



# The Brazilian Carbon Market: Current position, opportunities and potential sectors.

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**Flavio Gazani**

President

ABEMC – Brazilian Association of Carbon Markets Companies

# Carbon Market Key Figures

Status of CDM projects	Number of Projects	CERs/y (MtCO <sub>2</sub> e/yr)	Sum 2008-12 (MtCO <sub>2</sub> e)
At validation	2,815	301	1,214
in the process of registration	302	48	198
Withdrawn or Rejected by EB	119	10	69
Registered	1,424	264	1,497
<b>Total</b>	<b>4,660</b>	<b>624</b>	<b>2,979</b>

Source: UNEP RISOE / CD4CDM – CDM pipeline – ABEMC analysis

**~40,000 MtCO<sub>2</sub>e:** World GHG Emissions in 2000

Source: World Resources Institute – CAIT tool

**~1,500 MtCO<sub>2</sub>e :** Limitation on importation of CER/ERUs (2008-12)

Source: CD4CDM – Perspectives Series 2007

**~13 bi US\$ :** CDM transactions in 2007

Source: World Bank report - State of the Carbon Market 2008

**~64 bi US\$ :** CDM + EU ETS + JI transactions in 2007

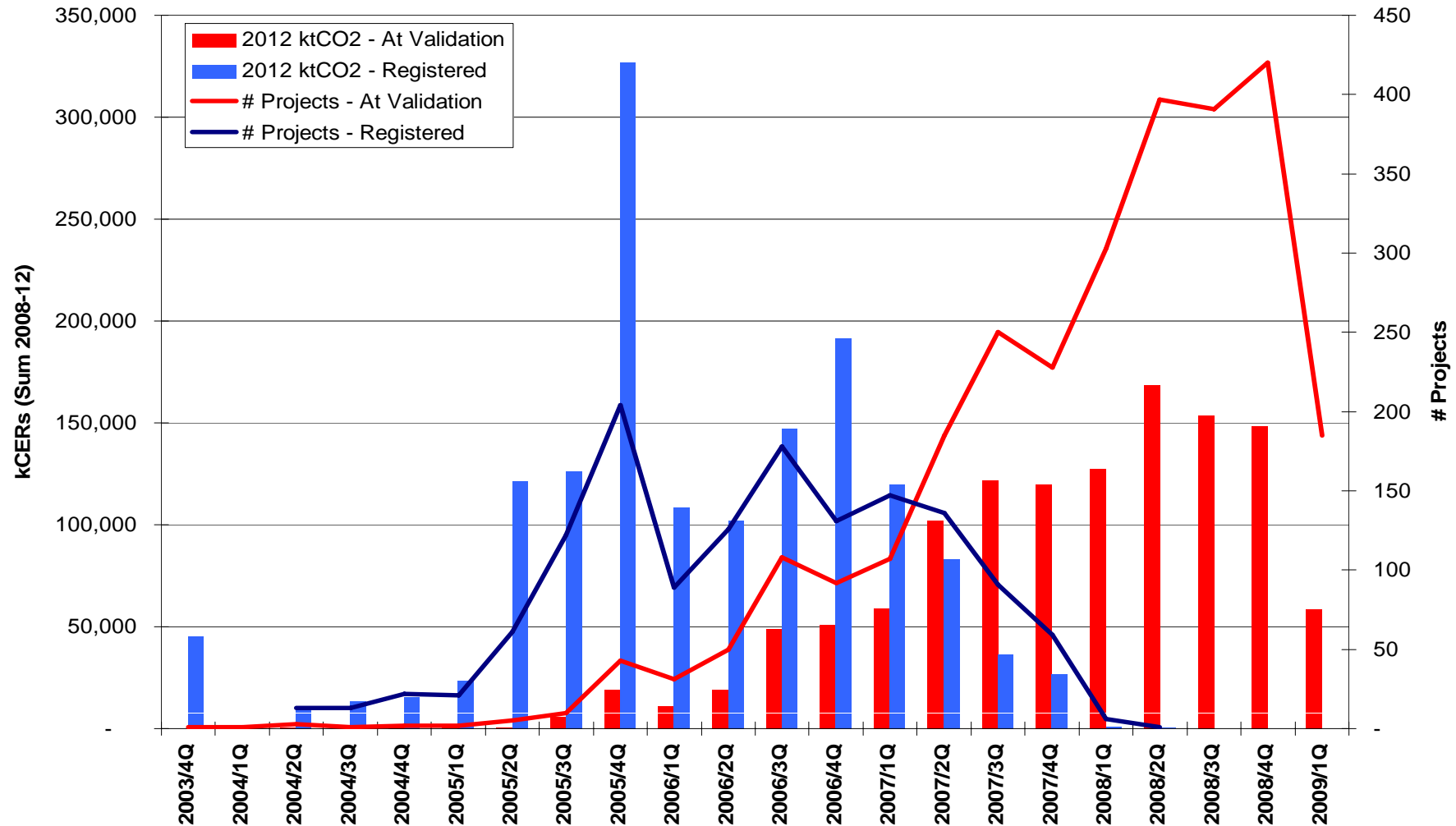
Source: World Bank report - State of the Carbon Market 2008

