



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

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Carbon Market Key Figures

Status of CDM projects	Number of Projects	CERs/y (MtCO ₂ e/yr)	Sum 2008-12 (MtCO ₂ 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Withdrawn or Rejected by EB	119	10	69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
Total	4,660	624	2,979

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

~40,000 MtCO₂e: World GHG Emissions in 2000

Source: World Resources Institute – CAIT tool

~1,500 MtCO₂e : 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

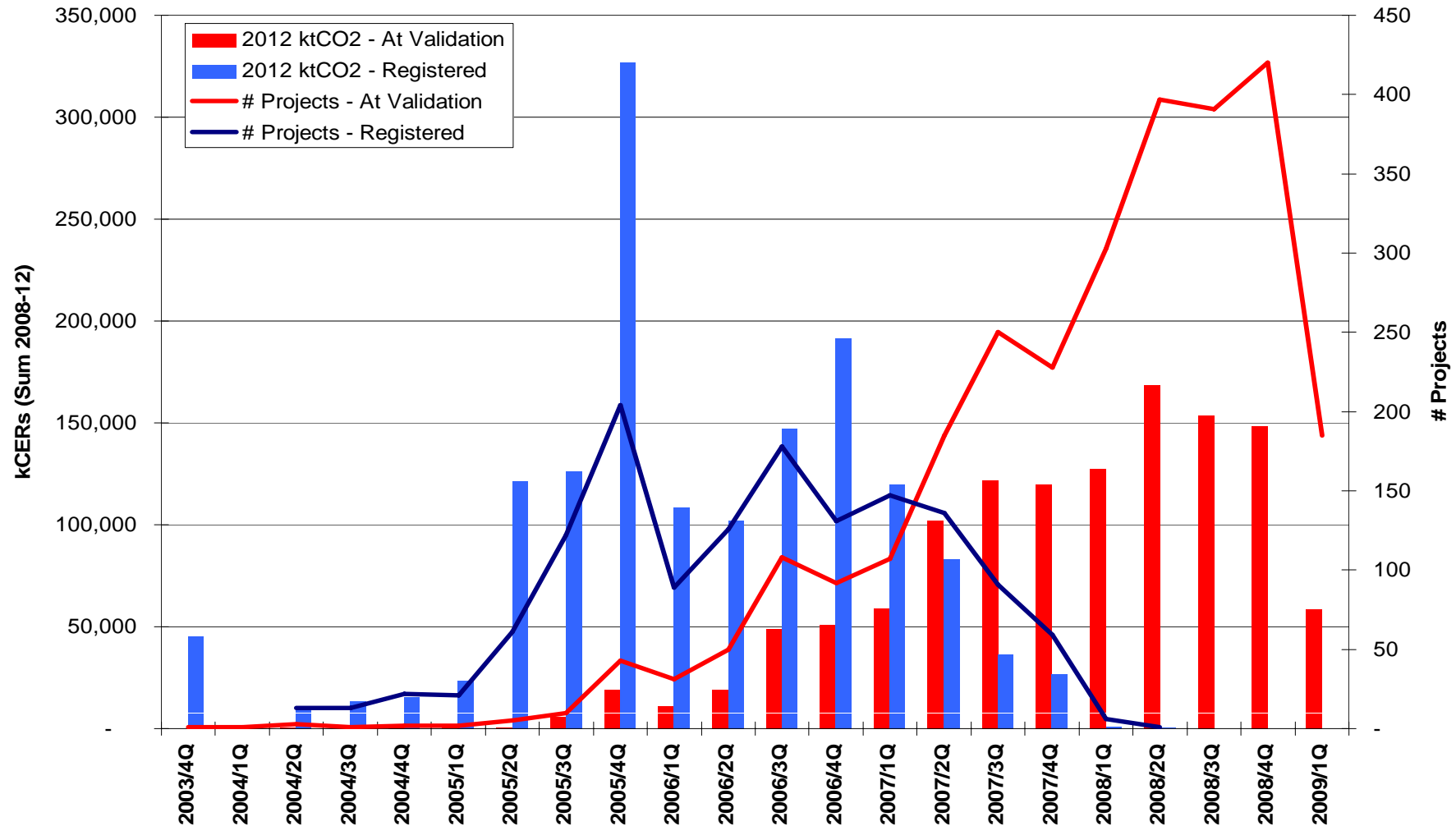
Source: World Bank report - State of the Carbon Market 2008

