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**NDC and the carbon trick
maneuver:
how Brazil reduced the
ambition of its goals under the
Paris Agreement**

ANALYSIS

December 10, 2020

Highlights

Brazil's updated NDC in the Paris Agreement:

- **Increases by 400 million tons of CO₂ equivalent the level of emissions allowed by 2030** compared to the indicative target submitted in 2015;
- **Increases by 460 million tons of CO₂ equivalent the level of emissions allowed by 2025** compared to the target pledged in 2015, which violates the very terms of the Paris Agreement;
- **Allows deforestation in the Amazon to remain** at high levels, meeting the target nonetheless;
- With this, the country probably **becomes the only case in the world of a large emitter that reduces the ambition of its pledge** after the adoption of the Paris Agreement, betraying the wording and the spirit of such treaty.

1 - NDC AT TWO TIMES: 2015 and 2020

On December 9, Brazil registered with the United Nations Framework Convention on Climate Change (UNFCCC) an “update” of its Nationally Determined Contribution (NDC). The Brazilian NDC represents the goal that the country offers as its contribution to the target of the Paris Agreement to stabilize global warming at less than 2°C, making an effort to stabilize it at 1.5°C. The original target had been presented on September 27, 2015 by then President Dilma Rousseff at the UN headquarters in New York. Such document:

- Represented a pledge by Brazil to reduce its greenhouse gas emissions by 37% by 2025, compared to 2005 levels.
- It also had an indicative reduction target of 43% by 2030, compared to 2005 levels.
- It did not condition the achievement of the goal to any external funding.

The NDC also included an attachment, “for clarification purposes only”, in which it presented policies and measures that could help meet the goal - including zeroing illegal deforestation in the Amazon in 2030, recovering 15 million hectares of degraded pastures and reaching a level between 28% and 33% of non-hydro renewable sources in the national energy mix.

The same attachment translated the target into carbon dioxide equivalent emissions:

“This contribution is consistent with emission levels of 1.3GtCO₂e (GWP-100; IPCC AR5) in 2025 and 1.2GtCO₂e (GWP-100; IPCC AR5) in 2030, corresponding, respectively, to reductions of 37% and 43%, based on the 2005 emissions level of 2.1 GtCO₂e (GWP-100; IPCC AR5).”

According to Article 23 of Decision 1/CP.21, which adopted the Paris Agreement, countries that had submitted targets for 2025 were required to, by the end of

2020, present a “new” NDC¹. The same decision, in its article 35, also invited countries to present, by 2020, their “long-term strategies, for the middle of the century, of development with low emissions of greenhouse gases”. The updated NDC proposal submitted by Brazil in 2020 is a one-page document with an eight-page information annex. The document has two goals:

- It confirms the commitment made in 2005 to reduce emissions by 37% in 2025 and formalizes the indicative target of 43% cut by 2030;
- It brings an “long-term indicative goal” of achieving carbon neutrality by 2060. It warns that the development of a long-term strategy “will depend on the operation of the carbon markets proposed in the Paris Agreement”. Right from the outset, therefore, Brazil does not comply with the Paris Agreement invitation to deliver a long-term strategy in 2020.

The attachment to the NDC also states that,

“For reference purposes, the level of emissions of greenhouse gases for the base year is registered in the current inventory as per the “Third National Communication from Brazil to the United Nations Framework Convention on Climate Change”, submitted on 20 April 2016.”

2 – The Problems with the NDC

2.1 - The CARBON “TRICK MANEUVER”

The goal proposed by Brazil does not change the percentage mitigation pledge. Only the baseline has changed – and by quite a lot. The Third National Inventory², by improving the methodology for estimating emissions from land use in the country, ended up significantly increasing net emissions in the base year of 2005: from 2.1 billion tons of carbon dioxide equivalent (GtCO₂e) to 2.8 GtCO₂e, measured in global warming potential (GWP) and according to the emission factors the IPCC Fifth Assessment Report (AR5).

