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STATE OF ACRE

BILL NO 2.308 OF OCTOBER 22, 2010

An Act

To create the State System of Incentives for Environmental Services (SISA, in Portuguese), the Program of Incentives for Environmental Services - Carbon ISA, and other Programs of Environmental Services and Ecosystem Products of the State of Acre and other provisions.

THE GOVERNOR OF THE STATE OF ACRE

LET IT BE KNOWN that the Acre State Assembly and I do enact as follows:

CHAPTER I

STATE SYSTEM OF INCENTIVE FOR ENVIRONMENTAL SERVICES - SISA

Article 1. The State System of Incentives for Environmental Services (SISA) is hereby created, with the aim of promoting the maintenance and expansion of supply of the following ecosystem products and services:

- I - sequestration, conservation and maintenance of carbon stock, increase in carbon stock and decrease in carbon flow;
- II - conservation of natural scenic beauty;
- III - socio-biodiversity conservation;
- IV - conservation of waters and water services;
- V - climate regulation;
- VI - increase in the value placed on culture and on traditional ecosystem knowledge;
- VII - soil conservation and improvement.

Section I SISA Principles

Article 2. SISA shall comply with national and international principles related to the topic, in particular the following:

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I - the use of natural resources with responsibility and technical knowledge, for protection and integrity of the climate system, for the benefit of present and future generations;

II - common but differentiated responsibilities, among different public and private entities, to the extent of their respective capabilities, with respect to activities to stabilize atmospheric concentrations of greenhouse gases;

III - precaution to prevent or minimize the causes of climate change and mitigate its adverse effects;

IV - respect for the knowledge and rights of indigenous peoples, traditional and extractivist populations, as well as for human rights recognized and accepted by Brazil before the United Nations and other international commitments;

V - strengthening the identity and respect for cultural diversity, acknowledging the role of traditional and extractivist populations, indigenous peoples and farmers in the conservation, preservation, sustainable use and recovery of natural resources, especially the forest;

VI - promotion of national and international cooperation, so as to ensure the interoperability and recognition of activities, actions, services, products and credits resulting from SISA programs;

VII - compliance with Federal Law number 12.187, of December 29, 2009, which established the National Policy on Climate Change, as well as national policies and general standards that regulate incentives and payments for environmental services;

VIII - compliance, by programs linked to SISA, with the provisions set forth in the Bill number 1.904 of June 5, 2007, which established ZEE/AC (Ecological-Economic Zoning of the State of Acre) and the guidelines of the State Policy for Appreciation of Environmental Forest Asset;

IX - fair and equitable distribution of economic and social benefits deriving from products and services related to programs associated with this law; and

X - transparency, efficiency and effectiveness in managing financial resources, with social participation in the formulation, management, monitoring, evaluation and review of the system and its programs.

Sole Paragraph. The state government has the power to manage, plan, formulate, implement, monitor, evaluate actions and create standards designed for the protection of the environment, forests, hunting, fishing, fauna, conservation of nature, protection of land and natural resources and pollution control and, consequently, the reduction in emissions of greenhouse gases from deforestation and forest degradation, maintenance of forest carbon stocks in the state and provision and conservation of other ecosystem products and

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environmental services, as established under articles 23, 24 and 225 of the Brazilian Constitution, as well as under the Federal Law number 11,284, of March 2, 2006 - Public Forest Management Bill and the Brazilian Forest Code.

Section II Definitions

Article 3. For the purposes of this law, the following definitions shall apply:

I - ecosystems: spatially demarcated units, characterized by the specificity of the interrelationships between biotic and abiotic factors;

II - environmental or ecosystem services: relevant ecological processes and functions generated by ecosystems, in terms of maintenance, recovery or improvement of environmental conditions to the benefit of the welfare of all human societies, in the following categories:

a) provision services: those that directly provide environmental products or goods used by humans for consumption or sale;

b) supporting services: those promoting nutrient cycling, waste decomposition, production, maintenance or renewal of soil fertility, pollination, seed dispersal, control of populations of potential pests and potential vectors of human diseases, protection against ultraviolet solar radiation, maintenance of biodiversity and genetic resources, among others that maintain the continuity of life on Earth;

c) regulation services: those that promote carbon sequestration, air purification, moderation of extreme weather events, maintenance of hydrological-cycle balance, minimization of floods and droughts and control of critical erosion processes and landslides, among others that contribute to maintain the stability of ecosystem processes;

d) cultural services: those that provide recreational, aesthetic, spiritual benefits or other intangible benefits to human society.