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

Source: World Economic Forum report – Green Investing 2008



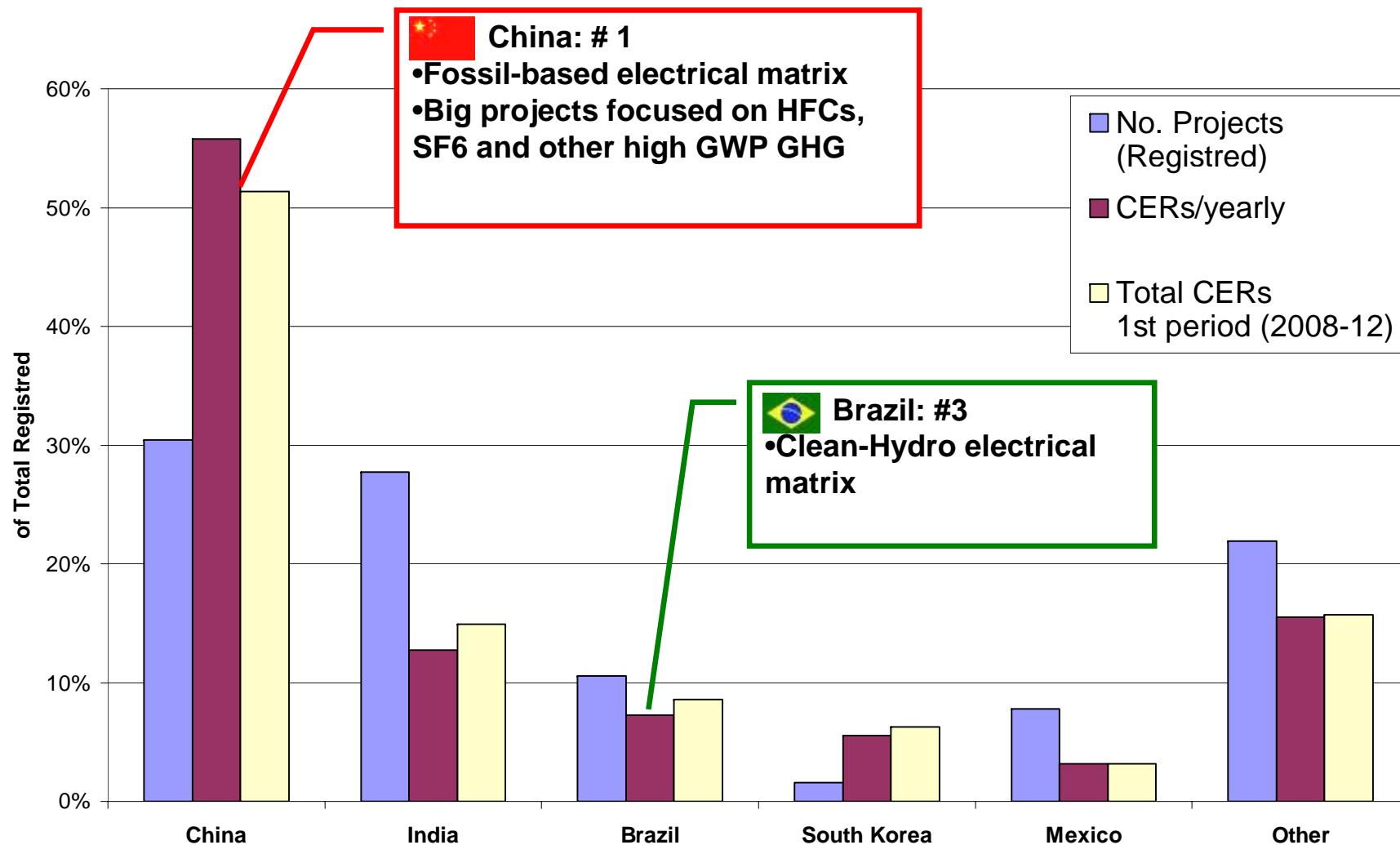
CDM projects today: significantly decrease/delay in registered vs. at validation status.



