

# Landscape of Climate Finance in Brazil 2023



CLIMATE  
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INITIATIVE





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The **Landscape of Climate Finance in Brazil** offers the most comprehensive picture of climate finance flows in the country, providing critical insights into the resources directed toward tackling climate change.

As Brazil works to mobilize critical capital to achieve its climate and development goals, this report establishes a baseline to:

- Track trends in climate finance over time;
- Guide investment into priority areas;
- Support coordination between public and private actors; and
- Improve the targeting and efficiency of existing resources.

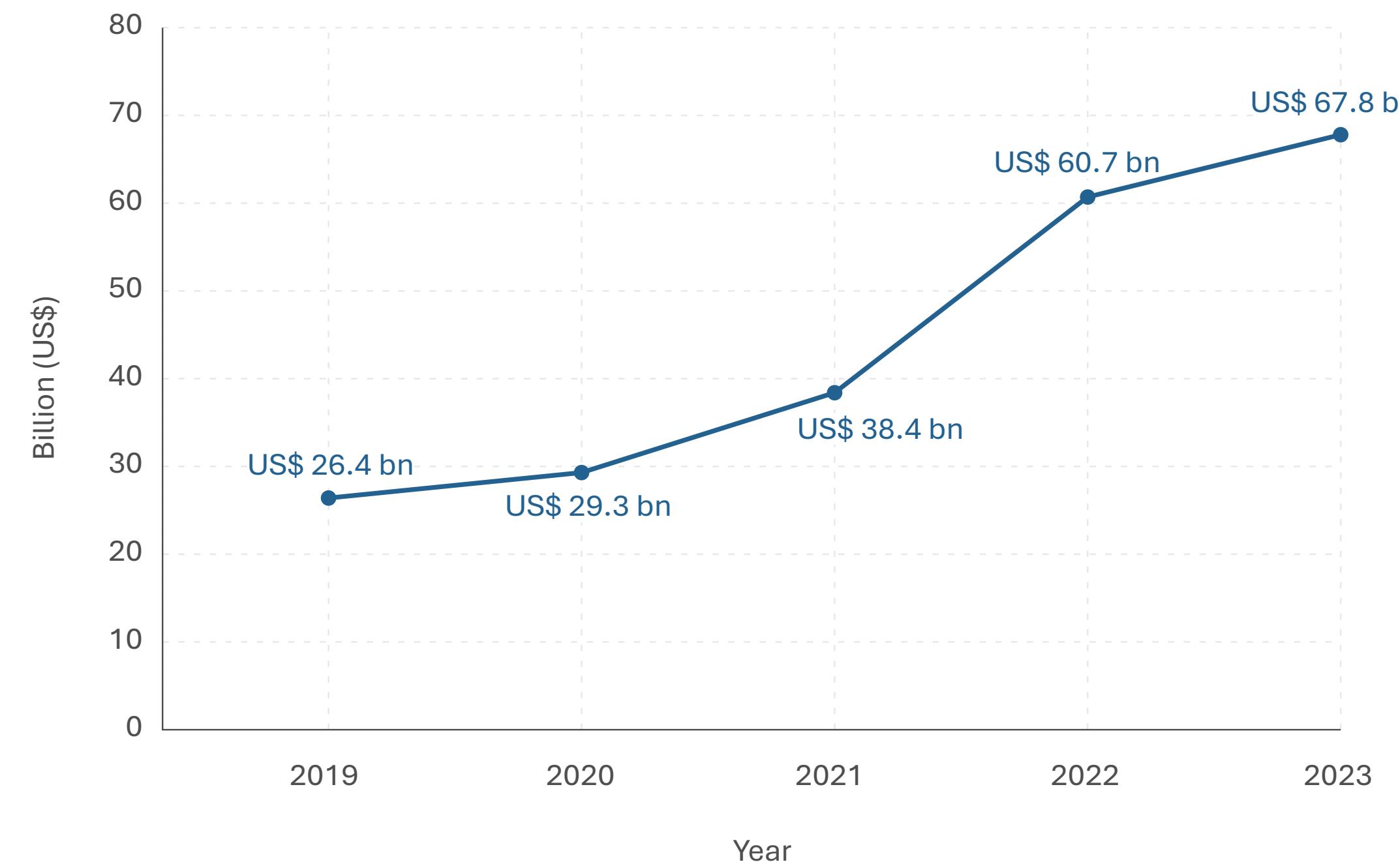
The analysis maps **climate-aligned financial flows** from domestic and international sources between **2019 and 2023**, detailing the **actors involved, financial instruments used, sectors supported and climate objectives pursued**.

