

PROGRAMA DE
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Transportation and Logistics



TCU approves the early renewal of the concession contracts for the Railways Estrada de Ferro Carajás (EFC) and Estrada de Ferro Vitória-Minas (EFVM)

The Brazilian Federal Court of Accounts (TCU) approved, on 7/29, the early renewal of the concession contracts for the railways “Estrada de Ferro Carajás (EFC)” and “Estrada de Ferro Vitória-Minas (EFVM)”, both operated by Vale SA. The decision allows the concession contracts (which expire on 6/30/2027) to be extended for another 30 years, with investment commitments worth of BRL 17 billion, and the creation of more than 65,000 jobs.

The inclusion of the two projects in the portfolio of the PPI was decided at the 2nd Meeting of the PPI Council, in March 2017, and formalized in Decree 9059/2017. The National

Land Transportation Agency (ANTT) filed the documents related to the amendment to the concession contracts on 7/1/2019.

The report approved by TCU’s plenary determined that ANTT should comment on which goods are essential for the provision of the rail service. It also required the creation of a mechanism for periodic review of the revenues for risk sharing, as a compensation for the difficulty of calculating the "transfer price", which corresponds to the cost of transporting iron ore.

The new contracts involve investments projected at BRL 17 billion: BRL 8.8 billion in EFVM, and BRL 8.2 billion in EFC. Out of this amount, BRL 2.73 billion will be allocated to the construction of the Midwest Integration Railway (FICO), through the cross-investment mechanism provided for in Law 13448/2017.

Estrada de Ferro Vitória-Minas (EFVM).

With 905 km length, EFVM connects Belo Horizonte (MG) to the Port of Tubarão, Vitória (ES) and has connections with the Centro-Atlântica Railway (FCA) and with MRS Logística. Although it is a metre-gauge railway (narrower than the standard-gauge), it has great capacity and efficiency in cargo transportation, being responsible for about 20% of the total railway cargo transported in Brazil annually. The main items transported are iron ore, steel products, mineral coal and cellulose.

EFVM also carries out passenger transport, being one of the few Brazilian railways to offer the service: there are 664 km of extension dedicated to this purpose, with 30 stations in 42 municipalities. Daily, about 3000 people use the service, including for tourism purposes.

The extension of the EFVM concession contract for another 30 years was conditioned upon early investments on works such as viaducts, retaining walls, footbridges, among others, in addition to the expansion of cargo capacity.

Estrada de Ferro Carajás (EFC).

EFC connects the mining areas of Serra dos Carajás, in the state of Pará, to the Port of Itaqui, in the state of Maranhão. Inaugurated in 1985, EFC is 1167 km long and has a broad-gauge (1.60 m), in addition to being almost entirely duplicated, which gives it a high capacity in cargo transportation. The main product transported is iron ore, followed by steel products and fuels.

The EFC is connected to the Norte Sul-Tramo Norte Railway and the Transnordestina Railway. Due to the S11D project (Vale's mining complex in Canaã dos Carajás, in the state of Pará, established in 2016), it has gained an additional 101 km. The railway also carries out regular passenger transport between São Luiz (MA) and Parauapebas (PA). The extension of the concession contract was also conditioned upon investments to resolve urban conflicts (construction of 14 viaducts, 49 adjustments to level crossings and 12 footbridges). Investments will also be made to duplicate the railway over an extension of about 630 km and to remodel it over 226 km.





Presidential Decree formalizes **qualification of five public fishery terminals in the PPI portfolio**

Decree published on 7/28 formalized the qualification in the PPI of five new Public Fishery Terminals: PFT of Natal, in the state of Rio Grande do Norte; PFT of Aracaju, in the state of Sergipe; FTP of Vitória, in the state of Espírito Santo; and the PFTs of Santos and Cananéia, in the state of São Paulo. The Ministry of Agriculture, Livestock and Food Supply - MAPA is responsible for promoting and monitoring the bidding procedures of the privatization projects.

PFTs are facilities necessary for fishery handling, storage activities, trading post, fishery processing and support for vessel navigation. The PFT area may include anchorages, docks, wharves, berthing bridges and piers, cold storage warehouses, buildings and facilities for protection and waterway access.

Attracting private investments for these projects is crucial to modernize and

make PFTs operational, and therefore create the conditions for the development of the fishery industry. In 2019, the national fishery production was approximately 722,000 tons. The Food and Agriculture Organization of the United Nations (FAO) estimates that in 2030 this production may reach 20 million tons.

The qualification of five more PFTs in PPI was deliberated during the latest meeting of the PPI Council, held on June 10, and recommended on Resolution 128/2020. The PPI portfolio already includes the privatization projects of the PFT of Cabedelo, in the state of Paraíba; the PFT of Belém, in the state of Pará; and the PFT of Manaus, in the state of Amazonas.

Resolution recommends **qualifying new ventures in port** and road sectors in the PPI portfolio

Resolution 121/2020, published on 7/17, recommended qualifying in the PPI a wide range of federal public assets in port and road transport sectors, as well as support for environmental licensing and inclusion in the National Privatization Plan (PND) of a number of projects. The objective is to carry out PPP studies. The inclusion of these assets was deliberated during the 13th PPI Council Meeting, held on June 10.

New assets.

In the port sector, the resolution recommends the inclusion in the PPI portfolio of the terminals STS08 and STS08A, in the Port of Santos (SP); MAC11, MAC12 and MAC13, in the Port of Maceió (AL); MUC01, in the Port of Mucuripe (CE); TERSAB, in the Port of Areia Branca (RN); and the Organized Port of Itajaí (SC), as well as the associated public port services.

