

TC Document

I. Basic Information for TC

▪ Country/Region:	BRAZIL
▪ TC Name:	Support the Interministerial Committee on Climate Change – CIM in the institutional strengthening of Brazilian climate governance and mitigation actions for the Brazil National Plan on Climate Change 2024 – 2035 (Plano Clima)
▪ TC Number:	BR-T1575
▪ Team Leader/Members:	Queiroz Fenyves, Katia (CSD/CCS) Team Leader; Lemos Alves Dos Santos Helder (CSD/CCS); Speyer Carlos, Flavia (CSD/CCS); Gomes Campos, Walquiria Liz (INE/TSP); Ferrari Gisela Andrea (CSD/CCS); Lazo, Juan Carlos (VPC/FMP); Celeste Marzo, Cristina (LEG/SGO); Carias Flores Sara Hilda (CSD/CCS); Medeiros, Eduardo (CSD/CSD); Anabella Palacios (CSD/CCS); Ana Champloni (CSD/CCS); Gomez, Juan Carlos (CSD/CCS); Sierra Tabora Clara Rocio (CSD/CCS)
▪ Taxonomy:	Client Support
▪ Operation Supported by the TC:	.
▪ Date of TC Abstract authorization:	30 Nov 2023.
▪ Beneficiary:	Federative Republic of Brazil through the Ministry of Environment and Climate Change – National Secretariat for Climate Change
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	NDC Pipeline Accelerator Multidonor Trust Fund(ACL); OC SDP Window 2 - Sustainability(W2A)
▪ IDB Funding Requested:	NDC Pipeline Accelerator Multidonor Trust Fund (ACL): US\$250,000.00 OC SDP Window 2 - Sustainability (W2A): US\$500,000.00 Total: US\$750,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	24 months
▪ Required start date:	April 2024
▪ Types of consultants:	Firms and individual consultants
▪ Prepared by Unit:	CSD/CCS-Climate Change
▪ Unit of Disbursement Responsibility:	CSC/CBR-Country Office Brazil
▪ TC included in Country Strategy (y/n):	y
▪ TC included in CPD (y/n):	n
▪ Alignment to the Institutional Strategy 2024-2030:	Productivity and innovation; Institutional capacity and rule of law; Environmental sustainability

II. Objectives and Justification of the TC

2.1 The objective of this TC is to support the Brazilian government, through the Ministry of Environment and Climate Change - National Secretariat for Climate Change, in restructuring its national climate policy and governance, while enhancing the country's environmental and social systems to improve their effectiveness, by providing technical assistance to the Interministerial Committee on Climate Change (CIM). At the same time, it aims to realign national public policies to support sectoral mitigation and adaptation actions to promote a just transition to a low-carbon and resilient economy.

2.2 This TC will achieve this objective by supporting the Brazilian Government, through the Ministry of Environment and Climate Change (MMA), with technical support to formulate and implement the National Plan on Climate Change 2024-2035 (Plano Clima) and its sectoral mitigation plans, as well as to strengthen the country's climate governance. The Committee, whose purpose is to monitor the implementation of actions and public policies at federal level related to the National Policy on Climate Change (PNMC, Federal Law 12.187/2009), is a key forum within the Brazilian climate governance. It is chaired by the Civil House of the Presidency of the Republic, and the MMA acts as its Executive Secretary, being responsible for technical and administrative support, and intersectoral coordination and integration to achieve CIM's objectives.

2.3 Brazil plays a significant role in the global climate change agenda, both in terms of challenges and efforts. Historically, the country has been responsible for high levels of deforestation in the Amazon rainforest, which contributes to increased Greenhouse Gas (GHG) emissions, impacting global climate patterns. Brazil is currently the sixth largest climate polluter, responsible for 3% of global emissions, only standing behind China, the USA, India, Russia, and Indonesia ([SEEG, 2023](#)). Between 2017 and 2020, Brazil has emitted 6.45 billion gross tons of GHG (GWP-AR5). Moreover, in the same period, the degradation of all Brazilian biomes accounted for 1.86 billion tons of carbon dioxide (CO₂e) emitted, or 29% of the total registered ([MCTI, 2022](#)).