III - PPCD/AC: Plan for Prevention and Control of Deforestation and Burning in Acre State,

IV - forest carbon stocks: component of a given natural ecosystem or an ecosystem modified by human activity, measured by the biomass and necromass weight converted to carbon;

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V - carbon sequestration: capture of greenhouse gases by the growth of forest vegetation and sustainable use of soil;

VI - soil conservation and improvement: maintenance, in the areas in which the soil is still intact, of the attributes of such soils; and, in soils under degradation or degraded, recovery and improvement of their attributes, with environmental and economic gains;

VII - scenic beauty: aesthetic, environmental and cultural value of a particular natural landscape;

VIII - water services: maintenance of water quality by regulating the flow of water, sediment deposition control, conservation of aquatic species and habitats, the amount of nutrients, as well as the deposition of chemicals and salinity;

IX - sociobiodiversity: set of conditions, laws, influences and physical, chemical and biological interactions between ecosystems and their components, and between them and human populations, through culture, and which allows and governs life in all its forms and protects species, natural and artificial habitats and genetic resources, helping improve the quality of life;

X - MQVRT: system based on nationally and internationally recognized concepts that ensure the capacity to measure, quantify, and verify - MQV, aggregated with the registration and transparency of environmental assets - MQVRT;

XI - programs: sets of guidelines and actions to reach specific ecosystem services and products;

XII - subprograms: sets of guidelines and actions contained in each program, designed for priority areas, specific beneficiaries/providers or certain sectors of the economy;

XIII - action plans: plans prepared by the Agency for Development of Environmental Services, within the programs and subprograms of SISA, to be submitted to the Regulation, Control and Registration Institute through projects;

XIV - special projects: projects prepared by individuals and which aim to implement actions not included in subprograms, to be submitted to the Regulation, Control and Registration Institute;

XV - ecosystem products: products resulting from ecosystem processes and/or obtained from ecosystems, such as water, carbon, foods and fibers, timber, genetic resources, medicinal, pharmaceutical, ornamental and natural extracts, among others;

XVI - increase in value placed on the traditional ecosystem knowledge: increase in value placed on knowledge of management and use of natural resources and of ecotourism activities, resulting from cultures related to indigenous, traditional and extractivist communities or agricultural producers, associated with the preservation, maintenance, recovery or conservation of natural resources with respect to their form of organization, recreation, aesthetic and

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spiritual expression, as well as the information and individual or collective practices;

XVII - climate regulation: benefits to the society resulting from the management and preservation of natural ecosystems, which contribute to climatic balance and thermal comfort;

XVIII - greenhouse gases - GHG: gases that make up the atmosphere, both natural and anthropogenic gases, which absorb and re-emit infrared radiation, contributing to the increase in global temperatures;

XIX - emissions: release of greenhouse gases in the atmosphere, or the release of its precursors, within a defined space and time;

XX - pre-registration: previous registration of ecosystem services and products, as well as of potential verifiable emission reductions, established in a particular program, subprogram, action plan or project, subject to issuance of certificates under SISA;

XXI - registration: physical or electronic system of registration and accounting of programs, subprograms, action plans, projects, environmental services and ecosystem products, with the purpose of creating an environment of transparency, credibility, traceability and interoperability for SISA;

XXII - carbon flow: net emissions of greenhouse gases in units of carbon dioxide equivalent;

XXIII - group of councils: is the meeting of State Councils for Environment, Science and Technology, Forest and Sustainable Rural Development, so that joint decisions can be reached on matters over which such councils have jurisdiction;

XXIV - baseline: reference for establishing the voluntary target of reducing emissions from deforestation and forest degradation, defined by decree and based on PPCD/AC, in consultation with the Group of Councils, which is in line with the goal of reducing emissions contained in Federal Law number 12.187/2009, to be determined in accordance with the best available scientific knowledge at the time of its establishment;

XXV - REDD+: reducing emissions of greenhouse gases from deforestation and degradation, the flow of carbon, sustainable forest management and conservation, maintenance and enhancement of forest carbon stocks.