An aerial photograph of a rural landscape. The foreground is dominated by a large, green, hilly field with distinct, parallel rows, likely a crop like soybeans. A narrow, dark red path or stream bed cuts through the center of the hill. To the right, a large, dark brown plowed field with similar row patterns extends towards the horizon. A dense, green forest line runs horizontally across the middle ground, separating the fields. The background shows a vast, flat landscape with more fields and a distant treeline under a clear blue sky.

# Key Findings

# Climate finance in Brazil has more than doubled since 2019, reaching US\$ 67.8 billion in 2023

Evolution of Climate Finance in Brazil, 2019-2023



Source: CPI/PUC-RIO with data from Bloomberg New Energy Finance—BNEF (2024), Climate Funds Update via ODI/HBF (2024), IJ Global (2024), OECD-DAC Creditor System (2024), World Bank Private Participation in Infrastructure—PPI (2024) and surveys with DFIs,\* IDFC members, SICOR/BCB (2025), SIOP/MPO (2025), MAPA (2025), BNDES (2025), MME, B3 (2025), 2025

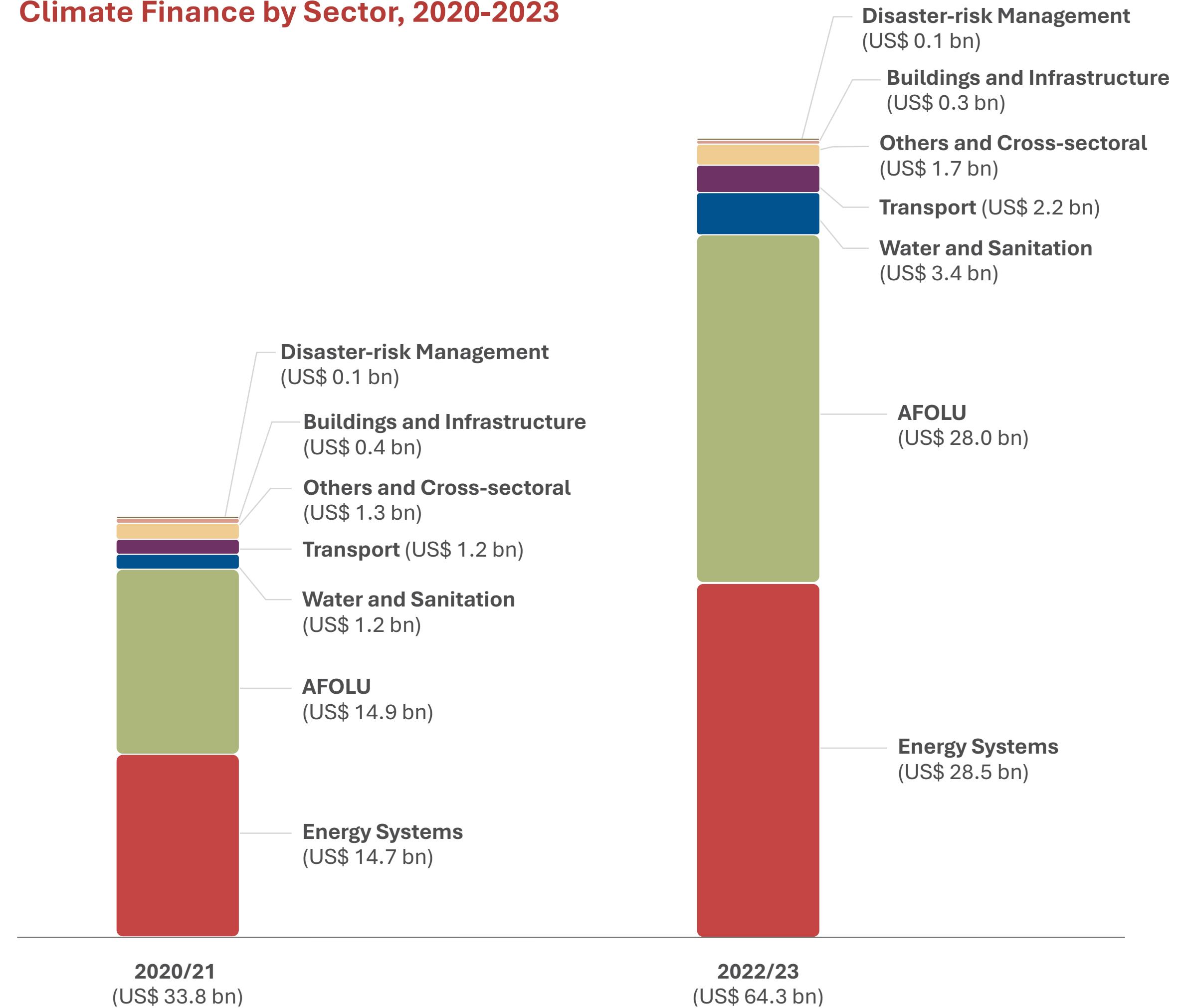
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# Investments in energy systems and AFOLU drove growth in total climate finance from 2020/21 to 2022/23

