Design Elements of Brazil's Framework for Article 6 Implementation



Secretaria Nacional de Mudança do Clima

MINISTÉRIO DO MEIO AMBIENTE E MUDANÇA DO CLIMA

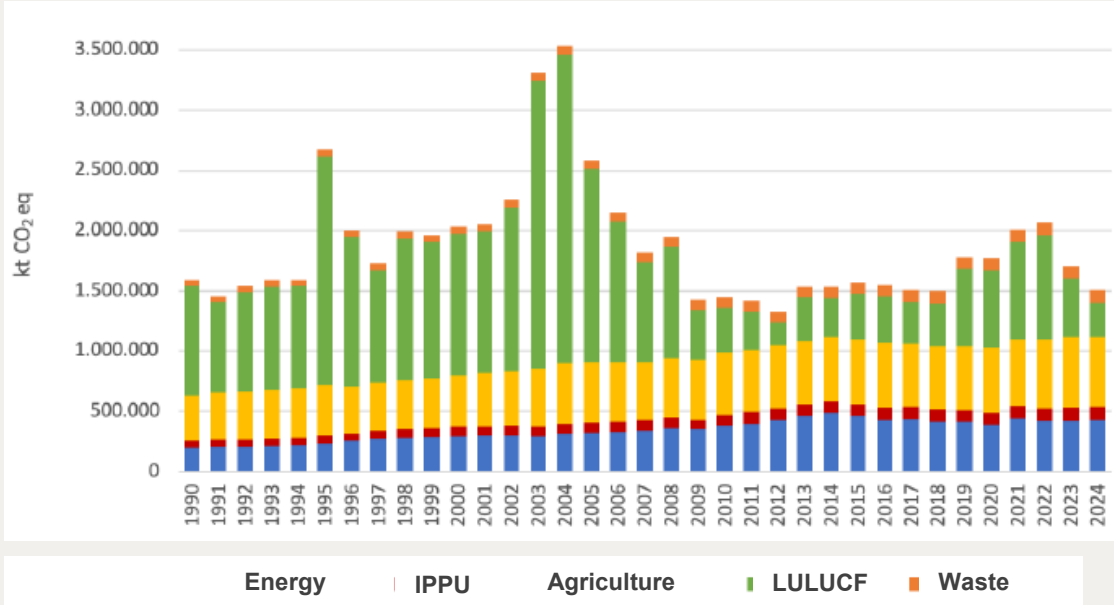
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Oportunity for Brazilian Engagement on Article 6

- At present, Brazil is on track to meet its 2025 NDC target

  ✓ Deforestation in the Amazon has fallen by approximately 56% since its most recent peak in 2011; data continue to indicate a reduction in deforestation in 2026.

- This presents as an opportunity for new projects, based on authorized ITMOs, to generate additional emission reductions and removals, thereby driving the achievement of future NDCs.



Guiding Principles

- Environmental and climate integrity;
- Contribution to the fulfillment of the Brazilian NDC;
- Cautious approach;
- Fair sharing of benefits;
- Transparency and traceability;
- Predictability and legal certainty.

Elements of Design

- Pre-defined amount for each NDC's implementation period
- List of eligible activities, with defined priorities for the 2026-2030 period
- Amount allocation in two different modalities
- Issuance of Authorization Letters
- ITMOs transfer from National Central Registry
- Application of Corresponding Adjustment

Pre-defined Amount for each NDC's implementation period

2026 - 2030	50 $MtCO_2e$
2031 - 2035	100 $MtCO_2e$
2035 - 2040	Future NDCs and Resolutions

(...)

Review Mechanism

1. Country's net GHG emissions trends National Inventory
2. Estimates of mitigation outcomes resulting from programs or projects derived from Cooperative Approaches
3. International transfers of mitigation outcomes that have taken place

List of Eligible Activities

Activities must:

- contribute to the implementation of National Policy on Climate Change;
- generate social, environmental or economic co-benefits;
- promote sustainable development, just transition and climate justice;
- demonstrate that it is a high mitigation costs;
- contribute to government programs that reduces or removes GHG emissions;

List of Eligible Activities

To be prepared next year

Priorities for 2026 - 2030

- native vegetation recovery and other removals resulting from nature-based solutions or capture and storage of biogenic carbon dioxide; and
- capture, controlled burning or energy use of methane from landfills and other reductions in biogenic methane emissions.

Risk Management Mechanism

- Rule of thumb: 50% of authorization for the mitigation results generated annually during the period covered by the Allocation Resolution.

- The other 50%: Ownership remains with the holder, who is free to trade it nationally or internationally, as long as it does not require a corresponding adjustment

- Exception Rule (100% authorized):

  Activities for the recovery of native vegetation undertaken in public or private areas located:

  I — within or adjacent to Conservation Units, indigenous lands, or quilombola territories;

  II — in Priority Areas for Biodiversity Conservation, Sustainable Use, and Benefit-Sharing; or

  III — in water source protection and recovery areas.

*additional to the obligations of environmental regularization Law (No. 12,651/2012)

Final Message

- *The proposed framework operationalizes Article 6 in Brazil by defining priority activities, conditions and criteria for ITMOs authorization.*
- *Accordingly, Brazil's participation in Article 6.2 should complement domestic policies and measures—particularly those outlined in the Climate Plan, the Federal Government's primary instrument for addressing climate change.*
- *ITMOs authorized by Brazil will follow a cautious approach, balancing predictability and favorable conditions for investment in projects with the country's ability to meet its NDC.*

Thank You.

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