



# CAPACITY BUILDING: Opportunities and Challenges in Brasil

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# Dimensions of the Current Dilemma

- ◆ GHG buildup continues and accelerates
- ◆ Climate Convention ratified, KP not yet
- ◆ Global economy is softening
- ◆ International financial support for environmentally sound, developmentally-oriented projects is declining



# The Challenge for Brasil

- ◆ To understand the Brazilian contribution to GHG emissions and Brasil's vulnerability to climate change
- ◆ To integrate considerations of climate change into national development strategies
- ◆ To reinforce existing and emerging relationships and to enhance local capabilities in support of sound and sustainable patterns of national economic development



# Opportunities for Project-Based Activities

- ◆ Exist at all levels of scale
- ◆ Are emerging in all major sectors of the economy
- ◆ Can capture multiple benefits in support of national development priorities



# Illustrations of Emerging Opportunities

- ◆ Small scale: PRODEEM-BP project to put solar electricity in 1200 rural schools and health posts
- ◆ Medium scale: PLANTAR Pig Iron project to produce charcoal for steel production
- ◆ Large scale: Reinforce national program to use alcohol in vehicles



# Simple, practical steps to move forward

- ◆ Capacity-building targeted on the financial sector to familiarize public and private actors with special needs of projects with multiple objectives
- ◆ Reinforcing of Brazilian firms to act as monitors, evaluators, certifiers of project performance
- ◆ Training of a new cadre of managers for these projects



# Where can the money for capacity building come from?

- ◆ From international agencies and institutions, e.g., GEF, PCF
- ◆ From the multilateral development banks
- ◆ From bilateral aid agencies
- ◆ From private firms and private capital markets
- ◆ From national and state financial institutions (BNDES?, FAPERJ?)



# Why should project-based activities come to Brasil?

- ◆ Large potential markets
- ◆ Potentially useful trade relationships
- ◆ Large quantity of trained professionals
- ◆ Innovative approaches to financial engineering
- ◆ Local capacity to provide credible monitoring and reporting