In the road transport sector, the resolution advocates the inclusion in the PPI portfolio of the BR-135/316 / MA road system, a 438 km stretch that constitutes an important outlet for the grains produced in the Matopiba region (agricultural frontier in the North- Northeast Brazil whose name is an acronym formed by the initials of the states of Maranhão, Tocantins, Piauí and Bahia). Resolution 121/2020 also presented the estimated schedule for the auctions:

Project	Completion of studies (est).	Auctions (est.).
MAC11	Q2 / 2020	Q1 / 2021
MAC12	Q2 / 2020	Q1 / 2021
MAC13	Q2 / 2020	Q1 / 2021
MUC01	Q2 / 2020	Q1 / 2021
STS08	Q1 / 2020	Q4 / 2020
STS08-A	Q1 / 2020	Q4 / 2020
TERSAB	Q2 / 2020	Q1 / 2021
Port of Itajaí/SC	Q1 / 2022	Q3 / 2022
BR-135/316/MA	1 st half of 2021	2 nd half of 2022



Environmental licensing

The resolution also recommends qualifying at the PPI, for purposes of supporting the preliminary environmental licensing, the project for implementing and paving two stretches of the federal highway BR-174 / MT / RO, which connects the northeast region of the state of Mato Grosso to Rondônia: the stretch between the cities of Vilhena (RO) and Juína (MT) and that between the cities of Castanheira (MT) and Colniza (MT). The modernization of these road axes will reduce transport costs and travel times, facilitating the economic dynamism of the region.

National Privatization Plan

Additionally, Resolution 121/200 recommended the inclusion in the PND of several stretches of federal highways, assigning National Land Transportation Agency - ANTT the responsibility for promoting and monitoring the bidding procedures for the privatization processes, in line with the guidelines of the Ministry of Infrastructure.

They are sections of BR-153 / PR; BR-158 / PR; BR-163 / PR; BR-277 / PR; BR-369 / PR; BR-373 / PR; BR-376 / PR; BR-467 / PR; BR-230 / PA; and BR-135 / MA; and BR-316 / MA (see the complete description of the stretches in article 3 of the resolution, available at

<http://www.in.gov.br/en/web/dou/-/resolucao-n-121-de-10-de-junho-de-2020-267273287>).

Public consultation on the **PPP of the saline port terminal** in Areia Branca, state of Rio Grande do Norte

The National Waterway Transportation Agency (ANTAQ) started on 7/13 the public consultation on the technical and legal documents related to the concession of the Saline Terminal of Areia Branca, in Rio Grande do Norte, state responsible for more than 75% of salt production in Brazil.

The project was qualified at PPI during the 13th PPI Council Meeting, held on 6/10, and involves investments of approximately BRL 162 million over 25 years of contract, in addition to generating more than 3,000 direct and indirect jobs.

The consultation runs until 8/26. Those interested in participating should use the forms available for this purpose on the ANTAQ portal, where documents related to the process can also be found:

portal.antaq.gov.br/index.php/aceso-a-informacao/audiencia-publica-2/





Public consultation on the PPP of the MAC13 area in the Port of Maceió, state of Alagoas

etween 6/9 and 7/23, ANTAQ held a Public Consultation on the bidding documents for the MAC13 area in the Port of Maceió, state of Alagoas. The consultation included a virtual public hearing held on 7/13, whose content is available on ANTAQ's YouTube channel, at <https://youtu.be/znNsAvAbzyg>.

The cargo terminal is intended for the handling, storage and distribution of solid vegetable bulk, mainly sugar. The project was qualified in the PPI portfolio during the 13th PPI Council Meeting, held on 6/10. The initiative involves investments of BRL 55.7 million and has a contractual term of 25 years.

Railway Ferrogrão feasibility studies filed with the TCU

On July 10, the Brazilian National Land Transportation Agency (ANTT) filed with the Brazilian Federal Court of Accounts (TCU) the assessments on the concession of Ferrogrão (EF-170), a 933 km longitudinal railway project linking the municipality of Sinop – an important grain producer in the state of Mato Grosso, in the Midwest region of the country – to the port of Miritituba, on the right bank of the Tapajós River, in the state of Pará.

The initiative aims to consolidate a new grain (mainly soy and corn) export corridor in Brazil through the North Axe. Currently, more than 70% of the state of Mato Grosso harvest is transported through the ports of Santos (SP) and Paranaguá (PR), located more than 2,000 km away from the origin.

Ferrogrão is a project of the Ministry of Infrastructure that was qualified in the Investment Partnership Program (PPI) at the 1st Meeting of the PPI Council, through Resolution No. 2, of 9/13/2016, converted into Decree 8916, of 11/25/2016.

Green Railway.

The project meets the objective of expanding the share of railway mode in the Brazilian transportation system. The change reduces freight costs, brings more efficiency and positive externalities related to the reduction of accidents, losses and CO2 emissions.

It is worth noting that the Ferrogrão route does not overlap with indigenous lands, quilombola communities or conservation units. In addition to extensive public consultation, the project involves great coordination with bodies such as the National Indian Foundation (FUNAI) and the Chico Mendes Institute for Biodiversity Conservation (ICMBio).

Auction.

The concession has a term of 69 years (extension is prohibited) and the auction criterion is the highest concession fee value (with a minimum value set at BRL 18 million). The project has a CAPEX of BRL 8.4 billion (implementation) and BRL 13.1 billion (recurring), and an OPEX of BRL 63.7 billion.

There are no restrictions on foreign participation or consortium formation. The main requirements are related to the payment of minimum share capital before signing the Contract (BRL 735 million) and presentation of a certificate of the Bidder's technical and professional capacity.

The Public Notice is expected to be published in 2020, after the project is examined by TCU and undergoes possible adjustments.