The growth in climate finance for energy systems reflected a **boom in solar energy**, increasing from US\$ 9.5 billion to US\$ 22.4 billion.

Increased finance for **sustainable crops, agro-forestry, and livestock production** nearly doubled climate finance for **AFOLU** from US\$ 14.9 billion to US\$ 28 billion.

## Climate Finance by Sector, 2020-2023



Source: CPI/PUC-RIO with data from Bloomberg New Energy Finance—BNEF (2024), Climate Funds Update via ODI/HBF (2024), IJ Global (2024), OECD-DAC Creditor System (2024), World Bank Private Participation in Infrastructure—PPI (2024) and surveys with DFIs,\* IDFC members, SICOR/BCB (2025), SIOP/MPO (2025), MAPA (2025), BNDES (2025), MME, B3 (2025), 2025

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# Climate Finance in Context

While tracked climate finance in Brazil was comparable to, or exceeded, that in similar emerging economies, when set in domestic perspective—relative to the overall size of the Brazilian economy—tracked climate finance was equivalent to only 3% of GDP in 2021/22 (period for which comparable data are available).

## Brazilian Climate Finance in Context

Green finance in India  
(2021/22)



US\$ 65.0 bn

Climate finance in Brazil  
(2021/22)



US\$ 49.6 bn

Climate finance in South Africa  
(2019/21)