Sole Paragraph. For the purposes of this law and its regulation, in light of the best scientific knowledge available, we adopt the definitions established by the United Nations Framework Convention on Climate Change (Intergovernmental Panel on Climate Change - IPCC), by the Convention on Biodiversity (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services - IPBES), in the text and in the discussions under the UN Convention to Combat Desertification, the Convention on Wetlands of International Importance (Ramsar Convention), and as provided for in Federal Law number 12.187 of 2009, which provides for the National Policy on Climate Change, in addition to other national and international standards governing the issue.

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Section III Providers of SISA environmental services

Article 4. Providers of environmental services are those that promote legitimate actions for preservation, conservation, recovery and sustainable use of natural resources, and actions that are also adequate and consistent with the guidelines of this law, with ZEE/AC, with the State Policy for Appreciation of Environmental Forest Asset and with PPCD/AC.

Section IV The beneficiaries of SISA

Article 5. The providers, to be considered beneficiaries of SISA, must be integrated into the programs, subprograms, action plans or special projects approved under this law and comply with the requirements contained therein.

Sole Paragraph. The entitlement to benefits provided for in SISA is constituted only after approval of the pre-registration proposal, in accordance with the regulation, and after the fulfillment of commitments made.

Section V SISA instruments

Subsection I Participation, management, control and registration instruments

Article 6. The following are participation, management, control and registration instruments of SISA:

- I - the Regulation, Control and Registration Institute;
- II - the State Commission for Validation and Monitoring;
- III - the Scientific Committee; and
- IV - IV - Ombudsman Office of SISA.

Sole Paragraph. The purpose of the instruments mentioned in this article is to establish a stable institutional arrangement that guarantees an environment of trust for developers, investors, providers and beneficiaries of environmental services.

Article 7. The Regulation, Control and Registration Institute, a special self-managed governmental entity that is economically and financially

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autonomous and administratively independent, is hereby created. The Regulation, Control and Registration Institute shall be supervised by SEMA (State Environment Department) and it shall have authority to:

- I - establish supplemental standards of SISA;
- II - approve, after the Scientific Committee expresses its opinion, in accordance with the regulation, the methodologies of projects and action plans submitted by the Agency for Development of Environmental Services or by proponents of special projects;
- III - approve pre-existing methodologies for developing action plans and projects;
- IV - authorize and/or make the pre-registration and registration of action plans and projects;
- V - authorize and/or issue certificates of reduced emissions of greenhouse gases, regulate and make the respective registration;
- VI - control and monitor the reduction in emissions of greenhouse gases, as well as the fulfillment of goals and objectives established in each pre-registered action plan or project;
- VII - authorize and/or issue, regulate and register other ecosystem products and services, in accordance with this law;
- VIII - validate methodologies for registration and certification;
- IX - accredit companies to conduct projects under SISA, in accordance with the regulation; and
- X - take other actions defined by the regulation.

Paragraph 1 - The standards referred to in subsection I of the head of this article shall be prepared and published by the Institute after they are approved by the State Commission for Validation and Monitoring, in a way that is consistent with the recommendations of the Scientific Committee, in accordance with the regulation.

Paragraph 2 - The revenues intended for the performance of the Institute's activities may derive from donations and/or investments from public, private or multilateral funds, from the charging of fees for the SISA control and registration activities, as well as from other monies destined for the Institute, among other sources established by regulation.

Article 8. The Chair of the Regulation, Control and Registration Institute will be held by the Chief Executive Officer, assigned by the Governor.

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Paragraph 1 - The Chief Executive Officer will earn remuneration equal to eighty percent of the remuneration of the Secretary of State.

Paragraph 2 - The bylaws of the Regulation, Control and Registration Institute will establish the rules for the replacement of the Chief Executive Officer whenever he/she is absent or impeded.

Article 9. Twenty commissioned positions identified by the acronym CEC, in the basic structure of the Regulation, Control and Registration Institute, which may be divided by its Chief Executive Officer, corresponding to the symbols CEC-1, CEC-2, CEC-3, CEC-4 and CEC-5, with the same remuneration as provided in article 26 of the Complementary Law 191 of December 31, 2008, are hereby created.

