

## SAO PAULO STATE POLICY ON CLIMATE CHANGE

**ACT Nº 13.798, NOVEMBER 9, 2009** Institutes the State Policy on Climate Change – (SPCC)

THE GOVERNOR OF SÃO PAULO STATE:

Informes that the Legislative Council decrees and I promulgate the following act:

### SECTION I

#### GENERAL PROVISION

Article 1 - This law institutes the State Policy on Climate Change - SPCC, with its principles, objectives and the instruments for its enforcement.

### SECTION II

The State Policy on Climate Change and its Principles

Article 2 – SPCC's general objective is to establish the State's commitment to the challenge of global climate change, present the conditions for the necessary adaptations to the impacts derived from climate change, as well as contributing for reducing or stabilizing the greenhouse gas concentrations in the atmosphere.

Article 3- SPCC will follow the following basic principles:

- I. Precautionary, from which the absence of scientific certainty cannot be used as a reason for delaying the adoption of efficient measures to prevent environmental degradation whenever there is serious or irreversible damage to human civilization;
- II. Prevention, which consists in the adoption of public measures and policies able to mitigate recognized impacts on the Earth's climate system;
- III. The polluter-pays, as the party responsible for the environmental impact must bear the cost derived from the damage caused on the environment;
- IV. Participation of civil society at the consulting and deliberative procedures, with wide access to information, as well as to the judicial and administrative mechanisms, including in what regards compensation and repair of environmental damages;
- V. On sustainable development, through which environmental protection is an integral part of the productive process, in order to ensure life quality to all citizens, also to equitably meet the needs of both present and future generations;
- VI. On common but differentiated responsibilities, through which the most developed, in a spirit of proactive partnership for the preservation, protection and restoration of the terrestrial ecosystem's health and integrity, must take the initiative, with urgency and with effective action, to fight the climate's global change and its negative effects;
- VII. On governmental efficiency, important to the maintenance of the ecological balance, envisioning environment as a public asset to be necessarily protected, taking into consideration its collective fruition, employing rationality in the land use, of stratum, of water and air, to be followed by the State as regards environmental quality, in addition to the planning and checking of the sustainable use of natural resources;
- VII. Cooperation, national and international, among States, entities and citizens with goodwill, imbued with a spirit of partnership, in order to envision the greatest Humanity's principles and purposes;
- IX. On broad publicity with the purpose to ensure absolute transparency in the provision of public information, regarding the levels of contaminating emissions, the quality of the environment and the potential risks to health, as well as the plans for mitigation and adaptation to climate impacts;
- X. On environmental education, with the purpose of empowering society, from the elementary school onwards, to build up adequate attitudes to the common good, to encourage knowledge, research and the implementation of technologies guided towards the rational employment and protection of environmental resources.

### SECTION III

#### Definitions

Article 4 – For the purposes of this law, the following definitions will be considered:

- I. Adaptation: Initiatives or measures able to reduce the vulnerability, of both natural systems and society, to the real or expected effects of climate change;
- II. Capacity for adapting: a system's level of susceptibility to the adverse effects of climate change, including the climatic variability and its extreme events;
- III. Global warming: the intensification of Earth atmosphere's natural greenhouse effect, as the result of anthropic actions responsible for emissions and for the increase in the concentration of gases in the atmosphere, contributing to the increase the planet's average temperature and resulting in adverse climate phenomena;
- IV. Atmosphere: a gaseous layer that involves Earth, containing gases, clouds, aerosols and particles;
- V. Strategic Environmental Assessment: an integrated analysis of environmental and socio-economic impacts caused by human actions, considering the inter-relation and the sum of the effects occurred in a specific territory, with the purpose to promoting sustainable development in its environmental, social and economic foundations;
- VI. Environmental goods and services: products and activities potentially or effectively employed with the purpose to measure, avoid, limit, minimize or repair damage to water, atmosphere, soil, biota and humans, to reducing pollution and the use of natural resources;
- VII. Biota: the universe that includes the flora and fauna, including the microorganisms characteristic of a specific region, and considered a unit of the ecosystem;
- VIII. Climate: a statistical description, in terms of the average and the variability of the relevant amounts of the ocean-atmospheric system, in various time periods, from weeks to thousands of years;
- IX. State Communication: a Governmental official document regarding comprehensive policies and measures for the protection of the global climate system, which has, as its core, the inventory of the anthropic gas emissions with greenhouse effect in the territory of São Paulo, including significant sources, sinks and reservoirs;
- X. Sustainable development: a process aiming at the generation of wealth that meets current needs without compromising the ability of future generations to meet their own needs, in which the exploitation of resources, investment policies, the orientation of technological progress and institutional changes lay in harmony for the rising of the current and future potential for attending to the needs and aspirations of mankind;
- XI. Ecosystem: a community of living beings and their environment, both treated as a functional system of interactive relationships, with the transfer and circulation of energy and matter;
- XII. Greenhouse effect: The physical property of gases (vapour, carbon dioxide and methane, among others) to absorb and reissue infrared radiation resulting in the warming of the surface of the lower atmosphere, a basic natural process to keep life on Earth;
- XIII. Negative effects of climate change: alterations occurred in the physical environment or in the biota, as a result of climate change with deleterious effects on the composition, resilience or productivity of natural ecosystems, which affect social-economical productive systems and reduce human being's health and well-being;
- XIV. Emissions: the release of gaseous substances in the atmosphere, taking into consideration a specific area and period;
- XV. Extreme events: Climate phenomena, occurring rarely, considering the standard referential statistical distribution, assessed in a determined location;
- XVI. Externality: an impact, either positive or negative, on individuals or areas not involved with an economical activity;
- XVII. Source: any process or activity that liberates the greenhouse gas into the atmosphere, including aerosols or previous elements;
- XVIII. Greenhouse gases: the gaseous elements which compose the atmosphere, either natural or the result of anthropic processes able to absorb and reemit infrared solar radiation, especially water vapour, carbon dioxide, methane and nitrous oxide, in addition to sulfur hexafluoride, to hydrofluorcarbons and perfluorcarbons;
- XIX. Potential climatic impacts: the consequences of climatic changes in the natural and human systems, not considering their capacity for adapting;
- XX. Residual climatic impacts: the consequences of climate changes in the natural and human systems, considering the adaptations effectively made;
- XXI. Inventory: an assessment, in an appropriate and accounting-wise format, of the emissions of greenhouse gases, both general and individual, as well as the environmental impacts and other aspects related to climate change;

