plans include participatory approaches to mitigate risks related to unequal distribution of resources, limited institutional capacity at the local level, and the potential exclusion of marginalized communities. Legal frameworks also emphasize transparency, social inclusion, and the development of locally tailored solutions.</p> | <p><b>The likely environmental impacts are low and the environmental outcomes are positive.</b></p> <p>The NAP follows the conclusion of the Health Sector Adaptation Plan, AdaptaSus, which set goals and strategies for 2025-2035, including strengthening the health surveillance and care; expanding health promotion and education actions; and Innovating in the adaptation of the Unified Health System (SUS) to climate change. It will substitute the Health Sector Plan for Mitigation and Adaptation to Climate, issued in 2013, with four axes of action: 1) health surveillance and early warning systems, 2) climate-resilient health care infrastructure and services, 3) public health education, and 4) applied research and innovation. It details actionable strategies, implementation timeframes through 2035, aiming to strengthen service delivery, risk communication, and infrastructure resilience across Brazil's most climate-vulnerable regions. The AdaptaSus plan includes institutional measures and strategies to address the health problems that can be created by climate change. In one year, Brazil would have a national early warning system for extreme heat, informed by climate data and predictive modeling. The system will help public health authorities anticipate health emergencies, target services to vulnerable populations, and strengthen the resilience of healthcare infrastructure during extreme events.</p> |

| Prior Action                                                                                                                                                                                                                                                                                                                      | Social Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Environmental Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Prior Action 3.3</b><br/>Interministerial ordinance 1,309/2025, by MMA and MDA, detailed the procedures for recognizing the user rights of public forests by traditional communities, administratively streamlining their connection to the land and their role as protectors of the forests via collective agreements.</p> | <p><b>The likely social impacts are low. The social outcomes are significant and positive.</b></p> <p>The ordinance offers substantial social benefits by affirming the territorial rights of traditional populations (such as Indigenous Peoples, quilombola communities, and extractivist groups), who have historically relied on and cared for public forest lands. Recognizing user rights fosters social inclusion, legal certainty, and cultural preservation, while enabling communities to sustainably manage natural resources and access government support programs. These arrangements not only safeguard livelihoods but also reinforce traditional knowledge systems and community-based forest stewardship. Brazilian legislation addresses risks and impacts related to disputes over land boundaries, exclusion of vulnerable groups during the formalization process, and limited institutional capacity to implement agreements effectively at the local level, by requiring prior, informed, and culturally appropriate consultations with traditional communities and by prioritizing collective governance models. The ordinance also supports conflict resolution mechanisms and collaborative management plans to ensure equitable participation, respect for customary practices, and sustainable use of forest resources.</p> | <p><b>The likely environmental impact is low. The significant environmental effects are positive.</b></p> <p>Interministerial ordinance 1,309/2025 lays out provisions to implement sustainable forest management policies under Decree No. 12,046/2024, which operationalizes Law No. 11,284/2006, Brazil's mother law on the sustainable management of public forests. The Decree determines that public forests occupied or to be used by local communities will be identified for allocation to these communities. It aims to address barriers to formal recognition of community land and resource rights, which have hindered inclusive forest governance. Ordinance 1,309/2025 prescribes the procedures to allocate forests for sustainable production by local communities and supports Brazil's NDC commitments. It will strengthen community forest governance, enable sustainable use practices, and contribute to forest-based mitigation and adaptation goals under Brazil's climate and biodiversity strategies. The Decree determines that the planning of the dimensions of public forests to be allocated to the local community, individually or collectively, taking into consideration the sustainable use of forest resources. The sustainable production, balanced with the protection of public forests at the local level following sustainability principles, is vital for the functional and efficient management of the public forests and protected areas.</p> |
| <p><b>Prior Actions 3.4</b> Federal law for the management of public forests n. 12,046/2024, further detailed by Law 15,042/2024, that creates the SBCE, clarified the allocation of rights to carbon credits to</p>                                                                                                              | <p><b>The likely social impacts are low. The social outcomes are significant and positive.</b></p> <p>The legislation enables economic opportunities for local and traditional communities involved in restoration activities. These communities can now participate in carbon markets and benefit financially from the ecosystem services they help preserve. This mechanism promotes inclusive green development, linking climate mitigation with poverty reduction and support the</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <p><b>The likely environmental impact is low. The significant environmental outcomes are positive.</b></p> <p>By formally recognizing that concessionaires engaged in forest restoration may be eligible to generate carbon credits and formalizing the methodologies for assessing the carbon credits generated in the forest concessions with other applicable standards, including REDD+, SBCE (created by Law 15,042/2024) offers a core instrument to attract private investment for ecological recovery at scale. It aims to reduce investor uncertainties and attract long-term</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