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



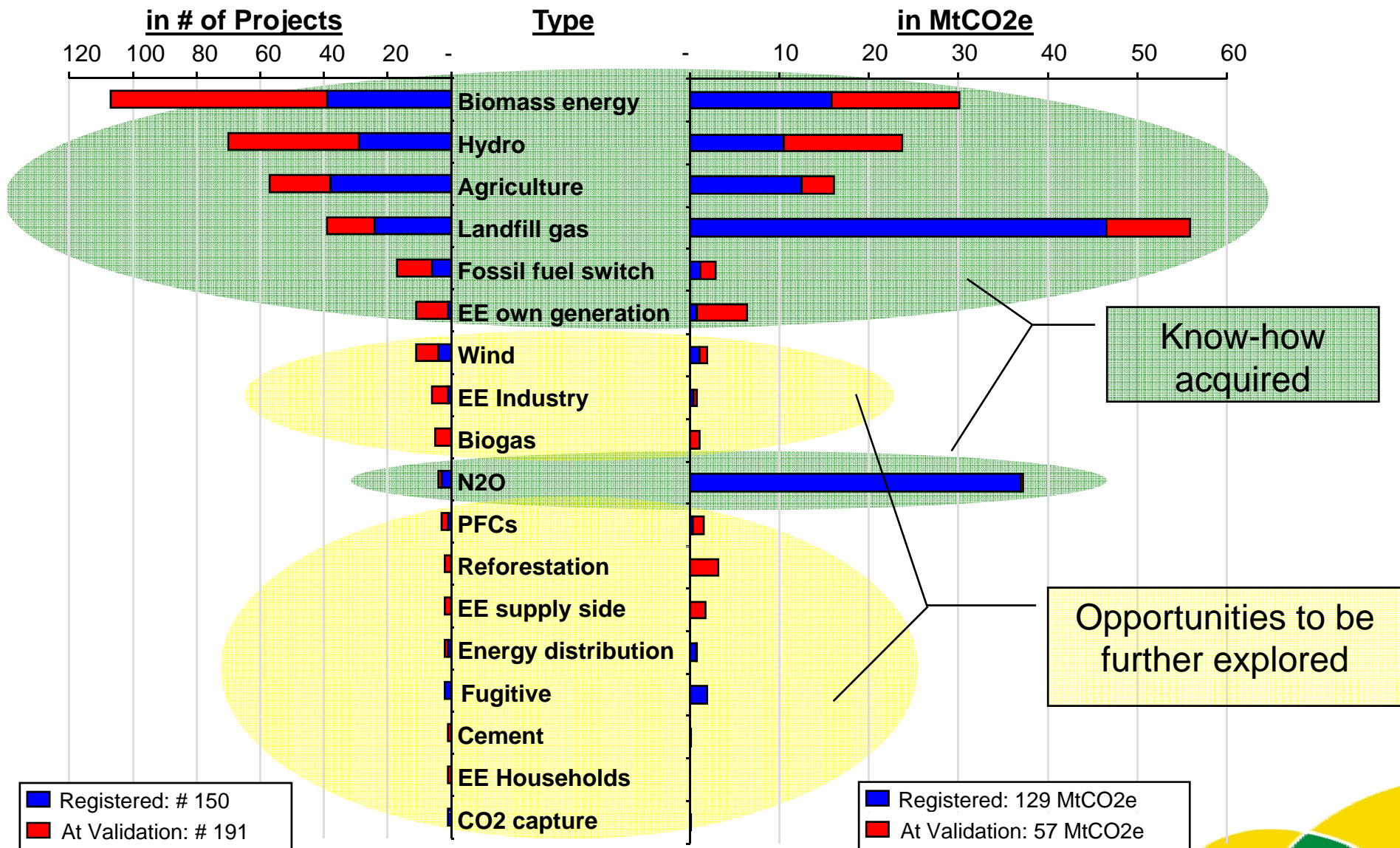
CDM: TOP 5 Host Countries (in % of total Registered)