XXII. Clean Development Mechanism (CDM): an instrument included in the Kyoto Protocol (article 12), related to actions of mitigation of emissions of greenhouse gases, with the purpose of aiding developing countries and not included in Annex I of the Protocol, to reach sustainable development, as well as to contribute to meeting the objectives of the Climate Change Convention, as regards the generation of credits through (Certified Emission Reductions – CERs), to be used by developed countries for the attainment of their targets, within the scope of the above-mentioned international agreement;

XXIII. Microclimate: the physical state of the atmosphere when very close to the terrestrial surface, a region associated with the existence of living microorganisms, such as plants and insects, usually for a short term;

XXIV. Mitigation: a softening of the effects of a certain external impact on a system, linked to the precautions and attitudes for the elimination of such interference, which means, in climate terms, the intervention with the purpose of reducing some anthropogenic factors which contribute to its change, including some means planned for the reduction of the emission of greenhouse gases, increase the removal of such gases from the atmosphere through their storage in geological formations, soils, biomass and in the ocean, or to alter the solar radiation that hits the Earth using geo-engineering methods (direct management of the energy balance of the planet);

XXV. Climate change: an alteration on the climate, directly or indirectly attributed to human activity, which affects the composition of the atmosphere and which is added to that resulting from natural climate variations, whenever verified along comparable periods;

XXVI. Global changes: alterations operated in the global environment (climate alterations, use of land, oceans, freshwaters, chemical composition of the atmosphere, ecosystems, biomass, etc.) that may affect Earth's capacity to support life;

XXVII. Traditional population: the population that lives in a close relation to the natural environment, depending on the natural resources for its socio-cultural reproduction, through activities with low environmental impact;

XXVIII. Climate forecasting: probabilistic description of a future climate event, based on observations of current and past meteorological conditions or on quantitative models of climate processes;

XXIX. Climate projection: a description of the level of reaction of the climate system to future backdrops of socio-economical, technological and political development, which radioactive forcing may originate from natural or anthropic sources;

XXX. Reservoir: component or components of the climate system, which store a greenhouse gas, or one of its precursors;

XXXI. Resilience: a microorganism or system's capacity to recover or easily adapt to changes or impacts;

XXXII. Carbon sequestration: A process related to the increase in carbon concentration in other reservoirs apart from the atmosphere, including practices for the direct removal of the carbonic gas from the atmosphere, through changes in the use of soil, forest recomposition, reforestation and agriculture practices that increase the concentration of carbon in the soil, the separation and removal of carbon combustion gases, or through the processing of fossil fuels for the production of hydrogen, as well as the storage, for long periods, in empty underground reservoirs of oil, gas, coal and saline aquifers;

XXX. Climate system: the whole of the atmosphere, cryosphere, hydrosphere, biosphere, geosphere and their interactions, both natural and through anthropic induction;

XXXIV. Sink: a location, activity or mechanism that removes from the atmosphere a greenhouse gas, an aerosol or a forerunner of a greenhouse gas;

XXXV. Sustainability: the capacity of maintaining indefinitely certain process or state;

XXXVI. Weather: a specific state of the atmosphere in a certain location and moment, measured in terms of variables such as wind, temperature, humidity, atmospheric pressure, the presence of clouds and precipitation;

XXXVII. Climate variability: Variations of the average state of climate processes in both temporal and spatial scales which exceed individual events;

XXXVIII. Leakage: A measurable liquid variation of anthropic emissions of greenhouse gases, which takes place outside the borders of a certain project, but are attributed to such process;

XXXIX. Vulnerability: The degree of susceptibility or inability of a system to protect itself from the adverse effects of climate change, including climate variability and extreme events; it is a function of the magnitude and of the rate of climate variation to which a system is exposed to, as well as its sensitivity and adaptation capacity;

XL. Economic-Ecologic Zoning - EEZ: a basic and referential instrument for environmental planning and for the management of the process of development, able to identify the potentiality and vocation of a territory, rendering it the basis for the sustainable development.

