CLIMATE CHANGE

# FOR A NEW ECONOMY

To contain climate change and ensure sustainable development, the global economy needs to be transformed. Various actors including governments, companies, and social organizations have sought to create mechanisms that will make these changes possible.

## At the **CORPORATE LEVEL**

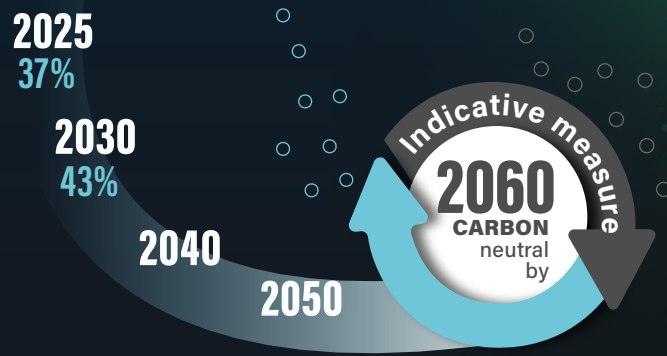
Voluntary carbon markets and investment criteria linked to reducing emissions are gaining ground; these include green bonds, direct investments, and company rankings.

## At the **MULTILATERAL LEVEL**

This has the greatest potential to construct global instruments. At COP-26, governments will have the opportunity to reach a consensus on Article 6 of the Paris Agreement, which regulates a new carbon market derived from the current CDM. This mechanism may apply to all countries through carbon transactions between governments (Article 6.2) or directly involving projects in the private sector (Article 6.4).

## BRAZILIAN NDC

Reduce emissions compared to 2005.




## The Potential for BRAZIL

In order to play a leading role in these efforts, the country needs to overcome significant challenges, especially in the fight against illegal deforestation.

**+ 2 MILLION** in **JOBS**

**+ US$ 533 BILLION** in the **BRAZILIAN GDP**

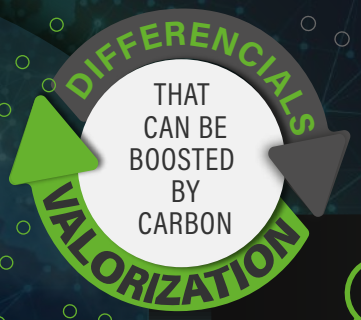
* Potential of the new carbon market in 10 years.
Source: World Resources Institute (WRI) Brazil
* calculated on august/2021 currency

### IT'S IMPORTANT

to have suitable economic instruments to support all these practices and for Brazil's contribution to become increasingly relevant, generating competitive differentials for the national economy.

CARBON MARKETS and GREEN FINANCE arrangements are some examples of these instruments.

Recognizing PLANTED FORESTS as a mechanism for removing and neutralizing carbon is fundamental.




### ENERGY MATRIX

**46%** RENEWABLE one of the most renewable in the world; the global average is 14%.

### GREEN AGRIBUSINESS

with emphasis on the planted tree sector (see more on the other side): the private sector removes carbon from the atmosphere and stores it via sustainable forest management and maintenance and restoration of areas, as established in the Brazilian Forest Code.

### EFFICIENT INDUSTRY

emissions for various Brazilian products are lower than the global average.

### AMAZON RAINFOREST

an important carbon sink.

# THE BRAZILIAN TREE INDUSTRY

## AGRIBUSINESS OF THE FUTURE. SUSTAINABLE TODAY.

### PLANTED TREES

are the future of raw materials that are renewable, recyclable, biodegradable, and friendly to the climate, biodiversity, and human life.

This sector is one of the key players in facing and adapting to climate change, especially in reducing emissions and removing more greenhouse gases, from planted trees to final products.

This industry already has relevant experience in the current market mechanisms: the Kyoto Protocol CDM and green finance instruments.

This potential can also be expanded through economic instruments that can internalize economic value in investment decisions, especially through carbon market mechanisms such as cap and trade systems or project-based mechanisms, as described in Article 6.4 of the Paris Agreement.

**2,6** BILLION tCO2 eq stored in 6 million ha in native forests.

**1,88** BILLION tCO2 eq stored in 9 million ha of planted trees.

**TOTAL STORED**

**4,48 >** BILLION tCO2 eq than Brazilian's emissions in a year, which are estimated at.

**1,47** BILLION tCO2 eq

Source "Fourth National Communication of Brazil to the UNFCCC"

### ACTIONS BY AREA

| REMOVE AND STORE CARBON | | EMISSIONS AVOIDED | CARBON STORED |
|---|---|---|---|
| Planted Forests | Preserved Forests | Industry and Energy | Forest Products |

### CARBON RESERVOIRS

| Books | Table | Charcoal |
|---|---|---|
| 45% | 47% | 85% |

**1** ton of wood = **470** Kg of carbon stored

### BIOPRODUCTS

**5 THOUSAND** renewable, recyclable, and mostly biodegradable bioproducts

**NEW USES**
Replace fossil sources

### STEEL MANUFACTURING

use of renewable charcoal helps avoid emissions from fossil or non-renewable sources.

**90%** of the energy matrix in the sector is renewable. x **46%** of the Brazilian energy matrix is renewable.

**78,8** million GJ produced by the sector in 2019. = **80%** of the electricity consumed by the city of Sao Paulo.

**35%** of Brazilian green bonds are from this sector.

The Brazilian Tree Industry (Ibá) represents nearly 60 companies and state entities for industrialized products originating from planted trees. This sector represents 1.2% of Brazil's entire GDP, and employs 1.3 million people in more than 1000 municipalities across the country, bringing together rural and industrial settings.

ibá
brazilian tree industry