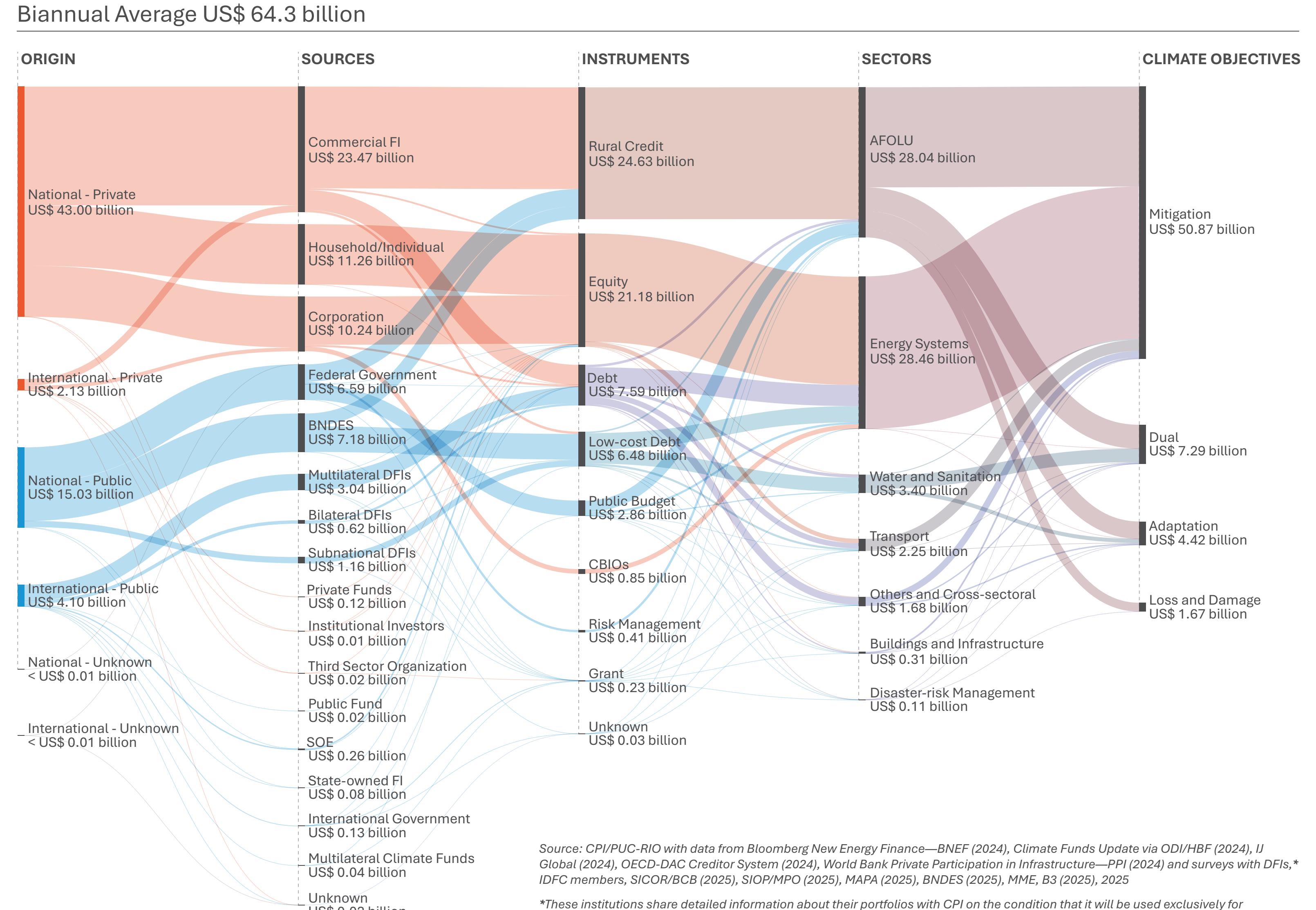


US\$ 8.8 bn

Source: CPI/PUC-RIO with data from Bloomberg New Energy Finance—BNEF (2024), Climate Funds Update via ODI/HBF (2024), IJ Global (2024), OECD-DAC Creditor System (2024), World Bank Private Participation in Infrastructure—PPI (2024) and surveys with DFIs,\* IDFC members, SICOR/BCB (2025), SIOP/MPO (2025), MAPA (2025), BNDES (2025), MME, B3 (2025), *Landscape of Green Finance in India* (CPI 2024), Aragão Fernandes, P. et al (2025), 2025

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# Landscape of Climate Finance in Brazil, 2022/23



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Note: The values classified as “Unknown” refer to financial flows for which it was not possible to identify the financial actor responsible and/or the financial instrument used, due to limitations or absence of available data.

# Sources of Finance



# Domestic actors—public and private—accounted for 90% of total tracked climate finance

The ratio of domestic to international climate finance in Brazil was on par with that observed in other BRICS countries, for which comparable data is available (2021/22).