**~150 bi US\$ :** Total Global New Investment in Clean Energy in 2007

Source: World Economic Forum report – Green Investing 2008



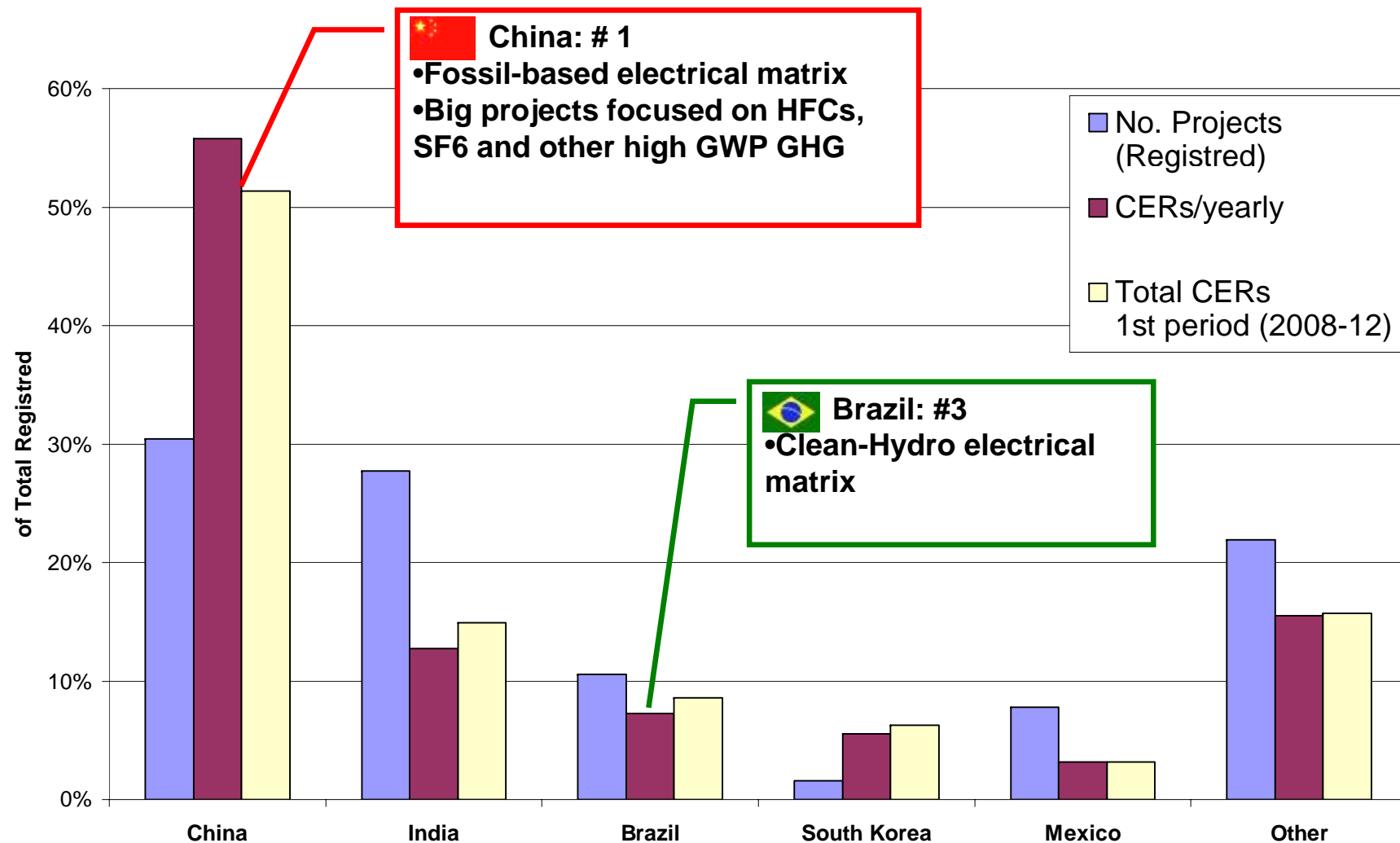
# CDM projects today: significantly decrease/delay in registered vs. at validation status.



