

Brazil Gets Ready to Sell Carbon Credits

Contributed by Vitor Abdala
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The Brazilian Carbon Credits Market should begin activities in the second half of this year. The enterprise, which is being organized by Brazil's Ministry of Development, Industry, and Foreign Trade, together with the BM&F (Bolsa de Mercadorias e Futuros - Commodities and Futures Exchange) will contribute to the reduction of greenhouse gas emissions into the atmosphere.

This action is in response to the Kyoto Protocol, since companies can use the market to sell quotas corresponding to the gases they fail to emit.

According to Virgílio Gibbon, the economic consultant responsible for the Carbon Credits Market project, the market should function in the Rio de Janeiro Stock Exchange.

"The Market project should be ready by this June," he said. International trade in carbon credits, of which the Carbon Credits Market is a part, will operate as follows:

The Kyoto Protocol establishes that the most developed countries should reduce their greenhouse gas emissions by 5.2% between 2008 and 2012. The reference amounts are the indices registered in 1990.

Since it will be very expensive for industries in these countries to restructure themselves in order to reduce pollutant gas emissions, they will be allowed to "buy" quantities of carbon that fail to be produced by other signatory countries of the Kyoto Protocol.

This includes Brazil, which like other developing countries, is not obliged to reduce its gas emissions at this stage, even though it is already doing so. .

The companies that develop projects to reduce the emissions of gases into the atmosphere will be eligible to receive certificates from the Kyoto Protocol executive committee and sell them on the Carbon Credits Market.

Businessmen from developed countries that are unable to meet the 5.2% reduction target will be able to buy the "non-emission of carbon" quotas from other companies on the Brazilian Carbon Credit Market.

Translation: David Silberstein
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