#### SECTION IV

##### Objectives

Article 5 – The following are SPPC's specific objectives:

- I. To ensure the compatibility of socio-economical development with the protection of the climate system;
- II. To foster projects for the reduction of emissions, sequester or sinks of greenhouse gases, including those of the Clean Development Mechanism – CDM;
- III. To establish ways for a productive transition that generate behavior changes, in the sense of stimulating a positive environmental change in the patterns of consumption, in economical activities, in transport and in the use of urban and rural land, focused on the reduction of the emission of greenhouse gases and in the increase of absorption by sinks;
- IV. To execute actions to increase the share of renewable sources in the energy matrix, within and outside the State borders;
- V. To implement actions for the prevention and adaptation to the changes caused by the impacts of climate change, with the purpose to protect mainly the more vulnerable strata of the population;
- VI. To promote environmental education and social awareness as regards global climate change, widely informing the observations of such phenomena, the methods for the quantification of emissions, inventories, emissions and environmental impacts scenarios, the identification of vulnerabilities, adaptation measures, prevention actions and the options for building a model of sustainable development;
- VII. To encourage research and the dissemination of scientific and technological knowledge related to the protection of the climate system, such as impacts, mitigation, vulnerability, adaptation and new technologies, practices and behaviours which reduce the emission of greenhouse gases;
- VIII. To stimulate participation of the various segments of São Paulo's society in the integrated and shared management of the instruments of this law;
- IX. To define and effectively apply indicators and targets on environmental performance in the productive areas of São Paulo's economy;
- X. To impart value to the environmental assets and to reduce the State's environmental liabilities;
- XI. To preserve and enhance the existing carbon stocks in the State;
- XII. To promote the competitiveness of São Paulo's environmental goods and services in internal and external markets;
- XIII. To create and enhance the scope of economical, financial and tax instruments, including the use of the State's purchasing power for the purposes of this law;
- XIV. To execute the State Communication and the Strategic Environmental Assessment, integrating and articulating them with other initiatives, either national, statewide or municipal;
- XV. To promote a low-impact environmental and energy sustainable urban planning system, including the identification, study of susceptibility and protection of indirect-vulnerability areas, as regards disordered occupation of the territory;

#### SECTION V

##### Of Policies

Article 6 – The following are SPCC's policies:

- I. To draw-up, update periodically and place at the disposal of the public in general, inventories of anthropic emissions, discriminated according to their sources, in addition to the removals, through sinks, of the greenhouse gases not-monitored by the Montreal Protocol, making use of methodologies comparable both nationally and internationally.
- II. To formulate, implement, publish and update regularly regional programs that include measures for mitigating climate change, to face the source anthropic emissions and removals through sinks of all greenhouse gases not monitored by the Montreal Protocol, in addition to measures for allowing the adequate adaptation to climate change;
- III. To promote and cooperate for development, application, diffusion and transfer of technologies, practices and processes which monitor, reduce or anticipate anthropic emissions

- of greenhouse gases, not monitored by the Montreal Protocol, in all pertinent areas, including energy, transport, industry, agriculture and cattle raising, forestry and waste management;
- IV. To promote the sustainable management, as well as promote and cooperate on the maintenance and strengthening, whenever the case, of sinks and reservoirs of all greenhouse effect gases not monitored by the Montreal Protocol, including biomass, forest and oceans, as well as other terrestrial, coastal and maritime ecosystems;
- V. Cooperate on the preparation to the prevention and adaptation to the impacts of climate change, developing and elaborating adequate and integrated plans for the monitoring of coastal zones, metropolitan areas, water resources and agriculture, as well as on the protection and recovery of regions especially affected by dry seasons and floods;
- VI. Take into consideration the facts related to climate change as regards social, economic and environmental policies and measures, just as the assessment of impacts, nationally formulated and defined, with the purpose of minimizing the negative effects of climate change on the economy, on public health and on the quality of the environment;
- VII. To promote and cooperate with technical-scientific, technological and socio-economic research, in addition to other, as well as with the systematic observations and with the development of databases related to the climate system;
- VIII. To promote and cooperate with full, open and immediate exchange of scientific, technological, socio-economical and legal information concerning the climate systems and the economic and social consequences of the responding strategies to the challenge of global climate change;
- IX. To allocate sufficient financial resources in education, training and social awareness in relation to the ample participation of civil society in such process;
- X. To mobilize the State's Civil Defense to respond to any eventual natural disaster, such as landslides and floods, or for the protection of risk areas, such as hillsides and the bottom of valleys;
- XI. To execute and report, with full transparency, other measurable actions, projects and initiatives and with definite schedules.

