



INTERNATIONAL WORKSHOP ADVANCES IN CLEANER PRODUCTION

"KEY ELEMENTS FOR A SUSTAINABLE WORLD: ENERGY, WATER AND CLIMATE CHANGE"

Investing in Clean Development Mechanism (CDM) Projects

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Abstract

The discussion about the Clean Development Mechanism (CDM) began with the effects of global warming and its consequences. Al Gore who produced *An Inconvenient Truth*, which was granted the Oscar of Best Documentary in 2007, kept the flag of climate defender flying. 2005 International Energy Agency Statistics show that developed and developing countries like the United States (21.4%), Japan (4.5%), China (18.7%), Russia (5.7%) and India (4.%) are responsible for just about 55% of the global CO₂ emission. Apparently, no one is discussing the need for radical measures aiming to reduce the emission of Greenhouse Gases (GHG). Bjorn Lomborg, in his 2007 book *Cool It*, questions the practicality of CO₂ reduction with respectable economic arguments; he recognizes the problems, but questions the way to face them and the Kyoto Protocol (KP) itself. In this context Brazil appears as a bastion with a very small contribution of just 1.2% of the global CO₂ emission, especially considering its vast territorial extent. The main contribution of this research is to answer the following questions: CDM projects are profitable? What is the role of Brazil in reducing GHG emission? What is the future of the market for carbon credits after Kyoto?

Keywords: Clean Development Mechanism (CDM), Greenhouse Gases (GHG), Kyoto Protocol, CO₂ emission, Carbon Credits (CC)
