Brazil’s Nationally Determined Contributions
I. Key Sectoral Challenges

Paris Agreement: Brazil NDCs pledges and targets

• Brazil is one of few large developing nation that has pledged an absolute reduction in greenhouse gas (GHG) emissions:
  • By 2025: 1.3GtCO2 (37% reduction compared to 2005)
  • By 2030: 1.2GtCO2 (43% reduction compared to 2005)
  • Despite projected economic and populational growth!

• Critical sectors
  • Agriculture, land-use change and forestry
  • Emissions from energy (incl. transport), industry, agriculture and waste

• Good progress in forestry emission mitigation since 2005
  • WARNING: stabilization and increase in recent years
  • Budget cuts raise concerns about monitoring and enforcement

• Emissions in most sectors are expected to rise until 2030
  • Hydropower is being replaced by fossil fuel energy sources
  • Economic recession masks lack of efficiency in energy use
I. Key Sectoral Challenges

Much progress, but still many challenges ahead...

- **Deforestation**: can Brazil keep recent gains and achieve the “zero net deforestation” target and restore 12M Ha of deforested land by 2030?
- **Agriculture**: how to reconcile the objectives of growth in the agriculture sector with low-carbon agriculture, pasture restoration and zero deforestation?
I. Key Sectoral Challenges

Much progress, but still many challenges ahead...

• **Unique success**: Brazil decoupled GDP growth from GHG emissions, but can it be maintained?

• **Energy**: Given the challenges of hydropower expansion, how to maintain or increase the share of renewable in the power mix? What about impact of biofuels on land use and emission changes?

• **Transport**: What policies are needed to promote more efficient modal mix with lower emissions in Brazil?
  • Regional level: road transport vs rail and waterways
  • Urban: private vehicles vs public transport, walking and biking

• **Carbon pricing**: What instrument(s) would be most appropriate (taxes, cap-and-trade, credits) and what is the impact?
II. Policy Recommendations

Agriculture, land use change and forestry

• Improve agriculture and livestock productivity to reduce deforestation
  • Cattle ranching has great potential for further intensification
  • It could offer opportunity for soy expansion on existing pastures

• Investment and incentives for low-carbon agriculture, such as:
  • no-till agriculture, restoration of degraded pasture, integration of crops, livestock and forest, planting of commercial forests, biological nitrogen fixation and treatment of animal wastes.

• Better integration between rural credit and forest code
  • From production credit subsidies to performance based payments
  • Provide access to credit based on compliance with forest code
  • Integrate climate finance to subsidize low-carbon agriculture practices
  • Increase credit limits and amortization schedule for ABC

• Strengthen monitoring and enforcement capacity of federal and state level agencies
  • Cadastro Ambiental Rural (CAR) and Environment Regularization
  • Explore developing transparent pricing and trading mechanisms
II. Policy Recommendations

Mitigation options in the energy sector

• Complement supply-side investments in renewables with more incentives for demand-driven investments in energy efficiency
  • Stronger pricing signals (taxes, subsidies, etc) to improve efficiency
  • Leverage private investments to increase funding

• Support public sector in energy audits and provide access to financing for energy efficiency investments
  • Public buildings, vehicles, utilities and public lighting, etc. (e.g. FINBRAZEEC)
  • Potentially great savings in energy costs (fiscal benefits!)

• Support improvements in industrial energy efficiency
  • Remove energy subsidies, internalize environmental costs, provide targeted incentives and ensure ready access to financing

• Implement policies that increase the overall energy efficiency of regional and urban transport
  • Promote shifts of passengers and freight to more efficient modes (waterways, railway, etc).
  • Planning of TOD zones: compact, walkable and accessible communities
  • Incentives for clean technologies: standards, subsidies, performance contracts