## SECTION VI

### State Communication

Article 7 – The State Communication will be undertaken every five years, according to the methods approved by the Intergovernmental Panel on Climate Change, and it will contain:

- I. An emissions inventory, broke-down according to sources of emission and absorption of greenhouse gases' sinks, preferably with the following presentation structure:
- a) one chapter on "Energy", comprising the following areas: "Fuel combustion", including the sub-areas "Power" (production of secondary power), "Transformation and construction industries" and "Transport", in addition to "Other" for other cases, and "Fugitive emissions", comprising the sub-areas: "Solid fuels", "Petroleum and natural gas" and "Other";
  - b) one chapter on "Industrial processes", comprising "Mineral products", "Chemical industry", "Metal production", "Other products", "Halocarbon and sulphur hexafluoride production", "Consumption of halocarbons and sulphur hexafluoride", plus "Others";
  - c) one chapter on the "Use of solvents and other products";
  - d) one chapter on "Agriculture and Cattle raising", comprising "Enteric fermentation", "Waste treatment", "Rice cultivation", "Agricultural soils", "Prescribed burning", "Burning of agricultural waste" and "Others";
  - e) one chapter on "Wastes", comprising "Solid wastes", "Wastewater" and "Industrial effluents";
- I. A map with a vulnerability assessment and the requirements for preparedness and adaptation to the impacts caused by climate change, integrated with the Civil Defense's actions;
- II. The reference to specific action plans, tackling the problem of global climate change, in terms of prevention, mitigation and adaptation.

## SECTION VII

### Strategic Environmental Assessment

Article 8 - The Strategic Environmental Assessment of the process for setorial development must be issued every two-weeks and analyze sistematically the environmental consequences of policies, plans and programs, both public and private, as regards the challenges posed by climate change, among other aspects, taking into consideration:

- I. The Ecological-Economical Zoning, reviewed every 10 (ten) years, to discipline productive activities, the rational use of natural resources, and the occupation of the São Paulo land, as a basis for local sustainable development models;
- II. Strategies to be applied to those areas and activities with the greatest vulnerability to climate change, possible impacts and preventive and adaptative measures;
- III. Definition, whenever applicable, of area or technological targets for the reduction of greenhouse gases;
- IV. The several aspects of sustainable transport;
- V. Local peculiarities, the relationship among municipalities, the metropolitan initiatives, regional models and the integrated action of public entities;
- VI. Policies and measures to execute the mitigation of greenhouse gases, in addition to the increase of carbon sinks;
- VII. Measures for the prevention and adaptation to the impacts derived from climate change;
- VIII. Strategies for the reduction of emissions and absorption by sinks induced in other areas by São Paulo's economic activities, as well as the diffusion to other regions of the good practices verified in the State of São Paulo;
- IX. Proposal of environmental quality standards, as well as other sustainability indicators which, together with the follow-up and periodical review, guide policies and similar actions concerning this law;
- X. Assistance plans to municipalities on the inventory of emissions and sinks, mitigation actions and the adaptation to extreme climate events;

Sole paragraph – The Environmental Secretariat shall coordinate the definition of environmental indicators in order to assess the effects of the enforcement of this law, as well as to publish the results of its follow-up.

## SECTION VIII

### Public Registry of Emissions

Article 9 – The State will launch and maintain the Public Registry of Emissions, aiming to establish measurable criteria and the transparent follow-up of results of the mitigation and absorption measures of greenhouse gases, as well as help private and public agents in the definition of strategies for increasing efficiency and productivity.

§ 1 – Participation in the Registry will be voluntary, provided the following steps are taken:

1. participation is formalized by signing a protocol;
2. certification will require qualification and training;
3. sources of emission of greenhouse gases will be identified
4. information and documentation to prove emissions have to be gathered and submitted;
5. calculation of emissions, according to the methodology previously approved and published by the Companhia Ambiental do Estado de São Paulo - CETESB, effective for the following calendar-year, in harmony with the chapters and sectors of the State Communication, including indirect emissions from the use of electricity, process heat and cogeneration;
6. certification of declared emissions issued by a third party, both independent and qualified, in case of all due circumstances;
7. statement of emissions occurred during the previous calendar-year.

§ 2 – The Administration will define, among others, the following incentives for participating in the Public Registry:

1. promoting greenhouse gases reductions;
2. deadline extension on the renewal of environmental licences;
3. prioritization and lower interest rates for public financing;
4. certification of conformity;
5. fiscal incentives.

§ 3 – The Public Registry of Emissions will be executed according to the following scope:

1. by action and groups of actions, in case of private companies;
2. as a whole, in public bodies.

§ 4 - CETESB will set the criteria for thresholds limits defining as mandatory third party certification of emissions informed to the Public Registry.