Source: UNEP RISOE / CD4CDM – CDM pipeline – ABEMC analysis



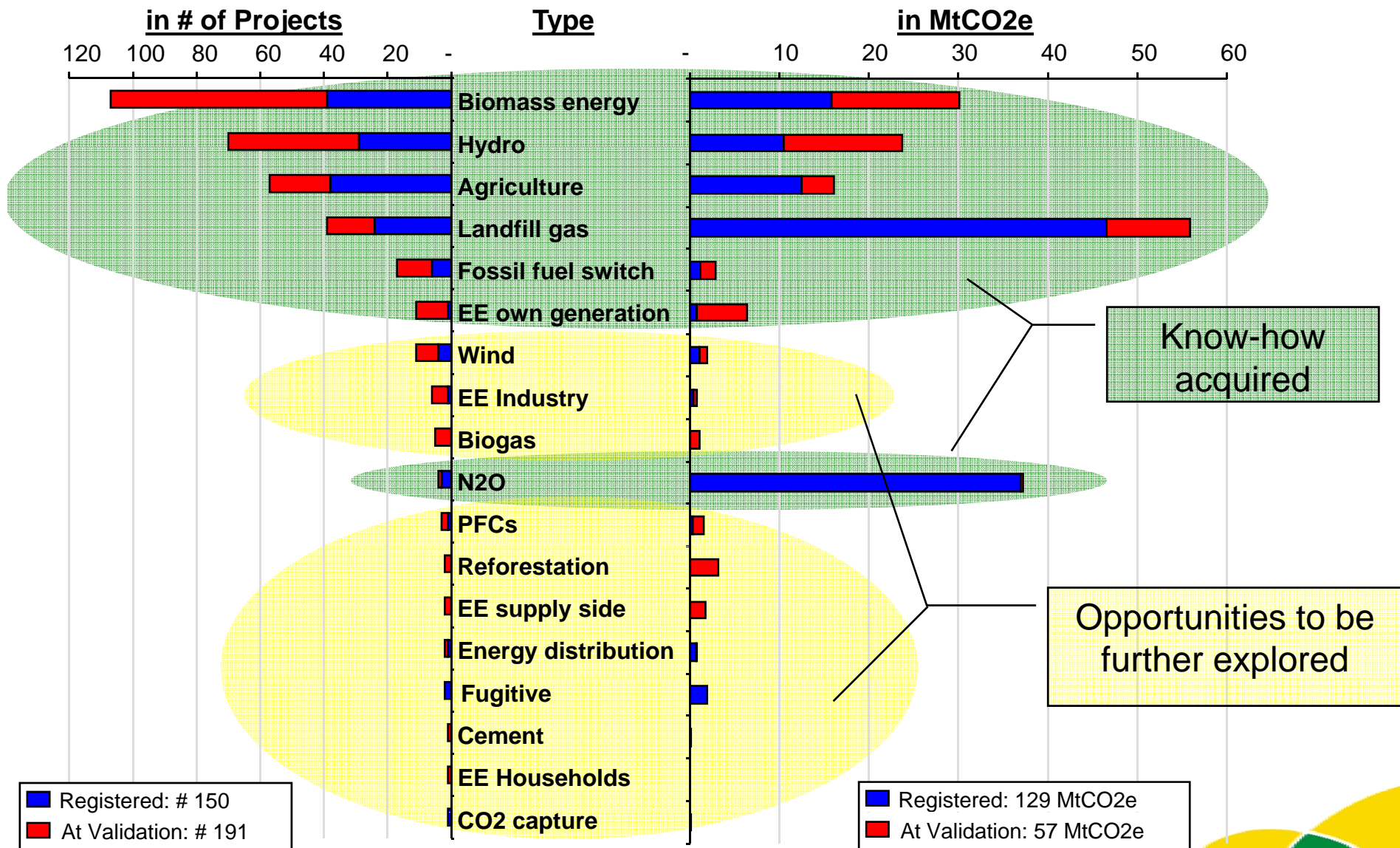
# CDM: TOP 5 Host Countries (in % of total Registered)