Sole Paragraph. According to the implementation of the services, the monthly grand total of the CEC created in the head section of this article shall not exceed R\$ 50,000.00 (fifty thousand reals), not including the corresponding payroll taxes and social security.

Article 10. the Positions of Trust in the basic structure of the Regulation, Control and Registration Institute, divided into ten levels corresponding to the symbols FC-1, FC-2, FC-3, FC-4, FC-5, FC-6, FC-7, FC-8, FC-9 and FC-10, which will correspond to the respective remuneration provided in article 28 of the Complementary Law 191 of December 31, 2008, are hereby created.

Sole paragraph. The concession of the Positions of Trust created in the head section of this article, according to the implementation of the services, shall have a referential monthly value which shall not exceed the amount of R\$ 20,000.00 (twenty thousand reals), not including the corresponding payroll taxes and social security.

Article 11. The State Councils for Environment, Science and Technology, Forest and Sustainable Rural Development may set up the Group of Councils so that joint decisions can be reached on matters over which such councils have jurisdiction and, in particular, for the purpose of this law:

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I - to recommend, for appointment, removal or replacement, members of the civil society that compose the State Commission for Validation and Monitoring;

II - to analyze annual reports of activities of the State Commission for Validation and Monitoring submitted to the Group of Councils;

III - to request information and documents related to planning, management and implementation of programs, subprograms and projects linked to SISA; and

IV - to decide in favor of increases in the number of members in the State Commission for Validation and Monitoring, but, provided that the equality between the number of members from the civil society and from the government is maintained.

Sole Paragraph. Decisions to increase the number of members in the State Commission for Validation and Monitoring shall always meet the requirement that there shall be an even number of members in the final composition of the Commission.

Article 12. The State Commission for Validation and Monitoring shall comprise at least eight members, with an equal number of members from the organized civil society and from the government, and with civil society representatives being appointed by the Group of Councils, among the Group's members.

Paragraph 1 The State Commission for Validation and Monitoring shall be linked to the Regulation, Control and Registration Institute, and it shall have the following powers:

I - to ensure the transparency and social control of SISA programs, subprograms, action plans and special projects;

II - to analyze and approve proposals for SISA standards put forward by the Regulation, Control and Registration Institute;

III - to express its opinion on terms of reference for contracting independent external auditors of SISA and to define, in conjunction with the Regulation, Control and Registration Institute, the minimum requirements for approving such auditors;

IV - to analyze results of independent audits and recommend the continuous improvement of SISA; and

V - to prepare and submit annual reports of its activities to the Group of Councils;

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VI - to request information and documents related to planning, management and implementation of programs, subprograms and projects linked to SISA; and

VII - to take other actions defined by regulation.

Paragraph 2 Commission members shall be appointed by decree, and the members from the government shall be freely chosen by the Governor among representatives of public institutions belonging to the Group of Councils

Paragraph 3 The voting procedures and criteria in the Council will be established by decree.

Article 13. The Scientific Committee, a body linked to the Regulation, Control and Registration Institute, is hereby created. The Scientific Committee shall be composed of personalities of national and international reputation, from several fields of human and social sciences, exact and biological sciences, among others, invited by the State Governor or by the Regulation, Control and Registration Institute, for the purpose of expressing their opinions on technical, scientific, legal and methodological issues related to SISA

Sole paragraph. The financial participation incentive in each session of the Committee of up to 10 percent of the remuneration of the Chief Executive Officer of the Regulation, Control and Registration Institute as established by decree is hereby created.

Article 14. The Ombudsman Office of SISA, which shall consist of one ombudsman chosen as set out in the regulation, is hereby created. The Ombudsman Office shall be linked to SEMA and it shall have the following responsibilities:

I - to receive suggestions, complaints, accusations and proposals from any citizen or entity with respect to SISA issues;

II - to receive reports of illegal, irregular, abusive, arbitrary or dishonest acts committed by a public servant or private citizen in activities related to SISA;

III - to analyze and monitor the processing of reports or accusations received and communicate the solutions to the interested party;

IV - to suggest to the State Government, by making recommendations, that studies be conducted and that adjustment measures be

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adopted with the purpose of improving SISA or supporting the Ombudsman Office's activities;

V - to mediate ends to conflicts among the various stakeholders of SISA, seeking to clarify doubts about the implementation of programs, subprograms, action plans and special projects; and

VI - to take other actions defined by the regulation.