## SECTION IX

#### Discipline of land use

Article 10 – The discipline of urban and rural land use will strive for, among other results:

- I. Prevention and avoidance of disordered occupation of areas under both direct and indirect vulnerability, such as coastal areas, hillsides and valleys;
- II. Alleviate disasters of climate origin, preventing and reducing its impacts, especially in the most vulnerable areas;
- III. Promoting sustainable transport and reduction of fuel consumption due to the circulation of people and goods;
- IV. Discipline agriculture and extracting activities, adapt production to new climate and water availability patterns, diversify production in order to ensure supply, combat desertification, use degraded areas without compromising natural ecosystems, control burning practices and fire, prevent the formation of erosion, protect water springs and forest fragments recovering the biodiversity corridors;
- V. Discipline multiple uses of water, allowing for the protection of water resources, shared and rational water management, as well as to prevent or mitigate flood effects;
- VI. Integrate the climate dimension with microdrainage plans and water resources;
- VII. Incorporate the changes and the means for the protection of microclimate in urban zoning, protecting native tree vegetation;
- VIII. Limit, demarcate, and rebuild with vegetation cover areas of legal reserve and especially areas of permanent preservation, woods, fragments and forest remains;
- IX. Identify and map existing vulnerabilities found in municipal territories, as basis for local adaptation policies to the impacts of climate change;
- X. Keep an updated list of areas to be preserved by the State or by the Municipality, required for maintaining the bioclimatic balance of São Paulo's territory;
- XI. Increase the vegetation coverage of urban areas, promoting the planting of species tailored to the reduction of the so-called heat islands;
- XII. Promote decentralization of the economic activity and public services, focusing on the reduction of transport demand.

#### SECTION X

##### Production, Trade and Consumption

Article 11 – It is up to the Administration to suggest and foster measures that privilege sustainable standards of production, commerce and consumption, in order to reduce the demand for inputs, use less impacting materials and generate less waste, with the consequent reduction of greenhouse gas emissions.

Article 12 – For the purposes of article 11, shall be considered, among others, initiatives in the following areas:

- I. Sustainable bidding for the adequation of profile and purchasing power of the Administration in all of its instances;
- II. Post-consumption responsibility, incorporating environmental externalities and privileging the use of goods and materials which may be reused or recycled;
- III. Energy conservation, stimulating efficiency both in production and in products' end-use;
- IV. Cleaner fuels and renewable energy, especially solar, bioenergy and wind;
- V. Mineral extraction, reducing to a minimum the consumption of fossil fuels during the mining activities, reducing deforestation and avoiding throwing sediments in rivers, protecting hillsides and promoting vegetation recovery;
- VI. Civil construction, promoting both in its own and third-party projects, sustainable and energy efficient buildings, with reduction of losses, technical standards that ensure quality and performance of products, use of recycled materials and of alternative and renewable energy sources;
- VII. Agriculture and extracting activities, adapting production to new patterns of climate and water availability, reducing the emissions of the greenhouse gases through the rational use of rural land and natural resources, favoring sustainable bioenergy, diversifying production, making use of degraded areas without compromising the *cerrados* and other natural ecosystems, monitoring forest wildfires and burnings, preventing the formation of erosion, protecting watersprings and forest fragments, restoring biodiversity corridors;
- VIII. Cattle raising, reducing emission of methane from enteric fermentation in animals and the pressure of such activities on forests and other natural ecosystems;

IX. Transport, in all stages of production and from it to consumption, minimizing distances and the use of fossil fuel, privileging collective transport, which are optimizers of the use of natural resources;

X. Energy efficiency in public buildings;

XI. Macrodrainage and multiple use of water, ensuring the protection of resources, shared and rational management of water, in addition to preventing or mitigating the effects of floods;

XII. Reduction of deforesting and burnings, as well as the recovery of forests and other natural ecosystems that store carbon from the atmosphere, directly within the State's boundaries and indirectly in other regions, including through the control and restriction of the use of timber, charcoal and other feedstocks from the forest;

XIII. Industry, through stimulating the development and implementation of less energy-intensive and less polluting technologies, of productive processes that minimize consumption of materials, and of the responsibility for the final destination of the waste generated by consumption.

Article 13 – The State may define standards for the environmental performance of products sold in its territory, requiring information to be provided by manufacturers or importers.

Sole paragraph – The State Environmental Council is responsible for the approval of the standards mentioned in the “caput” of this article, after its definition by CETESB, which may articulate with other technical bodies through agreements and other instruments for cooperation.

Article 14 – State will establish partnerships with public and private entities aiming at capacity-building and at assisting micro and small enterprises in their greenhouse gases emission reduction projects.

## SECTION XI

### Licensing, Prevention and Control of Environmental Impacts

Article 15 – Environmental licensing for enterprises and their databases must incorporate the climate dimension, compatible with the State Communication, the Strategic Environmental Assessment and with the Public Registry of Emissions.

§ 1 - Reduction in the emission of greenhouse gases must be integrated with the monitoring of atmospheric pollution and with the management of the quality of air and water, instruments through which the Administration defines limits for the emission of local pollutants.