## Climate Finance in Brazil by Source Compared to other BRICS Countries

Domestic      International



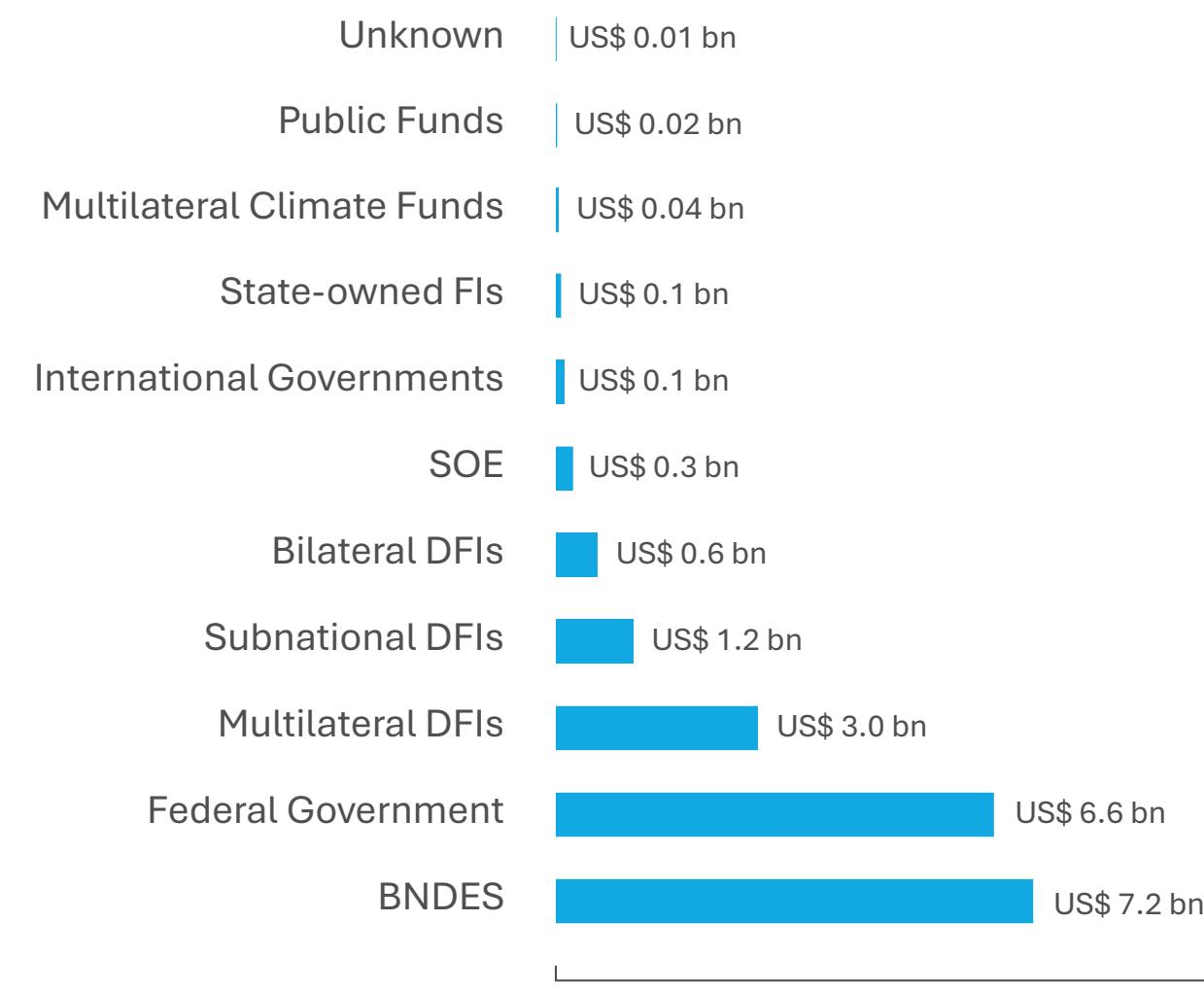
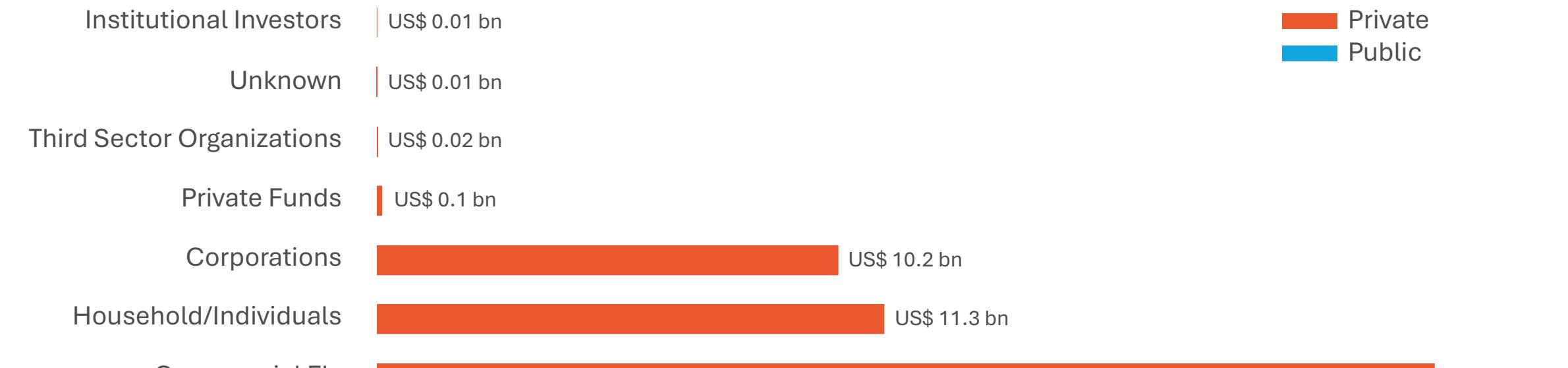
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# Private climate finance accounted for US\$ 45.1 billion of tracked climate finance, more than double that of public finance (US\$19.3 billion) in 2022/23