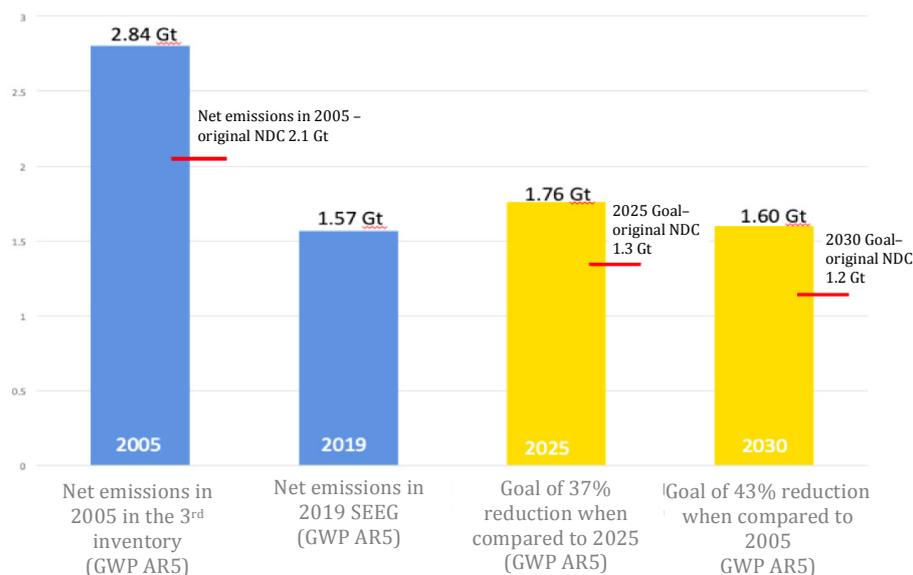
Applying the same 43% reduction proposed in the 2015 indicative target to this higher baseline, the conclusion is that emissions in 2030 would be 1.6 GtCO₂e. In other words: Brazil's pledge means **reaching 2030 by emitting around 400 million tons of CO₂ equivalent more** than what had been indicated in 2015. To give an idea of what this means, this is the total limit of net emissions proposed by Observatório do Clima as a feasible goal for Brazil in 2030³ and corresponds to almost all emissions from energy use in the country in 2019⁴.

¹ <https://unfccc.int/resource/docs/2015/cop21/eng/10a01.pdf>

² <http://www.ccst.inpe.br/publicacao/terceira-comunicacao-nacional-do-brasil-a-convencao-quadro-das-nacoes-unidas-sobre-mudanca-do-clima-portugues/>

³ <http://www.oc.eco.br/proposta-observatorio-clima-para-2a-contribuicao-nacionalmente-determinada-brasil-no-ambito-acordo-de-paris/>

⁴ <http://www.observatoriodoclima.eco.br/seeg-8-analise-das-emissoes-brasileiras-de-gases-de-efeito-estufa-e-suas-implicacoes-para-metas-de-clima-brasil-1970-2019/>



The emission limit for 2025 is also significantly increased: from 1.3 billion to 1.76 billion tons of CO₂e, which actually represents a step backwards in relation to the NDC previously assumed. This is a violation of the principle of no-regression in the Paris Agreement.

The change in methodology is normal at the UNFCCC and national targets should always consider the most recent inventories. However, in order to maintain the same absolute level of emissions indicated in 2015, Brazil should adjust its NDC percentage reduction to 57%. **In deciding to ratify the 43% cut proposal, the Brazilian government is, in practice, committing to less robust mitigation efforts** and a less ambitious goal from the point of view of the atmosphere. **This amounts to a “trick maneuver”** - an accounting trick to disguise an unsustainable fiscal situation - in direct conflict with the spirit of the Paris Agreement, which provides for successive increases in ambitions.

The 2030 target, needless to say, is not in line with the objective of stabilizing the Earth's warming at 1.5°C either, or with the most recent scientific recommendations stated in the SR15 report, of the Intergovernmental Panel on Climate Change. It is qualified by the Climate Action Tracker as “insufficient”, i.e., if all countries had the same level of ambition as Brazil, the planet would undergo climate warming between the 2° and 3° by the end of the century.