2.4 In 2009, the Brazilian government demonstrated a leading role in the climate field when the ambitious PNMC was established. Then, the country voluntarily announced its commitment to reducing GHG emissions, with a time horizon of 2020. PNMC allocates specific roles to federal authorities and has institutional arrangements to support the regulation and implementation of policies related to climate change. The law also sets the basis for the elaboration of the first Plano Clima, a plan which details the projections of GHG emissions, defines the strategies for achieving the reduction targets and involves the development of sectoral plans. In the years that followed, several efforts were accomplished in the national climate agenda: there was the establishment of the National Climate Change Fund (FNMC) (Federal Law 12.114/2009), the creation of the Brazilian Climate Change Forum (FBMC), the drafting of the sectoral plans provided for in the PNMC, the ratification of the Paris Agreement in 2015, the presentation of Brazil's first NDC (Nationally Defined Contribution) in 2016, the publication of the National Plan for Adaptation to Climate Change (PNA), among others.

2.5 Current efforts from the Brazilian Government involve the elaboration of Plano Clima, scheduled to be implemented in 2025, based on the premise of effective and transparent climate governance. To this end, the [Brazilian government](#) has restructured and reactivated CIM, which urgently requires a management, coordination, and mobilization system, so that Brazil's climate policy instruments can be effectively implemented. The [Committee adopted important resolutions in 2023](#), such as the review of the Brazilian NDC to the levels of ambition that Brazil had initially proposed in 2015 as of the conclusion of the Paris Agreement (i.e. a GHG emission limit of 1.32 tCO₂e for 2025 and 1.20 GtCO₂e for 2030). Inter-ministerial working groups were also instituted to regulate the Brazilian carbon market (SBCE).

2.6 CIM also established a [resolution](#) ordering Plano Clima's formulation and the institution of two inter-ministerial working groups for its elaboration (mitigation group and adaptation group). Plano Clima will have national and sectoral mitigation and adaptation targets for 2030 and 2035, while being compatible with the goal of climate neutrality in 2050. Brazil

will inform its new NDC for 2035 based on the targets established in the 2024-2035 Plan, considering it will set the actions to meet the targets. Plano Clima will include: (i) a National Mitigation Strategy and its sectoral plans; (ii) a National Adaptation Strategy and its sectoral plans; and (iii) a Transversal Strategy aiming at a just transition, with an approach anchored in education, research, development and innovation, pointing at means of implementation and supported by monitoring management, evaluation and transparency. Given that the climate agenda requires cross-cutting and multi-sectoral engagement to be delivered, Plano Clima involves the elaboration of sectoral plans that aim to agree upon specific targets, objectives, and actions to implement the national mitigation strategy.

2.7 Gender, Diversity, and Climate Change: According to the UN (UN Women, [2009, 2022](#)), women and girls experience the greatest impacts of climate change, which amplifies existing gender inequalities and poses unique threats to their livelihoods, health, and safety. Women usually face unique challenges related to climate change as they are mainly responsible for care burden, fetching water, and providing wood for cooking and heating ([UN, 2024](#)). A [case study from Brazil](#) shows that even though women and other diverse groups made up more than 80% of the public in climate change dialogues, their participation in decision-making and high-level conversations related to climate change is still minimal. In this regard, Climate Justice recognizes how people subjected to different forms of inequality (economic, social, gender, racial and ethnic) are even more vulnerable to the effects of climate change. Despite having a smaller share in CO2 emissions, low-income populations are the most affected by the negative consequences of climate change and have the least access to adaptation alternatives. Climate justice is considered a cross-cutting axis of the Plano Clima, considering that the decarbonization of the economy needs to lead to a just transition that boosts sustainable development, tackles inequalities and promotes the country's resilience. Moreover, it is an aspect being considered within social participation mechanisms.