§ 2 – The Administration will guide society in relation to the purposes of this law, through other normative instruments, technical regulations and good-practice manuals.

## SECTION XII

### Sustainable Transport

Article 16 – Public policies will prioritize sustainable transport, with the purpose of reducing emissions of greenhouse gases, with the following purposes and requirements:

I. Priority for non-motorized transport, as well as for collective motorized transport over individual ;

II. Adoption of targets for the implementation of railways and metro networks, bus corridors, development of the urban waterway transport services, bicycle routes for both professional and leisure purposes, plus the combination of transport systems;

III. Adoption of targets to increase the supply of public transport, plus encouraging the development, implementation and use of less polluting transport means;

IV. Implementation of the single fare ticket, aiming to provide adequate fees for all metropolitan areas and similar regions within the State, with the purpose of encouraging the use of public transport;

V. Rationalization and redistribution of the demand for road space, improvement of traffic fluidity, reduction of the frequency and intensity of traffic jams;

VI. Incentives for the creation of hubs for cargo vehicles and other options for the changing of modes that allow the capillary redistribution of products;

VII. Incentives for the implementation of economic activities that create public services and jobs in predominantly residential peripheral areas;

VIII. Coordination with the Strategic Environmental Assessment;

IX. Controlling and reducing emissions from new and in-use vehicles;

X. Renewal of the in-use fleet;

- XI. Clear and transparent information to the consumer, in relation to vehicles, regarding atmospheric emission of pollutants and greenhouse gases, in addition to fuel consumption;
- XII. Definition of vehicle environmental performance standards, setting indicators and environmental labelling;
- XIII. Information to the general public on topics such as:
- a) air pollution and its contribution to the increase of greenhouse effects;
  - b) impacts on human health and on the environment;
  - c) socio-economic and infrastructure effects;
  - d) transport plans and mobility actions;
- XIV. Priority for the inspection of pollutant emissions and vehicle inspection;
- XV. Vehicle environmental database, connected with Vehicle Inspection;
- XVI. Inventory of emissions, as part of the State Communication;
- XVII. Emergency and restrictive measures related to the circulation of vehicles, with the purpose of avoiding the occurrence of critical episodes of atmospheric pollution, in accordance with the exceptions included in the law;
- XVIII. Monitoring of the evaporative emissions of vehicles, as well as in gas pumping stations, bases, terminals and fuel transfer stations;
- XIX. Planning and adoption of measures to inhibit any traffic behavior that might aggravate environmental conditions;
- XX. Measures improving the occupancy distribution in streets and roads, such as definition of vehicle rotation schemes;
- XXI. Fighting against measures and situations that, in any way, stimulate the permanence of obsolete vehicles and the use of excessively pollutant fuels, as regard the emission of greenhouse gases;
- XXII. Charging for activities which involve the release of greenhouse gases, as well as for the use of roads;
- XXIII. Provisions for prioritizing transport means with lower emissions by passenger or cargo unit;
- XXIV. Protection of the existing vegetation coverage and increase in the public tree planting and vegetation courtains;
- XXV. Rationalization of the transport system, using structural and planning measures, such as:
- a) discouraging individual motorized transport and the demand for urban infrastructure from private vehicles through, among others, the expansion and integration, including through tariffs, of other transport means, such as railways, bus rapid transit and waterway systems;
  - b) environmentally preferable means for the transport of people and goods;
  - c) urban corridors, ringroads and other works of the urban infrastructure;
  - d) action coordination in the metropolitan areas
  - e) harmonization of municipal initiatives;
  - f) other strategies adequate for mobility;
  - g) better communication among the road and transport systems, focusing on the optimization of traffic, increased safety, reduction of environmental impacts and abusive driving behavior;
- XXVI. Environmental education, public debates, information and awareness-raising campaigns;
- XXVII. Adequation of the energy mix, among other instruments, through:
- a) better quality of fuels;
  - b) transition to less-impacting sources;
  - c) energy conservation;
  - d) promotion of the use of electrified systems for public transport, especially in the most populated areas;
  - e) solidary lifts, in addition to other ways for shared use of individual transport;
  - f) encouraging the use of smaller individual vehicles, more efficient, that release less greenhouse gases;
  - g) the setting and following-up of indicators of energy and environmental performance;
- XXVIII. fostering of reserch and development in the area of sustainable transport;
- XXIX. review of the State's energy and fiscal policies intended to theconservation of energy and the increase of the participation of renewable sources in the matrix.

## SECTION XIII

### Management of Water Resources, Wastes and Effluents

Article 17 – The State Policy on Water Resources, the Integrated System of Water Resources Management, the State Plan for Water Resources, the Basins Plans, the River Basin

Committees, the Coordinating Committee for the State Plan on Water Resources and the State Council for Water Resources must take into consideration the climate change dimension, the definition of more vulnerable areas and the prevention, mitigation and adaptation actions included in this law.

Article 18 – The Masterplan for Solid Wastes and the actions taken in the scope of the State Policy for Solid Wastes must address the climate change dimension, the definition of the most vulnerable areas and the actions taken for the prevention, adaptation and mitigation, emphasizing the prevention, reduction, re-use, recycling and recovery of the energy contents, in this order.

