

Financing Development for Just Transition is FGV Europe Webinar Theme

Day 2

Session 1

*Participants in the Webinar were: **Sarah Laine de Castro**, Coordinator of Special Projects for Municipalities, Development Bank of Minas Gerais (BDMG); **Susana Moreira**, Oil and Gas Specialist, The World Bank; **Alexandre Staff Varela**, Senior Loan Officer, European Investment Bank (EIB); **Silvio Lima**, Director of Corporate Affairs, Appian Capital. The event was moderated by Marco Saverio Ristuccia, Senior Economist, Coordinator of the Initiative "Toward a Just Transition: An Opportunity for Minas Gerais", FGV Europe.*

The seminar is part of an agenda of activities planned until December included in the bilateral technical cooperation initiative Brazil - Germany "Toward a Just Transition: An Opportunity for Minas Gerais". To finalize the activities in 2020, four sessions were held over two days under the title "Horizon for the Just Transition: From 2021 to the Future".

In the 8th webinar of the "Just Transition" virtual event series, on December 15, 2020, FGV Europe held a session on "Financing Development for Just Transition". The purpose of this session was to discuss financing opportunities for the Just Transition with the presence of international and national development banks. As well as, present strategies and financing lines to enable Just Transition project opportunities in Minas Gerais.

The presentations were initiated by Sarah Laine de Castro, Coordinator of Special Projects for Municipalities, Development Bank of Minas Gerais (BDMG), highlighting the work of the Development Bank of Minas Gerais (BDMG), and also explaining the importance of the Bank as a partner in the Just Transition process. BDMG seeks to ensure financial sustainability and to be a global reference, acting in local development. Sarah presented some of the Bank's projects, such as the Plan for the Renovation and Improvement of Coffee Plants, among others. Finally, Sarah spoke about the challenges of financing the Just Transition, illustrated by local production factors and the engagement of the local population.

The Webinar continued with Silvio Lima, Director of Corporate Affairs at Appian Capital, presenting Appian, a private investment fund operating in several countries such as Australia, Africa, European countries, Brazil, Canada and Peru. The company focuses on long-term sustainability, dealing with some project challenges, e.g., inefficient management, forced interruptions and transitions, unimplemented projects, poor alignment with international standards. The director finalized his presentation, explaining the way the company operates, aiming at social, environmental and economic integration.

Susana Moreira, Oil and Gas Specialist, The World Bank, presented the World Bank's (WB) "Climate Smart Mining" initiative, focused on the mining sector and sustainable energy production, including forms of financing. Susana highlighted the importance of minerals and metals for a clean energy transition and showed the increase in mineral production due to low carbon technologies. According to Susana, developing countries and emerging countries like

Brazil will benefit from this increase, as long as they promote mining in the most sustainable way possible. To finance these initiatives, the WB created the "Climate Smart Mining" Fund, with the help of Governments, the private sector and Foundations. To conclude, a \$38 million technical assistance project was presented with the federal government of Brazil, which aims at aligning Brazil's mining policies with the principles of *climate smart mining*.

The Webinar continued with Alexandre Staff Varela, Senior Loan Officer, European Investment Bank (EIB), presenting the EIB bank and its operations in Brazil and Latin America. The Bank has 27 member countries in the European Union, which are the Bank's shareholders, working outside Europe under a political mandate from the European Union. According to Alexandre, the EIB works with favorable rates of a development bank. The projects accepted by the bank must be in line with social and environmental policies. The presentation was concluded with the presentation of some projects carried out in Brazil, and in other countries like Bolivia, Colombia and Argentina.

Moderator Marco Saverio Ristuccia ended the event by holding a debate with the speakers and thanking everyone.

Just Transition: Roadmap for 2021

Session 2

*Participants in the Webinar were: **Dirk Augustin**, Consul General of the Federal Republic of Germany in Rio de Janeiro Consulate of the Federal Republic of Germany in Rio de Janeiro; **Fernando Passalio de Avelar**, Deputy-Secretary of Economic Development of the State of Minas Gerais - Economic Development Secretariat (SEDE); **Agnes Maria de Aragão da Costa**, Head of Special Advisory on Regulatory Affairs, Ministry of Mines and Energy (MME); **Teodomiro Diniz**, Vice-President, Federation of Industries of the State of Minas Gerais (FIEMG). The event was moderated by Cesar Cunha Campos, Director of FGV Europe.*

In the second session on December 15, 2020, FGV Europe held a debate on the theme "Just Transition: Roadmap for 2021". The objective of this session was to promote a presentation of the final remarks on the virtual events of the "Toward a Just Transition: An opportunity for Minas Gerais" Initiative; Consolidate a stakeholder platform for the implementation of a just transition strategy in Minas Gerais, as well as the presentation of a roadmap for 2021 including: 1) Institutional closure of the 2020 activities; 2) Signature of an agreement between the "Toward a Just Transition: An opportunity for Minas Gerais" initiative and the "Productive Reconversion of Mining Territories" project; and 3) Presentation of the roadmap for 2021.