Subsection II Implementation instrument

Article 15. The state government is hereby authorized to create the Agency for Development of Environmental Services of Acre State, in the form of a private and public joint stock corporation, of unlimited duration, headquartered in the city of Rio Branco, to be overseen by SEF (State Forest Department) and designed to:

I - develop strategies aimed at raising funds and attracting investments in programs, subprograms and action plans;

II - secure funding from public, private or multilateral sources, in the form of donations and/or investments;

III - create action plans and projects related to them;

IV - assist in the design and implementation of special projects for environmental services, upon express request of potential proponents;

V - implement programs, subprograms, action plans and projects;

VI - establish partnerships for the creation and implementation of subprograms, action plans and projects for environmental services;

VII - manage and dispose of, within its jurisdiction, assets and credits arising from ecosystem services and products deriving from the programs, subprograms, plans and projects; and

VIII - take other actions provided for in the regulation or established in the act that creates the Agency.

Subsection III Planning instruments

Article 16. The following are planning instruments of SISA, among others:

I - action plans and projects related to them, subprograms and programs; and

II - special projects to be submitted by the private sector.

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Paragraph 1 SISA may be implemented through subprograms specifically designed to serve priority areas, specific providers/beneficiaries or certain sectors of the economy.

Paragraph 2 The subprograms shall be created and regulated by the State's Executive.

Paragraph 3 Action plans and projects linked to them shall be primarily prepared by the Agency for Development of Environmental Services.

Article 17. The pre-registration of action plans and projects submitted, to be done at the Regulation, Control and Registration Institute, attests to the compliance with the principles and criteria established herein, and it is a necessary condition for such action plans and projects to be recognized as an integral part of SISA.

Subsection IV Economic and financial instruments

Article 18. The following are the economic and financial instruments of SISA, in addition to those that may be created in the regulations:

I - the State Forest Fund, created by Law number 1.426, of December 27, 2001, and the Special Fund for the Environment, established by Law number 1.117, of January 26, 1994;

II - economic, tax, administrative and credit incentives granted to beneficiaries and proponents of SISA;

III - national public funds, such as the National Climate Change Fund and others;

IV - monies deriving from adjustments, management contracts and agreements signed with federal, state and municipal bodies and entities;

V - funds from bilateral or multilateral agreements on climate;

VI - donations made by private or public, national and international entities;

VII - budget funds;

VIII - proceeds from the sale of credits related to environmental services and products;

IX - private investments; and

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X - others established by regulation.

Paragraph 1 The funds destined to SISA, by the State Forest Fund and the Special Fund for the Environment, shall be tied to the goals of the system.

Paragraph 2 The State Forest Fund and the Special Fund for the Environment are hereby authorized, under current legislation, to invest in investment funds regulated by the Securities and Exchange Commission.

Subsection V Tax instruments and tax incentives

Article 19. Under current law, the executive branch is authorized to stipulate, in the manner and under the conditions established by the executive branch:

I - differentiated tax treatment and exemption in the following operations:

- a) purchase of equipment for the programs, subprograms and projects related to SISA;
- b) sale of products resulting from the promotion of sustainable productive chains; and
- c) other cases related to SISA, as defined by regulation.

II - increase in taxes and reduction or revocation of tax benefit in the acquisition of equipment destined for production activities that result in deforestation or adversely affect the development and enhancement of ecosystem services and products.

CHAPTER II PROGRAM OF INCENTIVE FOR ENVIRONMENTAL SERVICES – CARBON

Article 20. The Program of Incentives for Environmental Services - Carbon (Carbon ISA Program) is hereby created. The Carbon ISA Program shall be linked to the reduction in emissions of greenhouse gases from deforestation and degradation, the flow of carbon, sustainable forest management and the conservation, maintenance and enhancement of forest carbon stocks (REDD+).

Article 21. The Carbon ISA Program shall comply with the following specific principles, in addition to those set forth in article 2 hereof:

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I - continuous monitoring of forest cover, with measurement of the reduction - compared to established baseline - in emissions of carbon dioxide from deforestation and forest degradation, as well as verification and reporting of such emissions to the appropriate national and international authorities;

II - maintenance and enhancement of carbon stocks by means of forest conservation, management and restoration; and

III - the continuance of reductions in emission and/or maintenance of carbon stock, as defined by the program regulation.