2.8 This TC is consistent with [IDB Group Institutional Strategy: Transforming for Scale and Impact](#) and is aligned with the objectives of: (i) *reduce poverty and inequality*, as this TC aims to assess the economic and social impacts of climate change sectoral emissions targets, in order to promote just transition (ii) *address climate change*, as the products will directly support the climate change strategy in Brazil. The TC is aligned with the operational focus area of (i) *biodiversity, natural capital and climate action* and (iii) *institutional capacity, rule of law, and citizen security*, as it will enhance institutional capacities regarding the implementation of a national climate policy and climate governance. The TC is also aligned with (ii) *gender equality and inclusion of diverse population groups*, as it will ensure their participation on component 4 activities, regarding increased capacities, improved skills and awareness raising on climate change governance. The TC is aligned with the Integrated Strategy for Adaptation and Mitigation to Climate Change and Renewable and Sustainable Energy ([GN-2609-1](#)) and the Climate Change Sector Framework Document (GN-2835-8). Additionally, this TC is aligned with the objectives and activities of Window 2, Priority Area 1: Climate Change and Environmental Sustainability of The Ordinary Capital Strategic Development Program (OC SDP) ([GN-2819-14](#)), for strengthening the permanent dialogue with Brazil regarding one of the main business themes of the IDB.

2.9 Furthermore, the TC is aligned with the priority area of improving the business climate and narrowing gaps in sustainable infrastructure for enhanced competitiveness from the IDB Group Country Strategy with Brazil 2019-2022 (GN-2973), particularly in the areas of social and environmental national systems, as it will support the establishment of the Plano Clima, strengthening the country's institutional framework to improve their consistency and effectiveness, despite the challenges intrinsic to the country's decentralized federal nature and the complexity for implementing systems at the federal level. Therefore, the expected results are in line with IDB's Country Strategy for Brazil objectives of constructing a more effective government and promoting sustainable growth. This TC is related to the operation BR-L1635 (Institutional reforms for competitiveness and improvement of the business environment), which is currently in the preparation stage, regarding the preparation of Industry Mitigation Sectoral Plan.

2.10 Considering the funding of NDC Pipeline Accelerator (ACL) ([GN-2890](#)), operation BR-T1575 is aligned with the objectives of the fund to provide support to countries with technical assistance for low-carbon and climate-resilient projects by mobilizing public and private investments aligned with sustainable development objectives (SDGs) and NDC. Gender and diversity are at the core of the Fund and go hand in hand with climate considerations and action. Operation BR-T1575 specifically is aligned with the Eligibility Criteria reflected as following: (i) it supports the identification of a pipeline of sustainable projects; (ii) it is directly linked to Brazil's NDC and its programming discussions; (iii) it targets the mobilization of capital towards sustainable projects aligned with the country priorities; and (iv) it makes a tangible and measurable contribution to climate change objectives, by promoting efforts to reduce or limit emissions of GHG. The TC is also aligned The Ordinary Capital Strategic Development Program (OC SDP), Window 2, Priority Area 1: Climate Change and Environmental Sustainability.

III. Description of activities/components and budget

3.1 Component 1. Economic and Social Impact Assessment of the National Mitigation Strategy of Plano Clima (US\$250,000). This component's objective is to provide a deep and comprehensive assessment of the economic and social impacts of Brazil's mitigation trajectories and targets to be defined in the National Mitigation Strategy, presently under formulation. The assessment will focus on the social and economic impacts of the scenarios, to provide inputs for the National Just Transition Transversal Strategy, considering the development of Brazil's national and sectoral GHG emissions mitigation targets for 2030 and 2035. The allocated resources will finance: (i) economic modelling adaptation and application to assess the social and economic aspects of the national mitigation trajectories and targets; (ii) preparation of policy-documents and studies for multistakeholder dialogues on the assessment report; (iii) assessment report review after multistakeholder dialogues.