Source: UNEP RISOE / CD4CDM – CDM pipeline – ABEMC analysis



# Brazil CDM pipeline



Source: UNEP RISOE / CD4CDM – CDM pipeline – ABEMC analysis

# Carbon Market Bottlenecks today

**CDM still limited by 2008-2012**

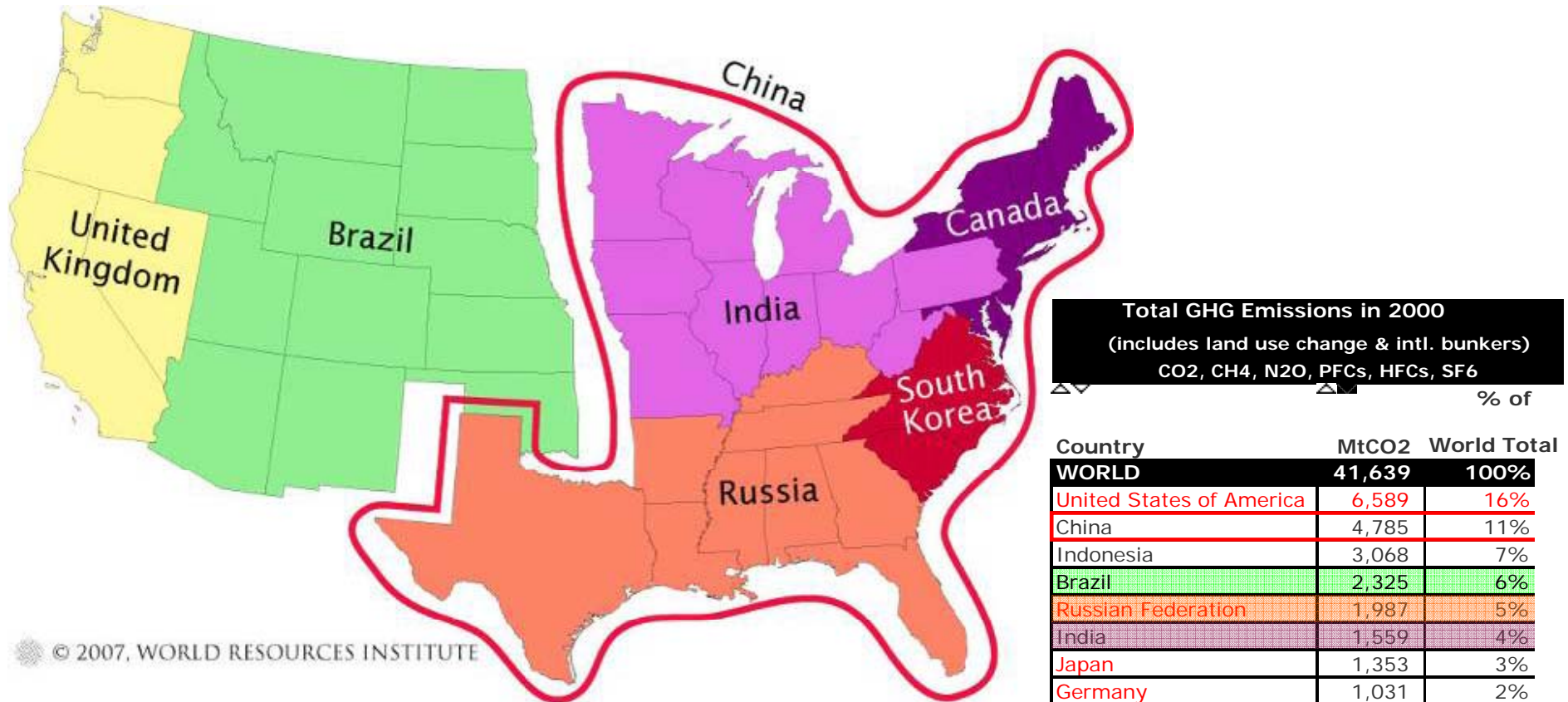
→ UNFCCC/COP-15 in Denmark

**Voluntary market is growing**

→ Financial Crisis / Global recession



# US Greenhouse Gas Emissions Compared Internationally



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## Obama's goals for US 2012-2019

• **646 bi US\$:** governmental revenues from CAP-AND-TRADE limits

• **150 bi US\$:** clean energy technology investments

Source: [Reuters News](#) on 26 February 2009

Source: World Resources Institute – CAIT tool

# Perspectives and opportunities to Brazil

→ Brazil is very likely to assume its own reduction targets in the near future.

- Sector approach signaled by National Plan of Climate Change (focus on Land-Use).

- Declarations from Minc, Ministry of Environment, intend to significantly reduce devastation of the Amazon Forest.

→ Opportunities to federal states (e.g Tocantins, Mato Grosso) to anticipate mitigation actions by:

- International funds to forest preservation
- Avoided deforestation projects (REDD projects)



# Amazon Forest and the Carbon Market

- About 70% of Brazilian GHG emissions (in tCO<sub>2</sub>e) result from forest devastation.
- **1 bi US\$ by 2015:** International Fund to Forest Conservation to be managed by BNDES.  
    ~15% (150 mi US\$): already signaled by Norwegian government.
- **7 bi US\$\* /year:** McKinsey's report estimated cost to mitigate deforestation GHG emissions in Brazil.

\*assuming exchange rate of 2.30 R\$/US\$ = 17 bi R\$