Section I

Objectives of the Carbon ISA Program

Article 22. The overall objective of the Carbon ISA Program is to promote the progressive, consistent and long-term reduction in emissions of greenhouse gases, with a view to attaining the state's voluntary target of reduction in emissions from deforestation and forest degradation.

Paragraph 1 The voluntary target, associated with the baseline, shall be established by decree, in accordance with PPCD/AC and with the goal of reducing emissions, contained in Federal Law number 12.187 of 2009, after consultation with the Scientific Committee and the Group of Councils.

Paragraph 2 The criteria for consolidation of the baseline shall use the best scientific knowledge and best prediction techniques available. Such criteria shall also be in line with the United Nations Framework Convention on Climate Change, with express granting of the right to issue certified carbon emission reductions, in accordance with this law and other standards in force.

Article 23. The following are the specific objectives of the Carbon ISA Program:

I - creating and implementing economic and financial instruments and management instruments that contribute to environmental conservation, to reductions in emissions of greenhouse gases from deforestation and forest degradation, to sustainable forest management and to conservation, maintenance and enhancement of forest carbon stocks;

II - establishing the infrastructure and instruments to measure, analyze and report the reduction in emissions of carbon dioxide from deforestation

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and forest degradation, as well as increasing the value placed on environmental services related to emission reduction, sustainable forest management and conservation, maintenance and enhancement of forest carbon stocks;

III - strengthening the cooperation and alignment at the international, national, subnational and local levels, with respect to subprograms, action plans and projects associated with the Carbon ISA Program;

IV - promoting the sharing among stakeholders of benefits that contribute to the reduction in deforestation and forest degradation, and which conserve, preserve and restore forest assets;

V - promoting the institutionalization of a state REDD+ system that is based on nationally and internationally recognized concepts, and which can ensure the capacity of measurement, quantification and verification, with registration and transparency – MQVRT, as well as the monitoring of reductions in carbon emissions from deforestation and forest degradation, with credibility and traceability; and

VI - promoting a new model of sustainable local and regional low-carbon development.

Section II

Accounting and commitment periods of the Carbon ISA Program

Article 24. The preliminary period and the commitment periods of the state target of reduction in emissions from deforestation and forest degradation, under the Carbon ISA Program, shall be established in the regulation of this law.

Article 25. In order to ensure the accounting stability of the system, the Regulation, Control and Registration Institute shall define, for the purpose of pre-registration of action plans and special projects, a threshold percentage of recordable carbon units, based on the total of reductions provided for in PPCD/AC for a certain period of commitment.

Paragraph 1 Units that may not be pre-registered, due to the enforcement of the provisions contained in the **head section**, may be used in subsequent periods or for the fulfillment of programs or targets for emission reductions resulting from national policies and international commitments to combat climate change and promote environmental services.

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Paragraph 2 The criteria and limits for allocating recordable carbon units to subprograms and special projects shall be established by regulation.

Article 26. The information contained in state forest carbon registrations made at the Regulation, Control and Registration Institute shall be public in nature, and this information may be forwarded to relevant national and international institutions, for accounting of reductions in emissions from deforestation and forest degradation in national policies and international agreements on climate change and environmental services.

Section III

Registration of preliminary credits

Article 27. Emission reductions obtained during the preliminary period of the Carbon ISA Program can be registered for the purpose of sale or achievement of goals set by the program, provided that such reductions are duly certified after being checked by methodologies that ensure the fulfillment of measurement, quantification and verification criteria, as well as traceability and transparency criteria, in accordance with this law.

Section IV

Independent and periodic audits

Article 28. The Regulation, Control and Registration Institute shall contract, at regular intervals, independent external auditors to assess the impacts of the program and its instruments, in accordance with the term of reference to be discussed with the State Commission for Validation and Monitoring.