ASSINATURA DE CONTRATO DE CONCESSÃO DA RODOVIA BR-101/SC



Signature of the **Highway BR-101/SC** concession contract with **CCR ViaCosteira**

ANTT and CCR ViaCosteira (a company controlled by the CCR group) signed on 7/6 the concession contract of the BR-101 stretch in the state of Santa Catarina (SC). The ceremony was held in the municipality of Jaguaruna and was attended by the Minister of Infrastructure, Tarcísio Gomes de Freitas.

The project

The concession covers a 220.42 km stretch of BR-101 highway located between the cities of Paulo Lopes, in the metropolitan region of Florianópolis, and São João do Sul, close to the border between the states of Santa Catarina and Rio Grande do Sul.

The auction was held in February this year. The criterion was the lowest toll tariff, with the winner CCR offering BRL 1.97, which represented a discount of 62% over the cap set by ANTT. The project will require, over the 30 years of the concession, investments estimated at BRL 7.4 billion for conservation,

operation and monitoring of the road.

The project involves the construction of 18 walkways, 23 roundabouts, 9 u-turn lanes, 25 bus stops, in addition to the improvement and expansion of 31 accesses. The winning company is also committed to implementing six operational service bases, 2 weigh stations and road safety programs.

It is estimated that around 1500 direct and indirect jobs will be generated, in addition to the collection of BRL 645 million in taxes by the municipalities involved (in addition to Paulo Lopes and São João do Sul, the section granted also crosses the municipalities of Garopaba, Imbituba, Laguna, Pescaria Brava, Capivari de Baixo, Tubarão, Treze de Maio, Jaguaruna, Sangão, Içara, Criciúma, Maracajá, Araranguá, Sombrio, Santa Rosa do Sul).

Virtual Public Hearing on the PPP of the MUC01 area in the Port of Fortaleza

As part of the public consultation on the concession of the MUC01 area, in the Port of Fortaleza, state of Ceará, ANTAQ hold, on 7/6, a virtual public hearing on the project, which has been qualified in the PPI portfolio during the 13th meeting of the PPI Council (6/10). The public hearing is available at <https://youtu.be/a75DyhQVUHg>.

With 6,000m², the area called MUC01 is intended for the handling and storage of solid vegetable bulk, especially wheat grain. The expected investments to be made by the auction winners over the 25 years of the contract total BRL 56.7 million. The overall value of the contract is BRL 516.6 million. Future terminal lessees will pay the port authority for the use of the area the monthly amount of BRL 63,231.54 and an additional BRL 1.54 per ton handled.





New address for the auction of the STS14 and STS14A areas, in the Port of Santos (SP)

ANTAQ informed on 7/3 that the location to receive documents and hold public auction sessions for areas STS14 and STS14A, in the Port of Santos, has changed. The new address is Praça Antonio Prado nº 48, Centro, São Paulo - SP. CEP 01010-901, which also belongs to B3 - Brasil Bolsa Balcão SA.

The schedule remains the same: on 8/24, from 10 am to 1 pm, ANTAQ's Permanent Port Lease Commission (CPLA) and B3 will receive the documents required to participate in the auctions; public sessions will take place on 8/28, starting at 10am.

Projects

Located in the Ponta da Praia region, STS14 and STS14A are intended for the handling and storage of general cargo, especially cellulose. STS14 has a total area of 44,550m² and STS14A, 45,177m². Both have road connections and are located next to the port's railway lines, and will be served by three adjacent mooring berths.

For the STS14 area, the contractual period will be 25 years, with an estimated global gross revenue of BRL 2,19 billion. Investments to be made by future lessees reach BRL 186,8 million. The movement throughout the contractual period is expected to reach 40 million tons.

In relation to the STS14A area, the contractual period will also be 25 years, with global gross revenue also estimated at BRL 2,19 billion. Investments by future lessees reach about BRL 192,9 million. The movement throughout the contractual period is expected to reach 53 million tons.

Public notices and other related documents are available on the websites of the Ministry of Infrastructure

(<http://infraestrutura.gov.br>) and of ANTA(<http://antaa.gov.br>).

Feasibility Studies on the Cabedelo Fishery Terminal are filed with the TCU

Important steps were taken towards the PPP of the Cabedelo Public Fishery Terminal (PFT), in the state of Paraíba, as the public consultation was concluded and the projects' feasibility studies were filed with the Federal Court of Accounts (TCU) on 7/2.

The PPP, which is under the responsibility of the Brazilian Ministry of Agriculture, Livestock and Supply (MAPA), was qualified in the PPI portfolio at the 12th Meeting of the PPI Council, held in February this year. Short after that, feasibility studies began, followed by the preparation of a public notice and contract.

Social participation.

The public consultation was held between 5/11-6/11 and had a wide participation of civil society. Contributions were also made during meetings between potential investors and teams from MAPA and the Special Secretariat for PPI.

Altogether, the project received more than 50 contributions, which included questions about the participation of the local community in the initiative, schedule, investment estimates, expectations of improvements in the PFT infrastructure, in addition to study parameters and specific aspects of the draft public notice and contract.

The project's feasibility studies and documents are now under the evaluation of the Federal Court of Accounts - TCU. After the Court gives its opinion and possible adjustments are made to the documentation, the expectation is that the public notice for the PFT Cabedelo PPP will be published this quarter, and the bidding process and the signing of the contract take place this year.





Feasibility Studies for the 6th Airport Concession Round filed with the TCU

After deliberation by the ANAC board, the feasibility assessments, the draft public notice and the draft contract for the 6th Round of Airports were filed with the Federal Court of Accounts (TCU) on 7/1. The qualification of these projects in the PPI portfolio is provided for in Decree 9.972 / 2019.