3.2 Component 2. Technical support for the preparation of the Transversal Strategies of Plano Clima and the Mitigation Sectoral Plans (US\$150,000). The objective is to provide technical assistance to support the preparation of Transversal Strategies, which will integrate mitigation and adaptation approaches, and instruments to address cross-cutting issues of Plano Clima, such as climate justice, focusing on: (i) just transition; (ii) means of implementation; (iii) education, research, development and innovation; and (iv) monitoring and transparency, accordingly to the established in CIM

Resolution number 3/2023¹. In addition, this component will provide technical support to effectively implement these transversal issues on at least seven sectoral mitigation plans ((a) Land use change and forestry; (b) agriculture and livestock; (c) cities, including urban mobility; (d) energy, including electricity and fuels; (e) industry; (f) waste; and (g) transportation) predicted on the National Mitigation Strategy. Therefore, they include support for integrated resource management addressing specific water– energy– food security related concerns and efficiency measures. The allocated resources will finance the following activities: (i) support to the preparation of Transversal Strategies, which will integrate mitigation and adaptation approaches and instruments to address cross-cutting issues of the National Climate Strategy, focusing on: (a) just transition; (b) means of implementation; (c) education, research, development and innovation; and (d) monitoring and transparency; (ii) support to the elaboration of at least seven sectoral mitigation plans, with regard to: (a) specific actions, programs and measures to achieve the goals, including the respective targets, indicators, costs, sources of financing and other means of implementation; (b) proposals to review the sectoral regulatory framework to align it with sectoral mitigation objectives, priorities and targets; and (c) governance for the management, monitoring and evaluation of the sectoral plan, including participation and transparency mechanisms; and (iii) an investment strategy for Plano Clima, considering the scope of the other activities, especially regarding the transversal strategy document on means of implementation and the sources of financing for the sectoral plans, which aim at supporting the implementation of projects.

3.3 Component 3. Stakeholders mapping and support for organizing structured dialogues, holding international road shows and business rounds (US\$200,000).

This component aims at stakeholder mapping and social participation. The allocated resources will finance the following: (i) development of communication and dissemination strategies for Plano Clima and its sectoral mitigation plans; (ii) structured dialogues with stakeholders in the preparation and implementation of Plano Clima, through social participation and transparency mechanisms and taking into account Climate Justice as a cross-cutting issue; and (iii) holding of international roadshows and business rounds for potential investors interested in the sectoral actions set out in the plan. The result of these activities, containing the main lessons learned in the process of communicating and engaging the different stakeholders, should be compiled and disseminated at the end of this TC.

3.4 Component 4: Institutional strengthening of Brazilian climate governance (US\$150,000).

This component aims to support the management, coordination, and mobilization of CIM's Executive Secretary and other relevant actors for the institutional strengthening of climate governance in relation to PNMC and Plano Clima. The objective therefore is to support MMA in engaging the different actors and stakeholders in Plano Clima which can help build and maintain the plan's political buy-in throughout its life cycle (from design to implementation). The allocated resources will finance the: (i) operationalization of CIM meetings and its technical groups, considering women and diversity members participation; (ii) operationalization of communication, mobilization and articulation; and (iii) development of an internal electronic knowledge management system, considering information management and governance documentation, to provide a secure and easily accessible environment for the CIM's minister councilors and

¹ [Res. CIM 3/2023](#): Deals with updating the Climate Plan, which will determine the country's new climate target, and sets up two working groups: one for mitigation and one for adaptation. It also provides for the creation of sub-groups responsible for drawing up sectoral mitigation and adaptation plans.

coordinators of CIM's working groups and sectoral plans. Those involved will be able to follow the activities of the groups and exercise their responsibilities.

3.5 The total estimated cost of this TC is US\$750,000, which will be financed with resources from NDC Pipeline Accelerator Multi-Donor Trust Fund (ACL) and The Ordinary Capital Strategic Development Program (OC SDP), Window 2, Priority Area 1: Climate Change and Environmental Sustainability. Also, there will be no funding counterpart and specifying that the disbursement and execution period will be 24 months as indicated in the Basic Information Table.