# About ABEMC

- ABEMC – Associação Brasileira das Empresas do Mercado de Carbono (Carbon Market Companies Brazilian Association) represents the majority of companies active in the carbon market in Brazil.

## ABEMC board members:

- Agenda 4
- Ambio
- Ata Ativos Técnicos Ambientais
- CPFL Geração de Energia
- EcoPart / EcoInvest Carbon
- EZ Carbon
- FBDS - Brazilian Foundation for Sustainable Development
- Key Associados
- Menezes e Abreu Advogados
- MGM Internacional
- OneCarbon
- PricewaterhouseCoopers
- Rhodia/Orbeo
- Suez Energy Internacional
- WBCSD/CEBDS - Brazilian Business Council for Sustainable Development

## Other ABEMC associates:

- ASM Asset Management
- Ecobio Carbon
- Green Domus
- LogiCarbon
- Lumina Max Ambiental
- Mundus Carbo
- ICF Internacional

## Partners and shared participants from the CARBON FINANCE event:

- University of Toronto
- Pontifícia Universidade Católica de São Paulo – PUC/SP
- PriceWaterhouseCoopers
- Brazilian Business Council for Sustainable Development (CEBDS)
- OAB/SP (São Paulo Bar Association) Carbon Market Studies Committee
- Pinheiro Neto Advogados
- Menezes e Abreu Advogados

# ABMEC's Mission

- to promote and encourage the development of market mechanisms to reduce greenhouse gases in the regulatory and voluntary market.
- to collaborate with public authorities, associations, universities, non-governmental organizations and other private entities promoting the exchange of information and studies to improve the carbon market in Brazil.
- to review current and new legislation to help standardize industry practices while encouraging and promoting education within the sector.





**Thank you!**

**Flavio Gazani**

President

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[www.abemc.com](http://www.abemc.com)