

Brazil

General Information

<p>Summary</p>	<p>Status: ETS under consideration</p> <p>Jurisdictions: Brazil</p> <p>Brazil's National Climate Change Policy, enacted in December 2009, aims to promote the development of a Brazilian market for emissions reductions.</p> <p>As part of its activities under the PMR, the Brazilian government is considering the implementation of market instruments to meet Brazil's mitigation targets and reduce overall mitigation costs. The Ministry of Economy is developing design options and conducting comprehensive economic and regulatory impact assessments for different options of ETS. This includes, among others, an analysis of potential interactions between carbon pricing instruments and existing policies. In addition, the Ministry of Economy is developing a strategy to strengthen the understanding of carbon pricing instruments among stakeholders through engagement, communication, and consultation.</p> <p>The Brazilian Business Council for Sustainable Development presented a proposal for a carbon market regulating the industrial sector in Brazil to the former Ministry of Finance (now Ministry of Economy), and the team working on the Market Readiness Project in Brazil has engaged in talks with representatives of the private sector that support the carbon pricing agenda in Brazil. These activities are intended to spur higher level governmental attention.</p> <p>Since 2013, a group of leading companies has been participating in a voluntary ETS simulation to gain experience and develop proposals for an ETS in Brazil. In 2019, 26 companies from diverse sectors of the Brazilian economy participated in this exercise. The ETS simulation is coordinated by the Centro de Estudos em Sustentabilidade da Fundação Getulio Vargas. Trading takes place through the Rio de Janeiro Green Stock Exchange.</p> <p>RenovaBio, the National Policy for Biofuels, was approved in 2017 (Federal Law 13.576), establishing mandatory goals for the reduction of GHG emissions by avoiding the use of fossil fuels. The policy provides for a trading mechanism for emissions reduction units generated from switching from fossil fuels to biofuels, relative to a 100% fossil fuel use scenario. The program should be fully implemented by 2020.</p>
<p>Year in Review</p>	<p>On December 23, 2019, the Brazilian Ministry of Economy announced advances in discussions about carbon pricing in Brazil. As part of a broader stakeholder consultation process, participants at the meeting, which included representatives from government, the private sector and international organizations, 'pledged to accelerate studies on the creation of a carbon pricing system based on national greenhouse gas emissions trading'.</p> <p>A White Paper on policy proposals on carbon pricing instruments, which is part of Brazil's Market Readiness Proposal under the World Bank's Partnership for Market Readiness and which is set to inform the decision-making process on the adoption of mitigation instruments as part of the National Climate Change Policy, will enter public consultation soon.</p>

Overall GHG emissions (excluding LULUCF)	Emissions: 1,036.3 MtCO ₂ e MtCO ₂ e (2015)	
Overall GHG emissions by sector	Sector Name	MtCO ₂ e
	Energy	449
	Industrial processes	95
	Agriculture	429
	Waste	63
Overall GHG reduction target	<p>By 2020: Voluntary commitment to reduce GHG emissions by 36.1-38.9% compared to BAU projections.</p> <p>By 2025: 37% reduction from 2005 GHG levels (NDC).</p> <p>By 2030: Indicative contribution of 43% reduction from 2005 GHG levels (NDC).</p>	
Carbon Price	<i>Current Allowance Price (per t/CO₂e):</i> No information available yet.	

ETS Size

Emissions covered by the ETS	No information available yet.
GHG covered	No information available yet.
Sectors covered and thresholds	No information available yet.
Point of regulation	No information available yet.
Number of liable entities	No information available yet.
Cap	No information available yet.

Phases & Allocation

Trading period	No information available yet.
Allocation	No information available yet.

Flexibility

Banking and borrowing	No information available yet.
Offsets and credits	No information available yet.
Market Stability Provisions	No information available yet.

Compliance

Compliance Period	No information available yet.
Monitoring, Reporting, Verification (MRV)	No information available yet.
Enforcement	No information available yet.

Linking

Links with other Systems	No information available yet.
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Other Information

Institutions involved	Ministry of Environment; Ministry of Economy (previously Ministry of Finance); Ministry of Mines and Energy
Evaluation / ETS review	No information available yet.
Revenue	No information available yet.
Implementing Legislation	No information available yet.

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