The 6th Round comprises 22 airports distributed in three blocks (North, South and Central) which, together, correspond to about 10% of the Brazilian civil aviation market:

North Block.

It gathers the airports of Manaus, Tabatinga and Tefé, in the state of Amazonas; Porto Velho, in the state of Rondônia; Rio Branco and Cruzeiro do Sul, in the state of Acre; and Boa Vista, in the state of Roraima. The minimum initial contribution will be BRL 38.7 million. The projected value for the concession contract is BRL 4 billion.

Southern Block.

It comprises the airports of Curitiba,

Foz do Iguaçu, Londrina and Bacacheri, in the state of Paraná; Navegantes and Joinville, in the state of Santa Catarina; Pelotas, Uruguaiana and Bagé, in the state of Rio Grande do Sul. The minimum initial contribution is BRL 408.2 million, and the projected value for the entire concession contract is BRL 8.9 billion.

Central Block.

It comprises the airports of Goiânia, in the state of Goiás; Teresina, in the state of Piauí, Palmas, in the state of Tocantins; Petrolina, in the state of Pernambuco; São Luís and Imperatriz, in the state of Maranhão. The minimum initial contribution is BRL 22.5 million. The estimated value for the entire concession contract is BRL 4.9 billion.

The bidding documents approved by ANAC and sent to TCU took into account some of the more than 400 suggestions for improvement received through a wide public consultation held this year.

After initial evaluations by the Court, complementation of the studies will be presented, with estimates of the short, medium and long term impact of the effects of the Covid-19 pandemic in the airport sector, as well as the respective adjustments in the modeling.



Support to environmental licensing

Works for widening **BR-135** highway in **Maranhão** authorized by **TCU**

On 7/15, the works of the National Department of Transport Infrastructure (DNIT) to widen the BR-135 / MA highway in the stretch that connects the municipalities of Bacabeira (MA) and Miranda do Norte (MA) were effectively authorized, after a precautionary order of the Federal Court of Accounts (TCU) was revoked.

The project, qualified in the PPI portfolio for the purpose of supporting environmental licensing, aims to improve traffic and safety conditions, reducing the number of accidents and improving the cargo flow and transportation of people in the region.

The PPI team's main objective was to resolve legal and administrative issues related to the rights of Quilombola communities that live close to the highways' route.

As a result of a favorable manifestation by Fundação Cultural Palmares for the continuity of the works and a judicial decision in an action pending in the Federal Justice, works were unblocked in the 18 km stretch between Bacabeira and Santa Rita, which correspond to the first phase of the project.



Environmental Impact Studies of BR-319 highway filed with IBAMA

On 7/13, DNIT filed with IBAMA (Brazilian Institute of the Environment and Renewable Natural Resources) the Environmental Impact Study of the paving project for the central section of BR-319 / AM, located between km 250 and km 655.70 of the federal highway.

Better known as Manaus – Porto Velho Highway, the BR-319 is essential for land connection between the state of Amazonas and the rest of the country. The study protocol is a historic milestone in the licensing process, which has been underway since 2005.

The project was qualified in the PPI portfolio during the 9th PPI Council Meeting, held in May 2019, for the purpose of supporting environmental licensing.

The team from the Secretariat of Environmental Licensing and Expropriation

of the PPI was mainly dedicated to the articulation between the various bodies involved in the licensing process, in order to guarantee the quality of the studies presented to Ibama and to avoid possible impacts on the process flow.

In addition to DNIT and IBAMA, the National Indigenous Foundation (FUNAI), the Chico Mendes Institute for Biodiversity Conservation (ICMBio) and the Institute of National Historic Artistic Heritage (IPHAN) are central partners in the initiative.

Energy, Oil, Gas and Mining

ANP launches **Public Notice on the 2nd Cycle of Open Acreage**

The National Agency for Petroleum, Natural Gas and Biofuels (ANP) published on 7/21 the Public Notice regarding the 2nd Cycle of Open Acreage of areas for exploration and production of oil and natural gas. In total, 708 areas for exploration and production will be offered, in addition to 3 mature fields, all under the Concession regime. If all areas are sold for the minimum amount of signing bonus, BRL 2.9 billion will be collected.

The process of Open Acreage is provided for in National Energy Policy Council (CNPE) Resolution 17/2017. The PPI Council recommended its inclusion in the Program's portfolio through Resolution 124/2020, deliberated during its latest meeting (6/10).

This type of bidding allows ANP to continuously offer fields and blocks in terrestrial and marine basins. Companies can better evaluate the assets and decide when it is better for them to make an offer, according to their technical and financial capacity.

This modality increases the attractiveness of investments in the oil and gas sector, in addition to promoting the generation of new jobs and increasing public revenues.





Public Consultation on the 1st National Mining Agency Bidding Round ("Availability of Areas") concluded

The public consultation on the 1st Area Availability Round, conducted by the National Mining Agency (ANM), was concluded on 7/18. 152 contributions were received from consumers, economic agents, government institutions and professional bodies in the mineral sector. During the consultation period, a meeting was held at national level with entities and associations representative of the mineral sector in order to discuss the topic.

The 1st ANM Bidding Round aims to select investors interested in proceeding with mining projects already conceded to third parties, but which have returned to the ANM portfolio. Until 2018, the selection of interested parties took place according to the best technical project. Decree 9406 / 2018 established a new selection model, according to which the areas must be the object of a prior public offer by ANM; if there are two or more

interested parties, the areas are submitted to an electronic auction, to be decided according to the highest amount offered.