Article 19 – The State will promote the recovery of methane generated through the anaerobic digestion in the treatment of wastewaters, industrial effluents, rural wastes and urban solid wastes.

#### SECTION XIV

Article 20 – The Executive will establish a Strategic Plan for Emergency Actions, in response to extreme climate events that may generate a state of public calamity in the São Paulo territory, especially in areas with direct vulnerability.

#### SECTION XV

Education, Capacity Building and Information

Article 21 – The Administration will be mandated, together with civil society, to:

I. Develop programs for sensibilizing, raising awareness, mobilizing and disseminating information, in order for civil society to contribute effectively to the protection of the climate system, especially by disclosing information for consumers regarding the greenhouse gas emissions from both products and services;

II. Support and facilitate the execution of studies, research and actions for the education and qualification on the issues connected with climate change, emphasizing inventories of emissions and sinks, as well as the identification of vulnerabilities with the purpose to promote measures for prevention, adaptation and mitigation;

III. Stimulate research on climate change, impact, mitigation, vulnerability, adaptation and new technologies for reducing the emission of greenhouse gases, including public partnerships with universities and institutes;

IV. Integrate the output of the technical-scientific research with government's actions;

V. Foster and articulate actions within the municipal scope, offering technical assistance on issues such as sustainable transportation, land use, forest recovery, power saving, waste management and mitigation of methane emissions.

#### SECTION XVI

Economic Instruments

Article 22 – For the purposes of this law, the Executive will:

I. Create economic instruments and stimulate financial credit aimed at the mitigation of greenhouse gas emissions, as well as adaptation to the impacts of climate change;

II. Define public fees and prices, taxes and other ways of charging for the activities that result in the emission of greenhouse gases;

III. Develop economic stimulus for the maintenance of the existing forests and forests where deforestation has been avoided, voluntary compensation for planting trees, recovery of vegetation and forest protection;

IV. Stimulate implementation of Clean Development Mechanism (CDM) projects, in order to benefit from the “Carbon Market”, as a result from the Kyoto Protocol, in addition to similar markets, through:

a) institutional and regulatory mechanisms, as well as assisting with the dialogue with domestic and foreign investors, public or private;

b) incentives to CDM projects that recover and conserve São Paulo's biodiversity;

c) capacity building for CDM project entrepreneurs in all of its several stages;

d) dissemination of the rules related to the criteria and methodologies published by the CDM Executive Board, concerning additionality and other topics;

e) assisting with the dialogue with the Designated National Authority, the Interministerial Commission on Climate Change, and other official entities;

f) stimulate the obtention of carbon credits from CDM projects, emphasizing competitive advantages from the adoption of sustainable practices by Brazilian entrepreneurs.

Article 23 – The Executive will establish, through a decree, the Forest Remains Program, under the coordination of the Environment Secretariat, with the purpose of fostering the definition of limits, the demarcation and recovery of riparian forest and other types of forest fragments, allowed, for consecution of its purposes, payment for environmental services to the land owners that conserve their properties, as well as economical incentives to voluntary policies aimed at the reduction of deforestation and environmental protection.

Article 24 – Resources from the commercialization of certified emission reductions (CER) of greenhouse gases which are under the responsibility of the Public Administration will be applied, with priority, in the recovery of the environment and in improving life quality for the community living around the project area.

Article 25 – According to the terms of article 17 of this law, the application of the resources from the State Fund of Water Resources must address climate change, through the definition of areas subject to the greatest vulnerability, in addition to the prevention, mitigation and adaptation measures.

Article 26 – Application of resources from the State Fund for Pollution Prevention and Control, in accordance to article 2 of Law 11.160, as of June 18, 2002, will address specific actions and plans for tackling the effects of climate change.

Sole paragraph – The following will have priority to access the resources defined in the caput of this article:

1. - areas more affected by natural climate-related disasters;
- 2 - municipalities with the highest rates of vulnerability to climate change;
- 3 - economic sectors more affected by climate change;
- 4 - municipalities responsible for contributions and counterparts to the Fund.

## SECTION XVII

### Articulation and Operation

Article 27 – The principles, objectives, policies and instruments of public policies, as well as governmental programs, must be compatible with this law, and are duties of the Administration and third sector entities:

I. Developing adaptation programs to climate change and to extreme climate events that prioritize the most vulnerable populations, aiming to facilitate the interaction between civil society and the São Paulo State Administration, to promote the integration of the subject in the work of relevant social actors, such as the State secretaries, autarchies, foundations, municipal authorities, corporate and academic areas, the organized civil society and the social communication media;

II. Establishing legal mechanisms for the protection of human and environmental health, for the defense of the consumer and other diffuse interests related with the purposes of this law;

III. Close sectoral agreements for the voluntary reduction of greenhouse gases emissions, between the State Government and private corporate entities;