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

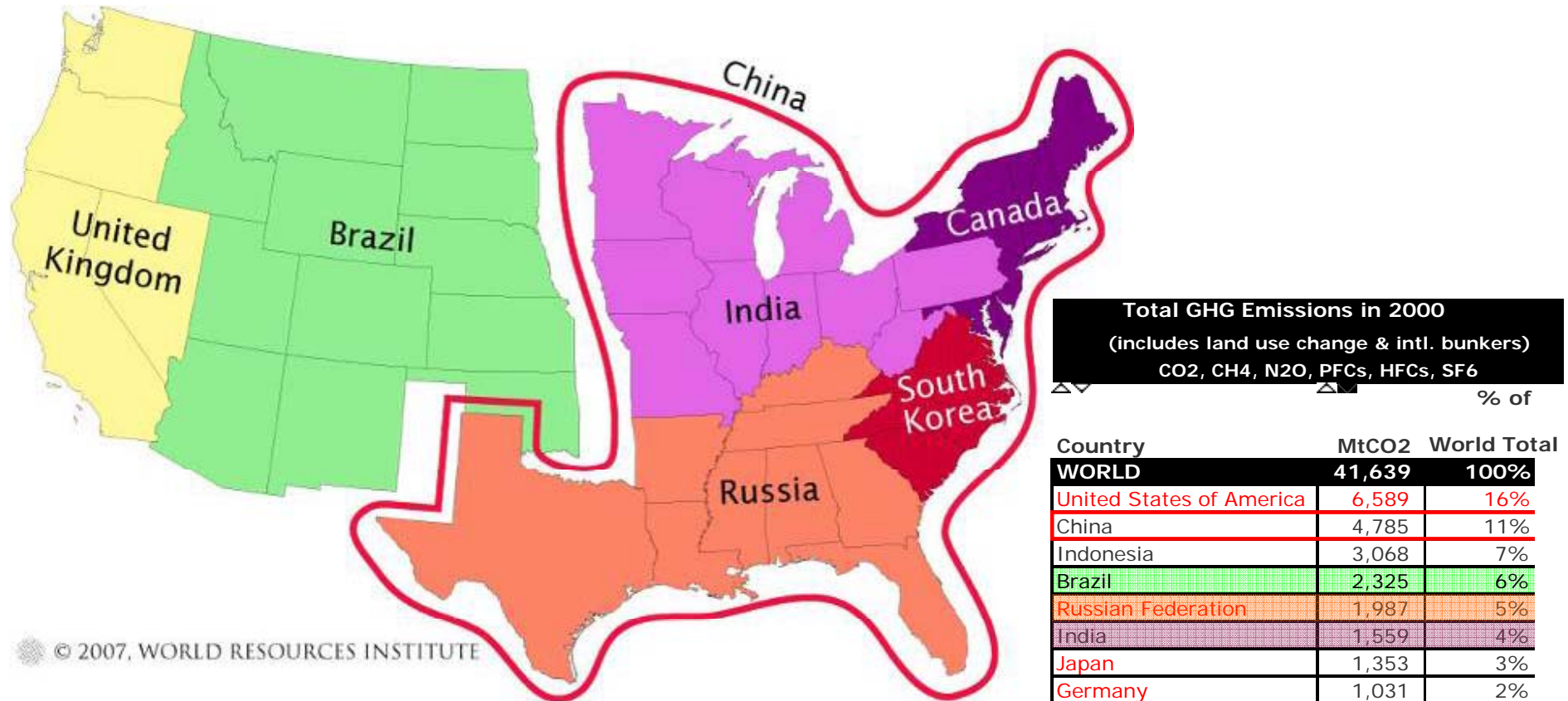
→ UNFCCC/COP-15 in Denmark

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 tCO₂e) 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!

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www.abemc.com