As the opening of new areas has been suspended since 2016, it is estimated that there are tens of thousands of available areas in the ANM portfolio, with large pent-up investments in the sector.

ANM, the Ministry of Mines and Energy and the Special Secretariat for PPI are examining the contributions presented during the public consultation. The publication of the definitive notice for the 1st Bidding Round of Available Areas is scheduled for August 2020. The ANM 2020 Bidding Rounds were qualified in the PPI portfolio by Decree 10.389, published on 6/5.

ANEEL's interactive reports on auction results

The Brazilian Electricity Regulatory Agency (ANEEL) has launched interactive reports on the results of auctions for generation and transmission. User can consult relevant data about the events (average price, average discounts, etc.) since 1999.

The reports provide investors, scholars and society in general with knowledge about the work done by ANEEL and the Brazilian Government to ensure the expansion of the electricity system and attract investments to Brazil.

For direct access to generation reports, click on: <https://bit.ly/39H0sNd>. For direct access to broadcast reports: <https://tinyurl.com/resultadosleiloestransmissao> (Portuguese).



Resolution approves the report by the Interministerial Committee on Nuclear Plant Angra 3 and transfers competences to CNPE

Resolution 139/2020 of the PPI Council, published on 7/22, approved the report into the legal and operational model for making the Angra 3 Nuclear Power Plant viable, produced by the Interministerial Committee. The resolution also transferred to the National Energy Policy Council (CNPE) the competences, initially attributed to the CPPI,

for the continuity of the plant's feasibility works.

The Angra Nuclear Power Plant has 1405 MW of installed capacity, and 67,1% of its civil works have been carried out. The completion of the works involves investments projected at BRL 17 billion.



Partnerships of Federative Entities and Regional Development

Resolution recommends qualifying Line 2 of Belo Horizonte Metro in PPI

Resolution 132/2020, published on 7/23, recommended qualifying in the PPI portfolio the project of Line 2 for the Belo Horizonte Metropolitan Region Metro (section connecting the cities of Calafete and Barreiro). The objective is to carry out feasibility studies, as well as assessments of alternatives for partnerships with the private sector.

The recommendation to include the project in the PPI portfolio was deliberated during the latest meeting of the PPI Council, held on June 10, and considered the synergy between the expansion of the Calafete-Barreiro Line and Line 1 (connecting the cities of Eldorado and Vilarinho), operated by the Brazilian Urban Trains Company (CBTU).

CBTU, a state-owned company linked to the Ministry of Regional Development (MDR) that operates in the field of urban and metropolitan passenger transport, was qualified in the PPI and included in the National Privatization Plan in 2019.

Auction in 2021.

The project to expand the metro system through Line 2 was initiated by the Brazilian Federal Government in 1998 and paralyzed in 2004, with approximately 64% of the stretch's infrastructure being executed. It is estimated that investments of BRL 1.6 billion are required to complete the works.

Once in operation, the line will connect the southwest region to the central region of the capital of Minas Gerais, serving 50,000 passengers per day. Among the regions benefiting from the expansion of the subway system, Barreiro stands out: it is home to around 300,000 inhabitants and is the second busiest city in Belo Horizonte.

Resolution 132/2020 also recommends the designation of BNDES as responsible for the execution and monitoring of feasibility studies and alternative partnerships with the private sector.

After completing the studies and carrying out the other steps provided for in concession projects, the auction should be held in the third quarter of 2021.

Market Sounding - Baixio do Irecê Irrigation Project in the state of Bahia

Between July 20-29 the Special Secretariat for the PPI, the Ministry of Regional Development (MDR) and the Development Company of the São Francisco and Parnaíba Rivers' Valley (Codevasf) conducted Market Sounding meetings on the concession of Stages 3 to 9 of the Baixio do Irecê Irrigated Perimeter project, in the state of Bahia. The initiative was aimed at obtaining contributions from potential project stakeholders to support the development of the PPP model.

The project.

The Baixio do Irecê Project is the first in a portfolio of projects that will be offered by MDR, CODEVASF and DNOCS for irrigated perimeters PPPs. It is located on the right bank of the São Francisco River, in the municipalities of Xique-Xique (BA) and Itaguaçu da Bahia (BA), at a 500 km distance from Salvador. The closest urban center, which gave the initiative its name, is the municipality of Irecê. The region has great water availability for irrigation and a strong agricultural tradition.

It has a differentiated institutional presence, as it hosts several universities and marketing centers, has roads for the production flow and has the potential to export fruits and by-products via Petrolina International Airport, in Pernambuco, located 435 km from the project's site.

The perimeter covers an area of 105,000 hectares, with 48,000 hectares of irrigated area, subdivided into 9 stages. Stages 1 and 2 represent an area of 16,000 irrigated hectares, with production scheduled for 2020.

Investments

About BRL 1 billion have already been allocated to the project by the Federal Government, invested in the acquisition and regularization of land in the entire project area, in addition to the execution of 42 km of the main channel, main pumping station (EBP), pipelines, pressurization station, infrastructure for energy supply, among others. It is estimated that an additional BRL 700 million is needed to implement the entire infrastructure for Stages 3 to 9 (31,423 irrigable hectares).





Presidential Decree formalizes the qualification of the PPP of the Femina Hospital (RS) in PPI

Decree 10423/2020, published on 7/16, qualified the Femina Hospital, located in Porto Alegre city, capital of Rio Grande do Sul, in the PPI, aiming at modernizing and adapting hospital facilities to improve its public service.

The Femina Hospital is part of the “Grupo Hospitalar Conceição – GHC” (public company linked to the Ministry of Health) and has been in operation since 1956. It has 12,300 m² of built area, 166 beds and 917 employees. The unit is a reference in serving women in the Porto Alegre Metropolitan Region. In 2018, it registered 126,000 consultations, 9,000 hospitalizations, 6,400 surgeries and 2,100 deliveries.

