

Brazil

General Information

Summary

Status: ETS under consideration

Jurisdictions: Brazil

Brazil's National Climate Change Policy (PNMC), which was enacted in December 2009, aims to promote the development of a Brazilian market for emissions reductions.

As part of its activities under the Partnership for Market Readiness (PMR), the Brazilian government is considering the implementation of market instruments to meet Brazil's voluntary GHG reduction commitment and reduce overall mitigation costs. Brazil is currently assessing different carbon pricing instruments including an ETS and a carbon tax. The Ministry of Finance is developing design options and conducting comprehensive economic and regulatory impact assessments for both instruments. A proposal of a policy package (policy scenarios for carbon tax and ETS) is under development with the support of the PMR. Depending on the impact assessment, the work stream is expected to culminate in a White Paper with design recommendations for a carbon pricing instrument for Brazil. In addition, the Ministry of Finance has launched a strategy to strengthen the understanding of carbon pricing instruments among stakeholders through engagement, communication, and consultation.

Currently, the Brazilian government is working on the regulatory impact assessment of a National GHG Reporting Program and a national GHG emissions/removals registry with support from the German Development Agency (GIZ), thus developing the fundamentals of a central building block for carbon pricing.

RenovaBio, the National Policy for Biofuels, has been approved in 2017 (Federal Law 13,576 of December 26, 2017), establishing mandatory goals for the reduction of GHG emissions from avoiding fossil fuels. The policy provides for a trading mechanism for emissions reduction units that have been generated from switching from fossil fuels to biofuels, relative to a 100% fossil fuel use scenario.

Since 2013, a group of leading companies have been participating in a voluntary ETS simulation. The initiative offers a platform to gain experience and develop proposals for a wide-ranging and robust approach towards the cap-and-trade market in Brazil with the purpose of promoting the reduction of national GHG emissions at the lowest possible cost. In 2015, 23 companies from diverse sectors of the Brazilian economy took part in this exercise. The allocation process and trading is managed by the Rio de Janeiro Green Stock Exchange (BVRio) and the ETS design of the simulation is coordinated by the Centro de Estudos em Sustentabilidade da Fundação Getúlio Vargas (GVCes/FGV).

Brazilian states are also actively engaging in climate policy. In 2012, both Rio de Janeiro and São Paulo considered the implementation of a state-wide ETS.

[Lei sobre Mudança do Clima](#)

[Activities of Brazil under the Partnership for Market Readiness \(PMR\)](#)

[Plataforma Empresas pelo Clima – Simulação de Sistema de Comércio de Emissões](#)

	Registro Público de Emissões										
Overall GHG emissions (excluding LULUCF)	Emissions: 1051.4 MtCO ₂ e (2014)										
Overall GHG emissions by sector	<table border="1"> <thead> <tr> <th>Sector Name</th> <th>MtCO₂e</th> </tr> </thead> <tbody> <tr> <td>Energy</td> <td>469.8</td> </tr> <tr> <td>Industrial processes</td> <td>94.3</td> </tr> <tr> <td>Agriculture</td> <td>425.5</td> </tr> <tr> <td>Waste</td> <td>68.2</td> </tr> </tbody> </table>	Sector Name	MtCO ₂ e	Energy	469.8	Industrial processes	94.3	Agriculture	425.5	Waste	68.2
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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 of Brazil).</p> <p>By 2030: Indicative contribution of 43% reduction from 2005 GHG levels (NDC of Brazil).</p>										
Type of ETS	No information available yet.										
Cap and trajectory	No information available yet.										
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.
Number of liable entities	No information available yet.
Point of regulation	No information available yet.

Phases & Allocation

Compliance period	No information available yet.
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.
Provisions for price management	No information available yet.

Compliance

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

Other Information

Institutions involved	Ministry of Environment, Ministry of Finance (General Coordination of Environment and Climate Change) Ministry of Mines and Energy
Linkage with other schemes	No information available yet.

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