The moderator Cesar Cunha Campos, director of FGV Europe, opened the seminar, thanking the supporters and participants of the event, highlighting the importance of the theme "Just Transition", as a process of regional evolution, environmental justice, climate justice and energy in the state of Minas Gerais. As a state with mining as a driving force for regional development, Minas Gerais faces economic and social challenges. Therefore, it is of great importance to provide space for a discussion, in such a way that this process of change can bring a Just Transition to the mining regions.

During the session, a video message from the German Ambassador to Brazil, Heiko Thoms, was shown, with votes of gratitude and recognition of the importance of the Just Transition initiative in the sustainable development of Minas Gerais and Brazil. Heiko Thoms also mentioned the excellent work that FGV Europe has conducted during this past year leading the initiative.

Dirk Augustin, Consul General of the Federal Republic of Germany in Rio de Janeiro, thanked for the support and contributions during all the webinars. Dirk Augustin emphasized that the topics addressed are of great importance for both the future of Brazil and Germany. The Consul General underlined that without mining there will not be an energetic and Just transition, placing Minas Gerais in a prominent position for this energy and environmental change in the world.

Afterwards, Agnes Maria de Aragão da Costa, Head of the Special Advisory on Regulatory Affairs of the MME, reflected on how to apply the knowledge absorbed during the webinars to improve public and federal mining policies. Agnes highlighted the importance of bringing the mining discussion into the context of the energy transition. "There is no doubt that there are new minerals, which are increasingly needed in this world, of lower carbon emissions, digitalization of the economy and new consumption habits". Agnes also highlighted the example of German experiences in the context of the just transition, considering Brazilian characteristics.

Fernando Passalio de Avelar, Deputy Secretary of Economic Development of the State of Minas Gerais, continued the debate, highlighting the evolution of Minas Gerais and its lessons learned. In the scope of the Secretariat of Economic Development, they are elaborating a plan that includes a series of diagnoses, that serve to define the actions to be implemented in a safer way. However, over the years, there has been an increasing concern with economic diversification, which is very important in the post-mining period. Fernando explained the diversity in Minas Gerais and talked about some projects, illustrating 32 photovoltaic energy projects and other investments attracted by the state.

To finish the Webinar, Teodomiro Diniz, Vice-President of FIEMG, spoke about the project "Economic Reconversion of Mined Territories", showing the structuring of local governance for long-term projects, with a view to future development. According to Teodomiro, a major challenge is to prepare the territories to avoid being left behind as a society. To have a just transition it is necessary to look at all the possibilities of all the agents involved in the theme. The Vice President said that this partnership with FGV is very important, which will add greatly to the mining society, a very positive vision with the great planning capacity of Germany.

During this session, a letter of intent that was signed between FGV Europe and the Project "Productive Conversion of Mined Territories" was also presented by Teodomiro Diniz, Vice-President of FIEMG, representing the entities that lead and coordinate the project: The State Secretariat of Economic Development of Minas Gerais (SEDE/MG); The Brazilian Service of Support to Micro and Small Companies of Minas Gerais (Sebrae/MG); The Federation of Industries of the State of Minas Gerais (FIEMG); The Development Bank of Minas Gerais (BDMG); The Brazilian Mining Institute (IBRAM); and The Association of Mining Municipalities of Minas Gerais (AMIG). The project seeks to encourage economic diversification and

sustainable development in the State of Minas Gerais, as well as presenting several synergies with the Just Transition Initiative.

This letter of intent aims to promote cooperation with Brazilian and German public and private entities interested in the development of economic diversification actions for sustainable development in the mining provinces of the state of Minas Gerais.

The Moderator, Cesar Cunha Campos, closed the event thanking all the participants and speakers who participated in the Webinar series.

For more information visit our websites:

Website FGV Europe:

<https://fgveurope.fgv.br/>

Website FGV Europe dedicated to Just Transition:

<https://fgveurope.fgv.br/projects>

Exclusive website for the Just Transition initiative/event, in Portuguese and English:

<https://eventos.fgv.br/transicao-justa>

<https://eventos.fgv.br/en/just-transition>

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