



LIFE COASE

Workshop on the role of carbon markets in reaching carbon neutrality

17 - 21 June 2023

12:00-13:30 | Session 7: Legislation for carbon pricing

Presenter: Adriana I. B. S. L. Di Pasquale (University of Pisa, Federal University of Ceara)

Title: Enhancing Climate Policies Through The Implementation Of Regulated Carbon Markets In Brazil: Reflecting On Strategies For Closing The Policy-science Loop

Introduction: The rise in global temperatures in at least 1.5°C by 2050 will cause an inevitable increase in extreme climate events and will bring profound and negative changes to ecosystems and human beings. This is a part of the ongoing planetary environmental crisis that is spreading unlimitedly across the Earth, not only affecting the health of people or the world economy, but also impacting biodiversity and ecosystems. At the roots of the problem, the constant burning of fossil fuels led notably to the climate changes – or, more broadly, the climate emergency. The climate emergency is thus mainly related to the emission of greenhouse gases (GHG) that contribute to raise temperatures, leading to increases in extreme heat events (that have resulted in human mortality and morbidity), substantial damages, increasingly irreversible losses (in terrestrial, freshwater, cryospheric, and coastal and open ocean ecosystems), reduced food security and affected water security, hindering efforts to meet Sustainable Development Goals (SDGs). Without urgent, effective, and profound actions to mitigate and adapt to this emergency, its effects will continue to progressively aggravate. The mobilization of stronger and more ambitious climate actions is imperative to achieve the goal of climate neutrality – as established in the Paris Agreement. In this sense, in the Conferences of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC), more and more States are bringing up important advances in pending issues regarding the mechanisms of article 6 of the Paris Agreement, a tool that allows cooperation between different public and private actors for the purchase and sale of carbon credits. With the carbon market format defined in the article 6, new opportunities arising from these markets are being widely considered by companies and governments around the world alongside existing voluntary market initiatives and some regulated markets, mainly in the European Union (EU), in the United States of America (USA) and China. The common objective is simple: seek a new portfolio of sustainable investments that contribute to mitigating the effects of climate change and allow achieving ambitious targets for reducing GHG emissions. Since the newest Nationally Determined Contribution (NDC) of Brazil declares the country's commitment to reduce total net GHG emissions by 48.4% until 2025, by 53.1% until 2030 and ultimately achieving carbon neutrality by 2050, reaching these goals on time will be an enormous challenge. In this urgency to achieve “net-zero”, Brazil needs to advance in public policies involving all actors and stakeholders: there is a pressing need to close the loop between policy processes and scientific knowledge to promote the needed transformation towards a climate-neutral future. This paper, thus, discusses the nuances of implementing a carbon market in Brazil – a developing country with continental dimensions –, seeking to answer the following main question: what are the prospects for implementing a regulated carbon market in Brazil and how could this support the



LIFE COASE is co-financed by the LIFE Programme of the European Union.

ROBERT SCHUMAN CENTRE

country's socioeconomic development? In trying to answer it, the study is divided into two sections. In the first one, the main climate policies of Brazil are analysed, focusing on the stages of the legislative process until the implementation of the future Brazilian carbon market; and, in the second section, reflections are presented on the best practices observed in the country when it comes to carbon pricing: from the absence of a nationally consolidated rule to the actions of subnational entities. Finally, it is concluded that since the process of implementing a regulated carbon market is not yet complete, many questions are left open, but it is undeniable that relevant climate actions are already underway.

Webpage and programme [here](#).