2.2 – MAINTENANCE OF DEFORESTATION

The level of emissions included in the 2030 target, i.e., 1.6 billion tons of CO₂e, is practically the same as the level verified by SEEG (System of Estimates of Greenhouse Gas Emissions of Observatório do Clima) for 2019. SEEG estimated for the last year net emissions of 1.57 billion tons of CO₂e (see graph above).

In 2019 the deforestation rate in the Amazon was 10,129 km². **This means that the 43% reduction target in relation to 2005 could be achieved even with immoral values of deforestation in the Amazon** - well above the 3,925 km² that the country committed itself to in the National Policy on Climate Change and that it failed to meet (this noncompliance motivated an action filed before the

STF against the federal government, by seven opposition parties). In 2015, the NDC attachment contained an unofficial commitment, mentioned only “for the purpose of clarification”, but assumed internally by the Ministry of the Environment as a public policy goal, to stop illegal deforestation in the Amazon by 2030. As there are no binding targets of reduction in deforestation neither in the 2015 NDC nor in the 2020 update, **the Brazilian target allows the continuation of the devastation of the Amazon**, the main factor responsible for greenhouse gas emissions in Brazil.

2.3 – FOREST BLACKMAILING

On the last page of the attachment to the updated NDC proposal, the government makes two exotic statements about carbon markets and the long-term indicative target:

“Brazil considers it essential that the negotiations on Article 6 of the Paris Agreement be concluded promptly and that the sustainable development mechanism (SDM) provided for under Article 6, paragraph 4 of the Agreement be operationalized as soon as possible (...) in the event of a failure to conclude the negotiations and regulation of Article 6, the entire architecture of the Paris Agreement would be seriously jeopardized, to the detriment of the implementation of its objectives.”

“As of 2021, Brazil will require at least US\$ 10 billion per year to address the numerous challenges it faces, including the conservation of native vegetation in its various biomes. Further decisions regarding Brazil’s indicative long-term strategy, especially the definition of the final date to be considered to this end, will take into account financial transfers to be received by the country. Although the Federal Government currently considers achieving carbon neutrality in 2060, the proper functioning of the market mechanisms under the Paris Agreement might justify considering a more ambitious long-term objective in the future, having as a time horizon, for instance, the year 2050.”

Both statements part with the diplomatic language of the rest of the NDC and sound like threats to the international community. In the first statement, Brazil states that the continuity of the Paris Agreement and the implementation of its objectives are conditional on the approval of Article 6.4 of the Paris Agreement. Brazil has practically been the only obstacle to the regulation of this text, as it opposes, almost in isolation, to the so-called “corresponding adjustments” of carbon credits sold under the so-called Sustainable Development Mechanism, proposed in the article. Even though the 2030 goal is not explicitly conditional on the contribution of external resources, linking the continuity of the agreement to the regulation of a market mechanism is an unprecedented move, which can be read as a condition imposed for the achievement of any Brazilian goal.

In the second statement, the Brazilian government seems to blackmail other countries by saying that it requires “at least US \$ 10 billion a year” to conserve its biomes. The corollary of such statement is that, in the absence of payment, the country will not conserve its biomes - therefore, it will continue to emit greenhouse gases, since deforestation in the Amazon and the Cerrado accounts for 44% of national emissions. Such requirement was not made in 2015, when the NDC was submitted. At that time, Brazil committed itself to reduce emissions, mainly due to land use, enforcing domestic legislation, especially the Forest Code, using its own resources.

Even more serious than the demand for excessive funds (this coming from an administration that is being sued in the Supreme Court for having frozen R\$ 2.9 billion from the Amazon Fund) is what the administration is offering in return: if the other nations pay today, Brazil “may consider” stopping deforestation in its biomes by 2050 instead of by 2060. For a country that, five years ago, expected to end all illegal deforestation in the Amazon by 2030, this is an unacceptable setback.

Thus, the NDC increases Brazil's isolation in international climate negotiations by moving the Country away from the goal of increasing ambitions, as advocated by science. Such increased ambitions are now beginning to be announced by other major emitters.