CHAPTER III

SOCIO-BIODIVERSITY CONSERVATION PROGRAM

Article 29. A law shall establish the rules of operation and organization of the state program for socio-biodiversity conservation, which can be understood as a set of conditions, laws, influences and physical, chemical and biological interactions between ecosystems and their components, and between

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them and human populations, through culture, and which allows and governs life in all its forms and protects species, natural and artificial habitats and genetic resources, helping to improve the quality of life;

CHAPTER IV

PROGRAM FOR CONSERVATION OF WATERS AND WATER RESOURCES

Article 30. A law shall establish the rules for operation and organization of the state program for conservation of water resources, which can be understood as the maintenance of water quality by regulation of water flow, control of sediment deposition, conservation of aquatic species and habitats and the amount of nutrients, as well as of the deposition of chemicals and salinity;

CHAPTER V

PROGRAM FOR CONSERVATION OF NATURAL SCENIC BEAUTY

Article 31. A law shall establish the rules for operation and organization of the state program for increasing the value placed on the conservation of the natural scenic beauty, which can be understood as that of aesthetic, environmental and cultural value of a particular landscape.

CHAPTER VI

CLIMATE REGULATION PROGRAM

Article 32. A law shall establish the rules for operation and organization of the state program for climate regulation, which can be understood as the benefits to society resulting from the management and conservation of natural ecosystems, which contribute to the climatic balance and thermal comfort.

CHAPTER VII

PROGRAM FOR INCREASING THE VALUE PLACED ON THE TRADITIONAL ECOSYSTEM KNOWLEDGE

Article 33. A law shall establish the rules for operation and organization of the state program for increase in value placed on the traditional ecosystem knowledge, which can be understood as the increase in value

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attributed to knowledge of management and use of natural resources and of ecotourism activities, resulting from cultures related to indigenous communities, traditional and extractivist communities or agricultural producers, associated with the preservation, maintenance, recovery or conservation of natural resources, with respect to their form of organization, recreation, aesthetic and spiritual expression, as well as their information and individual or collective practices.

CHAPTER VIII PROGRAM FOR SOIL CONSERVATION AND IMPROVEMENT

Article 34. A law shall establish the rules for operation and organization of the state program for soil conservation and improvement, which can be understood as the maintenance, in the areas in which the soils are still intact, of the attributes of such soils; and, in soils under degradation or degraded, the recovery and improvement of their attributes, with environmental and economic gains.

CHAPTER IX STATE INVENTORIES

Article 35. In order for the objectives of this law to be achieved, SEMA or an appointed body shall conduct organized surveys and keep records of ecosystem services and products, listing them in paper reports or electronic reports that are specific for each program, according to nationally and internationally recognized methodologies.

CHAPTER X FINAL PROVISIONS

Article 36. Unless otherwise provided by law, the management, control and registration instruments, implementation instruments, planning instruments, economic and financial instruments, tax instruments and tax incentives contained in this law shall apply to all programs linked to SISA.

Article 37. The criteria and values of public prices, fees and charges for services provided by institutions associated with SISA, especially for pre-registration, registration and certified reductions of carbon dioxide emissions, shall be established by regulation.

Article 38. The State of Acre may:

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I - develop special programs for training human resources in topics related to the management of programs, of ecosystem services and products linked to SISA, as well to encourage the research and development of the sector; and

II - make cooperation agreements with departments of the federal government and/or state government and international public and private entities to implement the actions specified herein.

Article 39. The State is hereby authorized, by itself or through its indirect administration, to sell credits deriving from environmental services and ecosystem products linked to the state's ownership, provided that such credits are duly recognized or certified, such as:

I - avoided emissions of carbon in natural forests and reforestation of degraded areas or areas converted for alternative use of soil, linked to subprograms, action plans and projects of the Carbon ISA Program, in accordance with the legislation in force;

II - reduction in emissions of greenhouse gases under the United Nations Framework Convention on Climate Change; and

III - other market mechanisms and regimes for trading credits or other assets based on ecosystem products and environmental services, including the markets of reduction in emissions of greenhouse gases.

Paragraph 1 The credits referred to in the head section of this article may be sold in Stock Exchanges, Mercantile and Futures Exchanges and entities that manage organized OTC markets, authorized to operate by CMV (Brazilian Securities and Exchange Commission) in the Brazilian Market for Reduction Emissions (MBRE) or in other national or international markets that are in accordance with the national and international legislation in force.