The project involves constructing, installing, maintaining and operating women health services in the area of the GHC complex. In addition to expanding service, the new unit will improve the quality of service provision, by offering modern facilities adapted to ambience and safety requirements.

More than 40 consortia registered in the FEP-CAIXA 1st Public Call for structuring PPP projects on urban solid waste

The deadline for submitting proposals in the 1st Public Call to finance the structuring and development of PPPs in the urban solid waste sector through FEP-CAIXA (Federal Fund for PPPs administered by Caixa Econômica Federal) ended on 7/15. In total, 41 public consortia in 15 different Brazilian states have sent proposals, exceeding the expectations of the Federal Government.

If all proposals are considered suitable, 575 municipalities will benefit – they represent more than 10% of Brazilian cities, where 29 million inhabitants reside.

The selected proposals will receive technical assistance from Caixa Econômica Federal and financial assistance from the Special Secretariat for the PPI / Ministry of Economy for the structuring, bidding and concession of solid urban waste management services.

The projects will be structured to enable the concession of services, aiming to achieve environmentally appropriate and economically sustainable solutions for the treatment and final disposal of solid urban waste. This initiative contributes to the eradication of landfills in Brazil and is part of the Federal Policy for the Management of Urban Solid Waste, coordinated by the Ministry of Regional Development and supported by the Ministry of Environment (MMA).

The list of consortia registered in this call is available at <http://www.concessoes.caixa.gov.br>> public call> Notice 001/2020 Urban Solid Waste. The proposals will be analyzed by Caixa Econômica Federal, with a view to verifying the fulfillment of the necessary requirements to receive support from the Federal Government. Publication of the result of the public call is scheduled for 9/30.



Tourism and Environment

1st Roadshow “National Forests for Visitation: Canela (RS) and São Francisco de Paula (RS)”

Between 21st and 23rd July, the Special Secretariat for the PPI, together with the Ministry of the Environment (MMA) and the Chico Mendes Institute for Biodiversity

Conservation (ICMbio), held the 1st Roadshow on the PPP of the National Forests of Canela (RS) and São Francisco de Paula (RS). The objective was to clarify doubts regarding the projects, their draft public notices and concession contracts.

The public consultation remains open until 8/28, with public hearings scheduled for 8/19, in São Francisco de Paula, and 8/20, in Canela. Once the public consultation stage is

completed, the projects will proceed to TCU's analysis and, after approval, the public notice will be published. The auction is expected to be held in the first half of 2021.

The projects include, between investments and operation over the 30 years

of the concession contract, values estimated at BRL 105 million for FLONA Canela and BRL 84 million for FLONA São Francisco de Paula.



Resolution recommends the inclusion of four tourist properties in the PPI portfolio

Resolution 129/2020, published on 7/16, recommended qualifying four tourist properties in the PPI portfolio for PPPs: the Fortress of Santa Catarina, in Cabedelo, state of Paraíba; the Pau D`Alho Farm, in São José do Barreiro, state of São Paulo; the Fort Nossa Senhora dos Remédios, in Fernando de Noronha, state of Pernambuco; and Fort Orange, on Itamaracá Island, also in Pernambuco.

The projects will be the pilots of the Program “Revive Brasil”, which was born from a Brazil-Portugal cooperation protocol signed

by the Ministry of Tourism of Brazil and the Ministry of Economy of Portugal. The objective is to carry out bids for the concession of vacant historic and cultural sites, aiming at their recovery through private investments. The revitalization of these spaces will contribute to boost local tourism, with positive impacts in terms of job and income generation.

Preservation.

In addition to the Ministry of Tourism and the Special Secretariat of the PPI, the initiative is being monitored by the National Institute of Historic and Artistic Heritage, to ensure that any interventions respect the landscape, architectural and historical features of the tourist spots.

Discussions are already underway with the BNDES to carry out technical, economic and environmental feasibility studies for the

selected assets, which will serve as a reference for the preparation of bidding notices. In the future, a public consultation stage is also planned for broad participation by society.

The inclusion of historic and cultural properties in the PPI portfolio is part of the policy of attracting private investments to the tourism sector, which was qualified in the Program through Decree 10.349, of 5/13/2020.



Resolution recommends inclusion of National Parks of Brasília (DF) and São Joaquim (SC) in the PPI portfolio

Resolution 131/2020, published on 7/2, recommended qualifying in the PPI portfolio the PPPs of the Brasília National Park, in the Federal District, and of the São Joaquim National Park, in the State of Santa Catarina. The PPPs involve the provision of public services to support visitation, conservation, protection and management of the parks.

The parks are currently managed by the Chico Mendes Institute for Biodiversity Conservation (ICMBio), linked to the Ministry of the Environment. With the inclusion in the PPI portfolio, the PPP projects become a priority for all public agents involved in the concession process.

Created in 1961, the Brasilia National Park is a Conservation Unit and covers a total area of approximately 42,300 hectares and

its main attractions are the pools supplied by water from springs located in or near the park, which allows the renovation to continue constant water. The installation has two trails, on which visitors can observe the fauna and flora of the Cerrado, in addition to the “Ilha da Meditação”, where bird watching is possible.

The São Joaquim National Park, also created in 1961, occupies an area of approximately 49,800 hectares in the mountainous region of the state of Santa Catarina, between the municipalities of Urubici (where the Administrative Headquarters of the Park is located), Bom Jardim da Serra, Grão Pará, Lauro Muller and Orleans. The park has several attractions, such as the Morro da Igreja, the so-called “Pedra Furada”, slopes, forested canyons, cliffs and countless waterfalls and rivers. It is ideal for experiences such as hiking, horseback riding, climbing, mountain biking and other recreation and leisure activities.

