



Journey of Natural Climate Actions in Brazil | Action in the Amazon

CEBDS (Brazilian Business Council for Sustainable Development) is the representative body of the WBCSD in Brazil and currently has more than 112 associated companies, representing approximately 50% of Brazil's GDP.

Given its strategic importance within the global climate agenda, CEBDS is actively engaged in developing a specialized agenda for the Amazon Biome through its dedicated Working Group—the Council's exclusive territorial initiative. The Working Group boasts over 70 registered companies spanning various sectors.

In our commitment to catalyze collective action in the region, we embarked on a collaborative journey with companies this year, focusing on Natural Climate Solutions and emphasizing participation in the Voluntary Carbon Market.



Natural Climate Solutions can provide 37% of the emission reductions needed to limit global warming to 2°C.

Source: Natural climate solutions, by TNC in the Annals of the National Academy of Sciences.



Brazil accounts for 15% of the global carbon capture potential through natural means – 80% through restoration.

Source: Mackinsey - Voluntary carbon market has huge potential in Brazil



NBS is strategic for Brazil, as emissions from deforestation and agriculture represent 75% of the country's emissions (SEEG 2023). This means that, for Brazil, the main climate change mitigation strategy is NBS and, for this to be effective, we need the market.

With the technical support of strategic partners, in 2023, the path began with the WG organizations using the “Buyer's Guide to Natural Climate Solutions Carbon Credits” as a working methodology. Launched by the Natural Climate Solutions Alliance – NCSA, the guide has the objective of providing a step-by-step guide for those responsible for purchasing so they can identify and acquire carbon credits.

At the beginning of this path:



At the beginning of the journey, despite having limited knowledge of NCS, more than 90% of participating companies demonstrated interest in the Voluntary Carbon Market, according to a study carried out by the WG.

With respect to the panorama of companies in the procurement of Natural Climate Solutions, we identified that:



Most companies already have emissions inventories and have already acquired credits to neutralize products and events.



Most participating companies already have teams and budgets dedicated to the agenda which are required to present concrete decarbonization plans, in addition to purchasing credits.



More than 70% of participating companies indicated that they have a net zero public commitment aligned with the Paris Agreement, such as SBTi.

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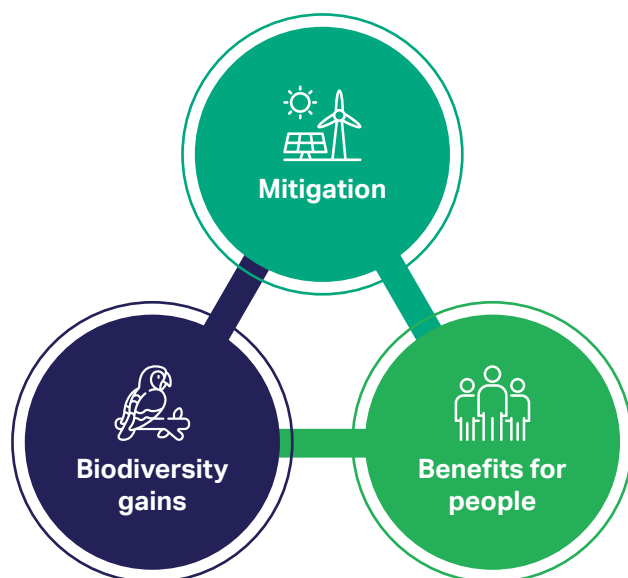
IN BRAZIL:

The Brazilian voluntary carbon market has great prospects, given the country's vast biodiversity and its capacity to sequester carbon with its forests, especially the Amazon. According to data from McKinsey, Brazil's potential in the carbon credit market is one of the largest in the world, potentially generating up to 15% of the global supply.

According to a study by IPAM on forest carbon projects in the Brazilian Voluntary Market at the VERRA/VCS base in the Amazon, they have revenue projections of approximately USD 180 million per year across 115 projects.

The major challenge is in acquiring credits that satisfy quality and integrity criteria, especially in Brazil, as it suffers from ongoing deforestation, especially in the Amazon. The environmental policies are not always effective in protecting forests, thus representing a risk to the credibility of carbon projects.

It is necessary to ensure that NCS meet the triple objectives of climate change mitigation, biodiversity gains and benefits for people.



QUALITY AND INTEGRITY CRITERIA

Enabling elements identified by experts and key stakeholders: re.green, IPAM (Amazon Environmental Research Institute), IDESAM, VCMi (Voluntary Carbon Markets Integrity Initiative) and indigenous representatives



Consultation practices and engagement with local stakeholders, especially with non-land-owning communities that access, exploit or use the land and that could be negatively impacted in some manner.



Creative and complementary methodologies to expand access to the market through collective territories, such as associations.



Inclusion of representatives of **indigenous and traditional communities in the verification and technical validation processes** of carbon projects.



Mandatory Free, Prior and Informed Consultation, according to ILO convention 169, as well as co-creation and facilitation in local dialogue processes.



Prioritization of restoration in areas that have been degraded **for at least 10 years, mitigating the risk of overlap with traditional areas.**

HIGHLIGHTS:



The need to implement a new forest-based economy in the Amazon as a financially viable alternative to deforestation, as well as the need to develop creative solutions;



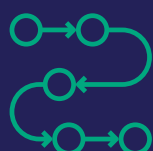
Maintaining perspective with respect to the super-objectives (or highest goals) of carbon projects, namely, reducing the problem of climate imbalance and improving people's lives, especially combating poverty and improving income distribution;



The VCMi commissioned a series of studies to better understand whether there would be a significant gain if companies used credits as intermediate, complementary or transitional solutions to promote their internal decarbonization goals;



Emphasis on the harassment by unreliable companies that mislead communities, leaving them fearful, vulnerable and in need of more knowledge.



NEXT STEPS

As next steps, the WG companies should define a region for joint action and the quality and integrity criteria to be considered in this project. The expectation is that the WG actions will have a positive impact on the region and set a good example, potentially attracting more investors to the region.