Paragraph 2 The State may, via its direct or indirect administration, by means of a specific contractual instrument, provide services to public or private sectors for the trade of assets and credits deriving from environmental services and ecosystem products belonging to third parties.

Article 40. Until the effective implementation of the Regulation, Control and Registration Institute and the Agency for Development of

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Environmental Services, SEMA shall assume the responsibilities assigned to such Institute and Agency hereunder.

Article 41. The State Secretariat of Environment (SEMA, in Portuguese) may establish procedural standards intended for the faithful fulfillment of the provisions contained in this law.

Article 42. The Executive Branch shall regulate this law by decree, including with respect to the powers, structures and operation of the institutions mentioned herein.

Article 43. The Executive Branch is hereby authorized to open an additional special credit line in the amount of R\$ 100,000.00 (one hundred thousand Brazilian reals), as classified below:

720.000.00.000.0000.0000.0000	–	STATE SECRETARIAT OF ENVIRONMENT – SEMA	
720.215.00.000.0000.0000.0000	–	REGULATION, CONTROL AND REGISTRATION INSTITUTE	
720.215.18.000.0000.0000.0000	–	ENVIRONMENTAL MANAGEMENT	
720.215.18.541.0000.0000.0000	–	ENVIRONMENTAL PRESERVATION AND CONSERVATION	
720.215.18.541.2051.0000.0000	–	ENVIRONMENT PROTECTION	
720.215.18.541.2051.2566.0000	–	MAINTENANCE OF THE REGULATION, CONTROL AND REGISTRATION INSTITUTE	
3.0.00.00.00	–	CURRENT EXPENSES	
3.3.00.00.00	–	OTHER CURRENT EXPENSES	
3.3.90.00.00	–	Direct Applications	
3.3.90.30.00	–	Consumable Goods	– PR
(100).....			25,000.00
3.3.90.39.00	–	Other Third Party Services – Legal Entity	– PR
(100).....			25,000.00
730.000.00.000.0000.0000.0000	–	STATE FOREST SECRETARIAT – SEF	
730.512.00.000.0000.0000.0000	–	AGENCY FOR DEVELOPMENT OF ENVIRONMENTAL SERVICES OF THE STATE OF ACRE	
730.512.18.000.0000.0000.0000	–	ENVIRONMENTAL MANAGEMENT	
730.512.18.541.0000.0000.0000	–	ENVIRONMENTAL PRESERVATION AND CONSERVATION	

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730.512.18.541.2049.0000.0000 – MANAGEMENT OF ENVIRONMENTAL POLICY

730.512.18.541.2049.2567.0000 – MAINTENANCE OF THE AGENCY FOR DEVELOPMENT OF ENVIRONMENTAL SERVICES OF THE STATE OF ACRE

3.0.00.00.00 – CURRENT EXPENSES

3.3.00.00.00 – OTHER CURRENT EXPENSES

3.3.90.00.00 – Direct Applications

3.3.90.30.00 – Consumable Goods – PR (100).....25,000.00

3.3.90.39.00 – Other Third Party Services – Legal Entity – PR (100).....25,000.00

Article 44. The funds necessary to implement the additional special credit line shall derive from cancellation of budget appropriation established in the budget itself, in accordance with the provisions of subsection III of paragraph 1 of article 43 of Federal Law number 4.320, of March 17, 1964, as follows:

713 – STATE PLANNING SECRETARIAT – SEPLAN

713009 – CONTINGENCY RESERVE

713009.99.999.9999.9999.0000 – Contingency Reserve

9.9.99.99.99 – CONTINGENCY RESERVE

9.9.99.99.99 – CONTINGENCY RESERVE

9.9.99.99.99 – Contingency Reserve

9.9.99.99.99 – Contingency Reserve – PR (100).....100,000.00

Article 45. Article 9 of Law number 1022, of January 21, 1992, shall hereafter apply, including the following subsection XVIII:

Article 9 ...

...

XVIII – a representative of the indigenous communities from the State of Acre, in the form set forth by decree.” (NR)

Article 46. This act shall take effect upon its publication.

City of Rio Branco, Acre State, of (month) (day), 2010, 122nd of the Republic, 108th of the Petrópolis Treaty and 49th of the State of Acre.

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Arnóbio Marques de Almeida Júnior
Governor of the State of Acre

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