**Commercial FIs** accounted for over half of the private finance (US\$ 23.5 billion) mostly providing resources through climate-aligned **rural credit (US\$ 19 billion)**.

## Climate Finance by Actor, 2022/23



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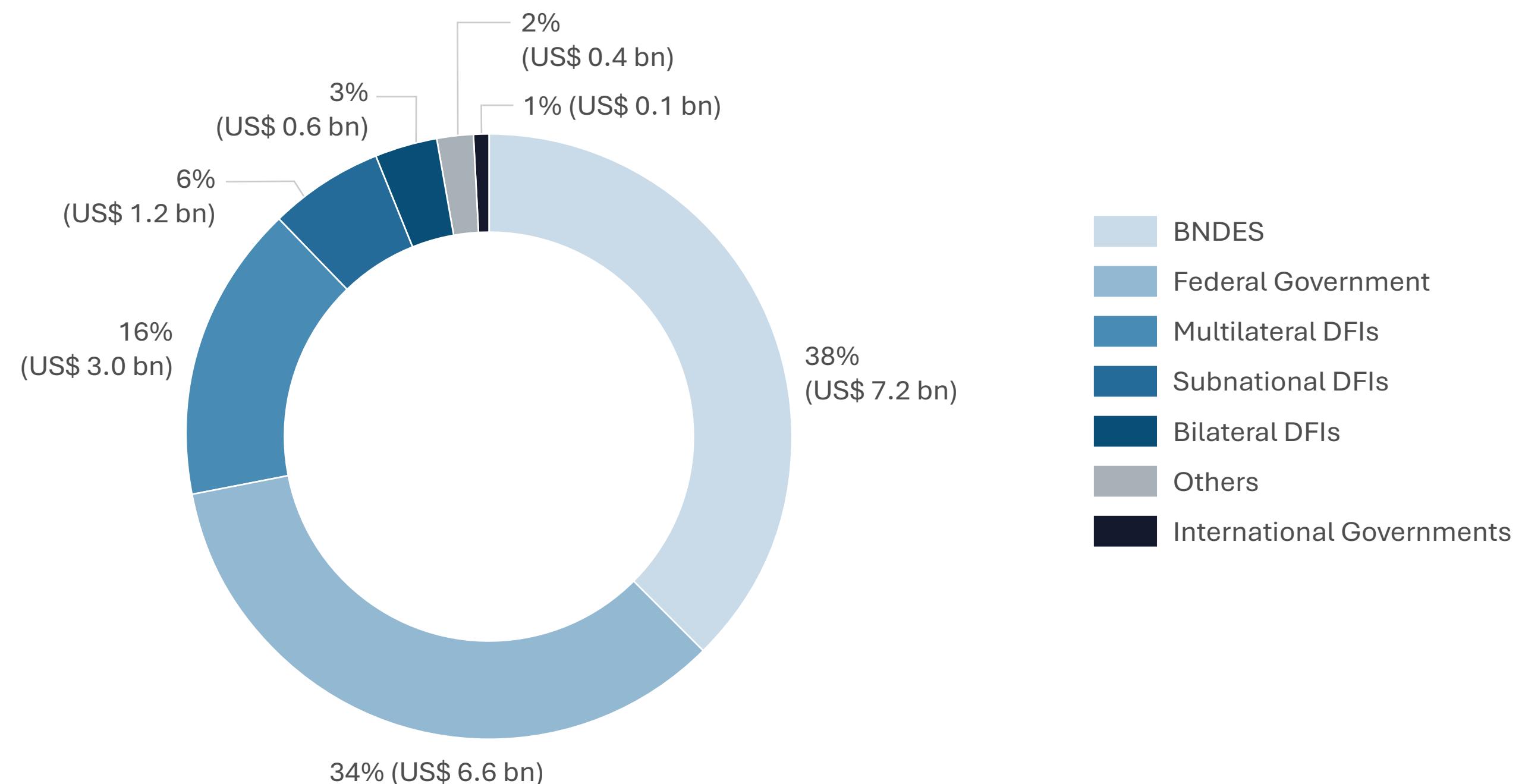
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# BNDES and the federal government provided nearly three quarters of public climate finance in Brazil in 2022/23, totaling US\$ 13.8 billion

- BNDES was the **leading source** of all public climate finance in **2022/23 (US\$ 7.2 billion)**, predominantly providing **low-cost debt** lending, followed **by climate-aligned rural credit**.
- The **federal government** provided one-third of public climate finance (**US\$ 6.6 billion**) split between **public budget** climate expenditures and **climate-aligned rural credit**.

Public Sources of Climate Finance, 2022/23



Source: CPI/PUC-RIO with data from Bloomberg New Energy Finance—BNEF (2024), Climate Funds Update via ODI/HBF (2024), II Global (2024), OECD-DAC Creditor System (2024), World Bank Private Participation in Infrastructure—PPI (2024) and surveys with DFIs,\* IDFC members, SICOR/BCB (2025), SIOP/MPO (2025), MAPA (2025), BNDES (2025), MME, 2025