Indicative Budget

Activity/Component	ACL	W2A	Total Funding
Component 1. Economic and Social impact assessment of the National Mitigation Strategy of Plano Clima	-	250,000	250,000
Component 2. Technical support to prepare the Transversal Strategies of the National Mitigation Strategy	100,000	50,000	150,000
Component 3. Mapping support to organize dialogues with stakeholders, international roadshows and business rounds	-	200,000	200,000
Component 4: Institutional strengthening of Brazilian climate governance	150,000	-	150,000
Total	250,000	500,000	750,000

IV. Executing agency and execution structure

4.1 At the request of the beneficiary and in accordance with Annex II of the Procedures for Processing of Technical Cooperation Operations and Related Matters ([OP-619-4](#)) the IDB will be the Executing Agency of the TC, considering the Bank's expertise on the agenda, having supported several countries in the region to develop climate governance plans and structures and the operational capacity due to the recent creation of the Climate Secretariat within the MMA and the timeline required for the execution. The IDB Country Office in Brazil (CSC/CBR) will function as the Disbursement Responsibility Unit (UDR) and will be in charge of the procurement processes, which will ensure that the acquisitions carried out within the framework of the TC are timely and foreseen in the execution time. Execution of TC activities will be done in coordination with the focal points assigned by the MMA for this project, starting on April 2024, for 24 months.

4.2 The TC will be supervised by the project team. Technical and operational supervision will be responsibility of the IDB's Climate Change Division in the Brazilian Country Office (CCS/CBR). The Bank will ensure proper execution and the implementation of the project in line with Annex II of the Procedures for the Processing of Technical Cooperation Operations and Related Matters (OP-619-4). There will be no need for any use, licensing, or transfer of products containing intellectual property rights in the scope of this TC and this will be reinforced in the contract signed with the consultancies hired to develop the services. All knowledge products generated within the framework of this technical cooperation will be the property of the Bank.

4.3 The activities to be executed under this technical cooperation have been included in the Procurement Plan (Annex IV) and will be executed in accordance with IDB's established procurement methods. Specifically, the Bank will follow its procurement

policies and guidelines related to contracting processes: (i) individual consultants will be hired according to the guidelines established in policy (AM-650); (ii) consulting firms of an intellectual nature will be hired according to the “Policy for the selection and contracting of consulting firms for operational work carried out by the Bank” (GN27654) and its Operational Guidelines (OP-1155-4); and (iii) other non-consulting services in accordance with the “IDB Institutional Procurement Policy” (GN2303-28).

4.4 Monitoring and Reporting Process. The results and outcomes associated with IDB funding will be monitored using the Technical Cooperation Monitoring and Reporting System (OP-1385-4), so the main monitoring instrument will be the TC’s Results Matrix. Monitoring and evaluation activities will focus on: (i) the project’s outcomes and outputs, as indicated in the project’s Results Matrix; (ii) physical and financial progress.

V. Major issues

5.1 Low engagement of beneficiaries. Continuous dialogue and engagement with the main beneficiaries will be established, contributing to the definition of an active participation mechanism, and ensuring that TC closely contributes to long-term governmental programs and priorities.

5.2 Lack of ownership by the federal government. Outreach and communication strategy including stakeholder engagement will be in place to demonstrate benefits and positive project impacts, aiming at institutional buy-in at both technical and political level.

5.3 Need for phasing components/activities. A structured and organized approach is required to the project, where the activities planned are to be completed in a specific order to achieve the TC’s main objective. Therefore, close monitoring of the work plan to ensure timely execution of the plan will be guaranteed.

5.4 The legacy of sustainability is not achieved. The products of this TC are being prepared to meet the MMA’s urgent demand to update Brazil’s climate strategy, so the Sectoral Mitigation Plans should come into force at the end of the process, once they have been approved internally by the government. Component 3 of this TC was developed to ensure stakeholder engagement and communication of the activities, as well as their continuity after the IDB’s support.

VI. Exceptions to Bank policy

6.1 There are no exceptions to the Bank’s policies in this technical cooperation.

VII. Environmental and Social Aspects

7.1 This technical cooperation is not intended to finance pre-feasibility or feasibility studies of specific investment projects or environmental and social studies associated with them; therefore, this TC does not have applicable requirements of the Bank’s Environmental and Social Policy Framework (ESPF).

Required Annexes:

[Request from the Client_60520.pdf](#)

[Results Matrix_28275.pdf](#)

[Terms of Reference_42700.pdf](#)

[Procurement Plan_66619.pdf](#)