| Prior Action                                                                                                                                                                             | Social Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Environmental Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| concessionaries of public forest for restoration.                                                                                                                                        | sustainable use of forest resources through job creation, capacity building, and strengthened territorial rights. Brazilian Law No. 12,651/2012 (Forest Code) and Law No. 11,284/2006 (Public Forest Management Law) provide safeguards against risks related to elite capture, reduced access to land for traditional users not engaged in concessions, and insufficient benefit-sharing by requiring social and environmental safeguards in forest concessions, public consultations, and equitable benefit-sharing mechanisms. Law No. 15,042/2024 further mandates transparency in SBCE operations and prioritizes the participation of traditional and local communities in concession agreements.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | private financing to support Brazil's nature-based climate goals. It strongly favors the reduction of emissions from deforestation while increasing the carbon stocks and carbon sequestration with the natural and enhanced regeneration of natural forests, mangroves, and other protected biomes at the national and state levels.                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <p><b>Prior Action 3.5</b> To establish the National Program for Conservation and Sustainable Use of Mangrove (ProManguezal), the GoB enacted the law number 12,045 on June 5, 2024.</p> | <p><b>The likely social impacts are low. The outcomes are significant and positive.</b></p> <p>Mangrove ecosystems are vital to the livelihoods and cultural identity of traditional extractivist and coastal communities. ProManguezal promotes social inclusion by prioritizing the participation of these groups in conservation efforts and facilitating access to sustainable economic alternatives, such as community-based aquaculture, eco-tourism, and non-timber forest product extraction. The program also contributes to climate adaptation by protecting coastal populations from erosion, storm surges, and sea level rise, while enhancing food security and income diversification. Brazilian Law No. 11,428/2006 (Atlantic Forest Law) and Law No. 9,985/2000 (which established the National System of Conservation Units – SNUC) provide mechanisms for integrating traditional populations into conservation strategies through the recognition of sustainable use areas and participatory management. Law No. 12,045/2024 reinforces these provisions by requiring consultation, benefit-sharing, and co-management arrangements with affected communities to</p> | <p><b>The likely environmental impacts is low. The significant environmental outcomes are positive.</b></p> <p>Law 12,045/2024 mandates the establishment of the ProManguezal which aims at conservation, recovery, and sustainable use of biodiversity and ecosystem services associated with the country's mangroves. Mangroves contribute to both climate mitigation and climate adaptation, making them vital ecosystems in the fight against climate change. Mangroves substantially increase carbon sequestration as they can sequester up to four times more carbon than terrestrial tropical forests and help reduce emissions from land use change. They also provide coastal protection, support livelihoods, and supply continuous biodiversity and ecosystem services.</p> |



| Prior Action                                                                                                                            | Social Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Environmental Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-----------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                         | prevent exclusion and ensure social safeguards are upheld.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <p><b>Prior Action 3.6</b> Action Plan for the ProManguezal program was issued by Ministry of Environment and Climate Change (MMA).</p> | <p><b>The likely social impacts are low. The social outcomes are significant and positive.</b></p> <p>The Action Plan enhances social benefits by detailing inclusive approaches for community participation in mangrove conservation. It promotes sustainable livelihoods through technical assistance, environmental education, and support for traditional practices compatible with conservation, such as artisanal fishing and sustainable extractivism. By aligning environmental protection with socio-economic development, the plan helps safeguard the rights, knowledge, and well-being of traditional and coastal communities who depend directly on mangrove ecosystems. Brazilian laws such as Law No. 9,985/2000 (SNUC) and Decree No. 4,340/2002 require participatory planning in conservation initiatives and establish frameworks for co-management of protected areas, to minimize potential social risks related to restrictions on land or resource use and unequal access to program benefits. The Action Plan builds on these legal instruments by promoting community mapping, prior consultation, and the formation of local management councils.</p> | <p><b>The likely environmental impact is low. The significant environmental outcome is positive.</b></p> <p>The Action Plan will help improve the conservation, recovery, and sustainable use of biodiversity and ecosystem services associated with mangroves. Nonetheless, the Action Plan will have to contain concrete results to produce restoration and protection, climate resilience and mitigation, community engagement and public participation, and integrate evidence-based strategies into policy making.</p> |