Because it is located in one of the coldest regions of Brazil, the park is home to forest landscapes that are often covered with snow, offering an unprecedented experience for many Brazilians.



Privatization of Companies And Services

Presidential Decree includes in the National Privatization Program non-strategic minority shareholdings

Decree 10.432 / 2020, published on 7/21, determined the inclusion in the National Privatization Program (NPP) of non-strategic minority shareholdings currently held by the Union. The decision was based on a recommendation by the PPI Council, provided for in Resolution 111/2020.

Non-strategic minority shareholdings are shares of companies transferred to the Federal Government, sometimes due to the succession of extinct or liquidated entities, other times due to specific legislation indicating that there is no public interest from the Federal Government in the sector in which

those companies operate.

In general, they refer to insignificant amounts, both in terms of values and in terms of percentage of participation in the capital (0.5% or less). Its maintenance and monitoring generate costs that are sometimes higher than its value.

Currently, the shareholdings held by the Federal Government that have these characteristics come mainly from the extinct entities “National Development Fund”, “Northeast Development Superintendence (Sudene)” and “Rede Ferroviária Federal S.A. (RFFSA)”.

Resolution recommends the dissolution of CEITEC SA

Resolution 130/2020, published on 7/17, recommended the dissolution of the National Center for Advanced Electronic Technology - CEITEC SA. The measure was decided during the 13th PPI Council Meeting, held on 6/10.

The state-owned company, whose factory is located in Porto Alegre (RS), was founded in November 2008 to operate in the semiconductor field and is linked to the Ministry of Science, Technology and Innovation (MCTI). After conducting studies of partnership alternatives with the private initiative, the

federal government decided to include the company in the National Privatization Plan (PND), through Decree 10.297/2020.

Resolution 130/2020 also proposes the publicity of activities aimed at scientific research, technological development and innovation in microelectronics. The publicity procedure is regulated by Decree 9.190 / 2017 and provides for the transfer of activities to social organizations, qualified through a public call procedure.

Resolution establishes procedures related to public notices for hiring federal PPPs and conditions for the inclusion of public services in the PND

Resolution 135/2020, published on 7/24, established the procedures related to public notices for contracting federal public-private partnerships (PPPs), defining the occasions when the PPI Council should be urged to approve the documents.

The change aims to bring more agility to the process: after the TCU examines the notices and related documents, in case there is a need to make adjustments, the agency or entity responsible for the concession may proceed with the changes and approvals in the bidding notice, provided that aspects considered essential are not impacted.

Pursuant to Resolution 135/2020, the following are aspects deemed essential: the object and type of bidding, the auction criterion, the period of the contract, the type of public guarantee (if there is any) and the maximum value of the financial consideration or contribution from the Public Agent.

Inclusion of public services in the National Privatization Plan (PND).

Resolution 135/2020 also presents the conditions applicable to the privatization of public services included in the PND, on which the PPI Council must deliberate.

They are: the operational modality of privatization; the object, type and criterion of the bidding; the minimum or maximum values of the variable adopted as a criterion, which can be referred to the rule of the Notice; and the period of the contract.

The granting powers may establish the other conditions applicable to privatization through the bidding procedure, which includes, for example, any changes in the minimum / maximum values of the variable adopted as a judgment criterion that refers exclusively to monetary restatement.

Article “Post-COVID economic recovery: investment in infrastructure as a driver of prosperity”

In an article published on Portal Brasil: Economia e Governo, the PPI’s Special Secretary, Martha Seillier, and International Advisor, Bertha Gadelha, talk about the relevance of investments in infrastructure to resume post-covid growth: <http://bit.ly/PPIBraudel> (in Portuguese).

INFRA Agency Webinar (7/3)

On 7/3, the PPI Special Secretary, Martha Seillier, was the special guest of iNFRA Debate Live, event organized by the iNFRA Agency, which is specialized in news about the infrastructure area in Brazil. On that occasion, the Secretary spoke about the projects in progress at the PPI portfolio, including support to cities and states in structuring concessions, especially in the area of basic sanitation. The event is available on the agency's YouTube channel:

<https://youtu.be/oYRldYeXjKc>

Webinar “The challenges of diplomacy to attract investment”, organized by ADB

Organized by the Association of Brazilian Diplomats (ADB) to discuss contemporary challenges for attracting investments, the webinar was attended by the PPI Special Secretary, Martha Seillier, Ambassador José Alfredo Graça Lima, economist Sandra Rios and Senator Antonio Anastasia. The video is available at

<https://youtu.be/pfTlyhoTLJo>

Webinar “How to attract investor confidence in Brazil” (7/9)

Organized by the Jota group, agency specialized in news about the three branches of government in Brazil, the webinar brought together the PPI Special Secretary, Martha Seillier, Senator Nelsinho Trad, Judge Fábio Prieto and Rodolfo Spielmann, Managing Director and Head of Latin America at CPP Investments to discuss the topic “How to attract investor confidence in Brazil”. The webinar, which is part of the debate cycle “Brazil Post-Pandemic - exit strategies from the crisis”, is available at

<https://youtu.be/W3GbslX0nX8>

Chat with the Minister of Tourism on the Program “Revive Brasil” (7/9)

On 7/9, the PPI Special Secretary, Martha Seillier, participated in the chat about the Program “Revive Brasil” with the Minister of Tourism, Marcelo Álvaro, and the President of the National Institute of Historic and Artistic Heritage (Iphan), Larissa Peixoto. The program aims to carry out bids for the concession of vacant spaces of historic and cultural heritage, aiming at their recovery through private investments. The conversation is available on the Ministry of Tourism's website at Facebook: <https://www.facebook.com/watch/?v=1416740935186613>