IV. Strengthening governmental organs with competences over the protection of the climate system, as well as qualify public and private entities to foster participation in actions connected with this law;

V. Executing ample and frequent consultations with civil society, also insuring the constant and active participation in forums, in addition to the articulation with other policies and programs, in the national and international levels which may contribute to the protection of the climate system;

VI. Stimulating and articulating initiatives in the municipal level, cooperating with the federal level, regarding respective competences, with integrated and strategic management;

VII. Encouraging cooperation between governments, international organizations, multilateral agencies, non-governmental international organizations and São Paulo entities operating in the area of global climate change;

VIII. Supporting the obtention of national and international financing to be applied in State programs and actions related to climate change;

IX. Stimulating the participation of São Paulo entities in the United Nations Framework Convention on Climate Change and in the Kyoto Protocol;

X. Stimulating the incorporation of the climate dimension into the decision-making procedures related to sectorial policies connected with the emissions and sequestration of the greenhouse gases, as well as stimulating the adoption of mitigating practices and methodologies of the

emissions of the previously-mentioned gases, in order to ensure the competitiveness of the São Paulo economy;

XI. Striving to integrate the purposes of this act with initiatives from the Vienna Convention, from the Montreal Protocol and other multilateral environmental agreements ratified by Brazil;

XII. Promoting both the articulation and exchange between the state and federal levels, in order to render easy accessibility to the data and information generated by public entities, required to the execution of the inventory of the emission of greenhouse gases to be carried out by the municipalities.

XIII. Providing support to the Civil Defense of the municipalities;

XIV. Prioritizing the installation of public services in the peripheral and predominantly residential areas;

Article 28 –The bodies that integrate the State Environmental System must make compatible the application of the State Environmental Policy instruments with SPCC's principles, objectives, norms and instruments.

Sole Paragraph – The São Paulo State Climate Change Program will coordinate the systematic state actions for the emissions inventory and will supervise the monitoring of vulnerabilities, the implementation of adaptation measures and the systematization of information regarding greenhouse gases emissions.

Article 29 –The Executive will create, within 6 (six) months, the State Council for Climate Change, aiming at implementing and monitoring the execution of the SPCC.

Sole Paragraph – The Council will be a consultive body and will have a three-part composition, with representatives of the State Government, municipalities and civil society.

Article 30 – The Environmental Secretariat will determine the policies for the execution of the State Communication, of the Strategic Environmental Assessment and that of the Public Registry of Emissions.

## SECTION XVIII

### Targets and Terms

Article 31 – The State will define real, measurable, and verifiable tools to reduce its anthropogenic greenhouse gas emissions and for that purpose it will adopt, among others, the following instruments:

I. Targets for the stabilization or reduction of emissions, either individually or jointly with other regions of Brazil and the world.

II. Sectoral efficiency targets, based on the emissions of greenhouse gases verified for each sector, in addition to parameters that allow to identify, in each sector, positive reference patterns;

III. Additional mechanisms for exchanging obtained rights.

## SECTION XIX]

### Final Provisions

Article 32 – The Executive Power, through the Environment Secretariat will conclude and publish, until December 2010, the inventory of emissions by anthropogenic activities, of greenhouse gases which will provide for the definition of targets by the State.

§ 1 - The State will assume the global reduction target of 20% (twenty per cent) of the emissions of carbon dioxide (CO<sub>2</sub>) by 2020 related to 2005.

§ 2 - The Executive will be allowed, every 5 (five) years, to establish interim indicative targets, either global or sectoral, before the year 2020.

Article 33 – The State Government, fulfilling its duty to tackle the challenge presented by the global climate change, agrees, after this law has been duly published, to:

:

I. Elaborate its Communication in 1 (one) year;

II. Publish the methodology for Public Registry of Emissions in 6 (six) months;

III. Publish the results of the Public Registry of Emissions in 1 (one) year;

IV. Define the criteria for the Strategic Environmental Assessment and for the Economic-Ecological Zoning in 6 (six) months;

V. Implement the Strategic Environmental Assessment in 2 (two) years;

- VI. Implement the Economical-Ecological Zoning in 2 (two) years;
  - VII. Elaborate the Plan for Sustainable Transport in 1 (one) year;
  - VIII. Organize the model for sustainable public bidding in 1 (one) year,;
  - IX. Elaborate a participative plan to adapt to the effects of climate change, accounting also for catastrophes with climate origins, in 2 (two) years;
  - X. Make public, within 6 (six) months, the information regarding greenhouse gases and other pollutants generated by self-motorized vehicles, as adopted by the National Program for the Control of Vehicle Emissions, sold in the State, as the identification of the environmental labeling criteria is provided.
- Sole Paragraph – The State’s Government is committed to disclose, within 3 (three) months after publication of this law, a schedule containing the detailed steps for compliance with the terms of clauses I to X of the head of this article.

Article 34 – This law will be in force starting on the date of its publishing.

Palácio dos Bandeirantes, November 9th, 2009

JOSÉ SERRA

*Francisco Graziano Neto*  
Secretary of Environment