ESG AND IMPACT BUSINESSES

GREEN ECONOMY GAINS STRENGTH WITH THE CREATION OF A BUREAU

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Published on March 2 and in effect since March 9, Decree 11,427/23 approves the regulatory structure and the table of commissioned posts and functions of trust of the Ministry of Development, Industry, Trade, and Services. One of the innovations is the creation of the Bureau for Development of Green Economy, Decarbonization, and Bioeconomy, within the scope of industry, trade, and services.

Among the attributions and authority of the new bureau are the following:

- propose, implement, and evaluate public policies that encourage and support the development of businesses that generate social and environmental impact, integrate strategies for decarbonization of productive sectors, and foster the bioindustry in Brazil;
- encourage public and private access to capital for businesses that generate social and environmental impact;
- engage in discussions with public and private organizations involved in environmental, social, and governance issues to promote regulatory advancement and ensure conditions for the economy to develop on a sustainable model;
- propose, implement, and evaluate policies to promote industrial complexity related to the sustainable use of biomass, genetic heritage, and traditional knowledge associated with it;
- propose strategies for decarbonizing the economy;
- support and encourage the development of the economy;
- propose and articulate strategies to improve national and international legal arrangements related to the sustainable use of biodiversity and associated traditional knowledge by the productive sectors and climate change that may impact on the productive sectors.

The new bureau will include the following departments: Genetic Heritage and Productive Chains of the Biomes and the Amazon, Decarbonization and Green Finance, New Economies and Bioindustry, and Strategic Health Inputs.

The Genetic Heritage and Productive Chains of the Biomes and the Amazon department is responsible for, among other functions:

- participate in the drafting, implementation, and evaluation of proposals related to genetic heritage and productive chains of the biomes and the Amazon;
- propose, implement, and evaluate policies to foster the creation and consolidation of innovative businesses based on the sustainable use of genetic heritage and associated traditional knowledge in the Brazilian biomes and the Amazon;
- propose, implement, and evaluate policies to disseminate good practices in biodiversity-intensive sectors, especially those related to community protocols of indigenous peoples, traditional communities, and family farmers.

Within the purview of the Decarbonization and Green Finance department are the following:

- plan and coordinate the ministry's actions in international financial institutions for sustainable development, environment, and climate change;
- propose, implement, and evaluate policies to promote and prepare the productive sectors for the energy transition process and change to a low carbon economy;
- track the decarbonization targets of the international industry in relation to the Brazilian targets for the sector and future mechanisms to be implemented;
- participate in the proposal of measures and standards for the implementation and improvement of the carbon market;
- propose, collaborate on, and monitor economic and non-economic regulations related to decarbonization of the economy;
- propose, implement, and evaluate proposals for economic and financial mechanisms that enable the process of energy transition and low carbon production in the economy.

In relation to the New Economies department, the following competencies stand out:

- encourage, support, and mobilize social and environmental business entrepreneurs;
- encourage the mobilization of public and private capital to support intermediary organizations and funding

> organizations of social and environmental impact businesses;
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> propose policies that encourage the emergence and development of investments and businesses of social and environmental impact;
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> promote a favorable regulatory environment for the development of impact investment instruments and social and environmental businesses;
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> propose public policies that encourage public purchases of businesses that generate positive social and environmental impact and encourage the integration of social and environmental impact businesses in the production chains of large companies and corporations.

As for the Bioindustry Strategic Health Inputs department, the following competencies stand out:

> coordinate the development, implementation, and evaluation of policies to promote modernization of industrial processes and the incorporation of new technologies in the productive sectors of the bioindustry and strategic health inputs; and
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> promote professional technological, corporate management, and innovation training for bio-based industries, especially in areas related to the production of biofuels, biomaterials, pharmaceuticals, cosmetics, and functional foods.

The decree is an important step towards fostering the green economy and businesses that seek to bring about corporate solutions to environmental and social problems. The expectation is that a regulatory and legal framework capable of promoting decarbonization of the economy and emergence of new impact businesses will be increasingly developed.