Webinar “The new regulatory framework for Basic Sanitation” (7/10)

A Secretária Especial do PPI, Martha Seillier, participou, em 10/7, do webinar “O novo marco do Saneamento Básico”, organizado pela Croki Consultoria, a Demarest Advogados e a Universidade PUC-Minas. Também participaram do evento Luisa Castro, Coordenadora do MBA de Infraestrutura, Concessões e PPPs da PUC-Minas; Bruno Aurélio, Sócio da Demarest, e Teresa Vernaglia, Porta Voz da Rede Brasileira do Pacto Global para água e saneamento e CEO da BRK Ambiental. O evento está disponível em

https://youtu.be/ll8E_6dwgMg

Webinar “PPI: Project Portfolio Update” Webinar (7/13)

At the event, organized by the Spanish Chamber (Cámara Oficial Española de Comercio en Brasil), the PPI Special Secretary, Martha Seillier, accompanied by part of the SPPI team, presented the current portfolio of the program and took questions from participants about priority infrastructure projects for Brazil. The video is available at <https://youtu.be/7l5NRPb6RdQ>

Webinar “New Legal Framework for Basic Sanitation” (7/15)

Le Fosse Advogados organized the debate “New Legal Framework for Basic Sanitation”, held on 7/15, with the participation of the PPI Special Secretary, Martha Seillier; Teresa Vernaglia, CEO of BRK Ambiental; and Rogério de Paula Tavares, Vice

President of Institutional Relations at Aegea Saneamento. The debate is available at <https://youtu.be/WLZuWlsva0>

PPI participation in the E-Mining event (7/16)

PPI participated on two occasions in the latest edition of e-Mineração (virtual business event organized by the Brazilian Mining Institute - IBRAM to bring together authorities, mining companies, specialists and other stakeholders): the PPI Special Secretary, Martha Seillier, participated in the debate “Challenges and Opportunities for Mining: the domain of public policies”, which is available at <https://bit.ly/3fNj1l0>; the Program Director of the Secretariat for Partnerships in Energy, Oil, Gas and Mining at PPI, Frederico Munia Machado, took part in the debate “CPRM auctions - Bom Jardim / GO (copper) and Miriri / PE-PB (phosphate) in public consultation for the auctions”, which is available at <https://bit.ly/3eT1SFq>.

Webinar “The new investment horizon in Brazil” (7/17)

Organized by Santander Brasil, the event was attended by the PPI Special Secretary, Martha Seillier, Camila Stolf, Head of Santander Corretora, and Ana Paula Vescovi, Chief Economist of Santander Brasil. The event is available at <https://youtu.be/col3nb42bfg>

Interview on the “Capital & Mercado” talk-show, on BandNews (7/20)

BandNews broadcast on 7/20 the interview of PPI's Special Secretary, Martha Seillier, with journalist Marcello D'Angelo for the talk-show “Capital & Mercado”. The interview is available at <https://www.facebook.com/watch/?v=2695314600687507>

Live with Congressman Rodrigo Coelho (23/7)

On 7/23, the PPI Special Secretary, Martha Seillier, participated in a live with Congressman Rodrigo Coelho on the subject “Public-Private Partnerships in the post-Covid Agenda”. Watch it here: <https://youtu.be/bCyfuFlqxZA>

Webinar “Infrastructure and Development” (25/7)

On 7/25, the webinar “Infrastructure and Development”, organized by IDP, brought together the Minister of the Brazilian Supreme Court (STF) Gilmar Mendes, the Minister of the Brazilian Federal Court of Accounts (TCU) Bruno Dantas, and the PPI Special Secretary, Martha Seillier. To watch, click on <https://youtu.be/1A4BWdeLrg4>

Event “Invest in Brazil Infrastructure” (28/7)

On 7/28, Apex-Brasil held the event "Invest in Brasil Infrastructure" to present the main investment opportunities in Brazil. The event was chaired by the President of Apex Brasil, Sergio Segovia, and by the agency's Investment Manager, Roberto Escoto, and convened authorities such as the Minister of Foreign Affairs, Ernesto Araújo; the Minister of Infrastructure, Tarcísio de Freitas; the Minister of Regional Development, Rogério Marinho; the PPI Special Secretary, Martha Seillier; the Infrastructure Director at BNDES, Fábio Abrahão; the President of the Brazilian Association of Infrastructure and Basic Industry (Abdib), Venilton Tadini; the President and CEO of CG-LA, Norman Anderson; the CEO of BH Airport, Marcos Brandão, and the Secretary of State for Infrastructure and Urban Mobility of the Minas Gerais government, Marco Aurélio Barcelos. The full event is available at <https://youtu.be/jBEh4L-jquY> <https://youtu.be/jBEh4L-jquY>

Short course on drainage

The short course on “Drainage – Works of Art”, aimed at environmental analysts from the Brazilian Institute of Environment and Renewable Natural Resources (Ibama), was held between July 8-10. Organized by the Secretariat of Support for Environmental Licensing and Expropriation of the Special Secretariat for PPI, in partnership with the National Department of Transport Infrastructure (DNIT), the course was designed to add knowledge to the discussions around some of the most frequent conflicts between road works projects and environmental impacts considered in the environmental licensing process. The initiative is part of the efforts of the Ministries of Economy and Infrastructure to develop strategies that make it possible to carry out priority infrastructure projects in Brazil. More details about the course are available in the folder http://ppi.gov.br/html/objects/_download_blob.php?cod_blob=7898

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