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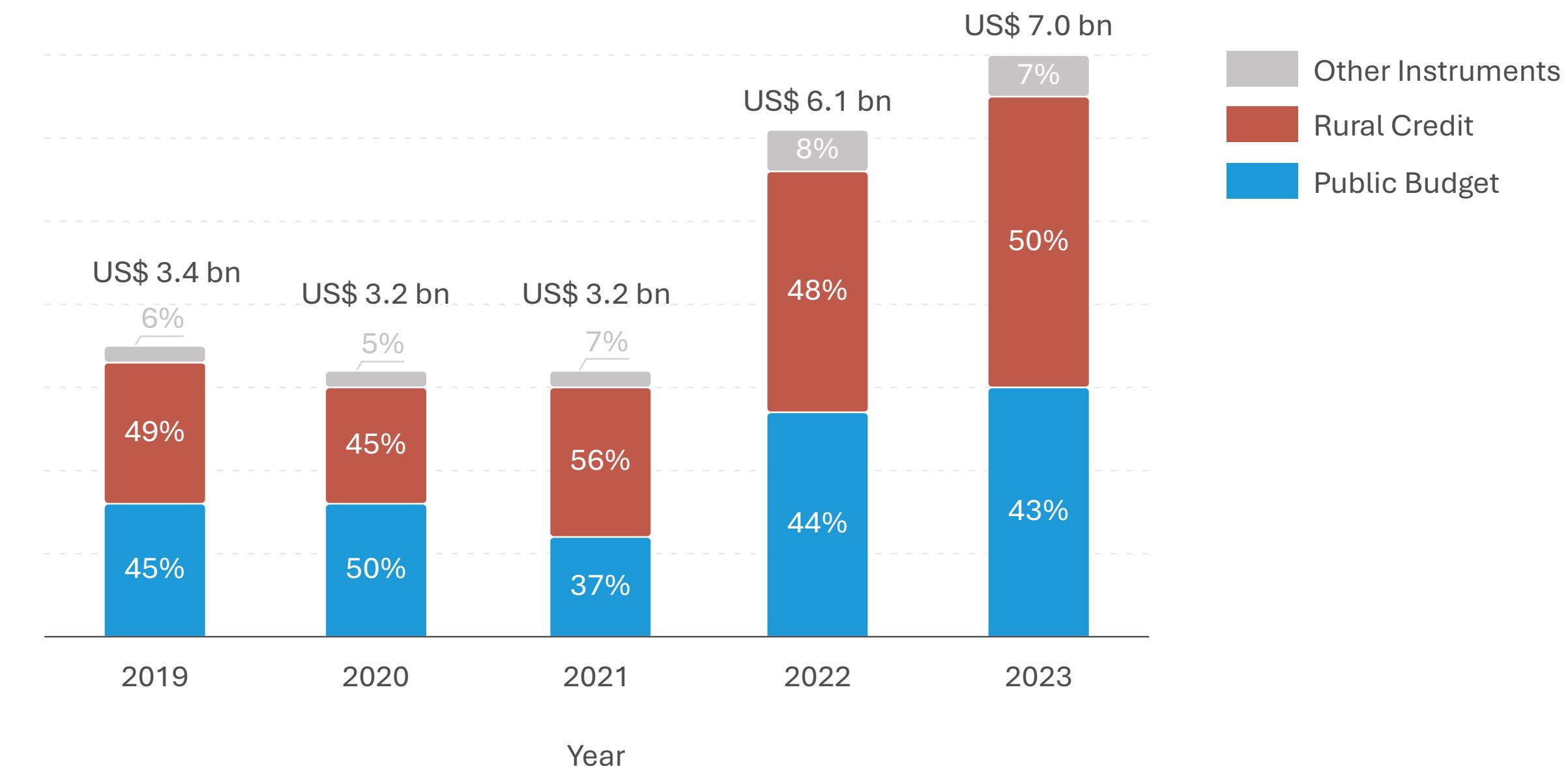
The background image is a wide-angle aerial photograph of a rural landscape. It features a valley filled with vibrant green fields, some with small farm buildings and trees. The valley is framed by a range of mountains covered in dense green forests. The sky above is filled with white and grey clouds. The overall scene is one of natural beauty and tranquility.

# Actor Spotlight

# Brazil's federal government more than doubled climate spending between 2019-2023, peaking at US\$ 7 billion in 2023

- Growth was driven by both dedicated **public budget** climate expenditures (through **ministries, agencies and the central bank**) as well as direct provisions of **climate-aligned rural credit**.
- Despite growth, in relative terms, **climate spending by the federal government** consistently equated to **less than 1% of the total federal budget** in the period.

**Evolution of Federal Government Climate Spending, 2019-2023**

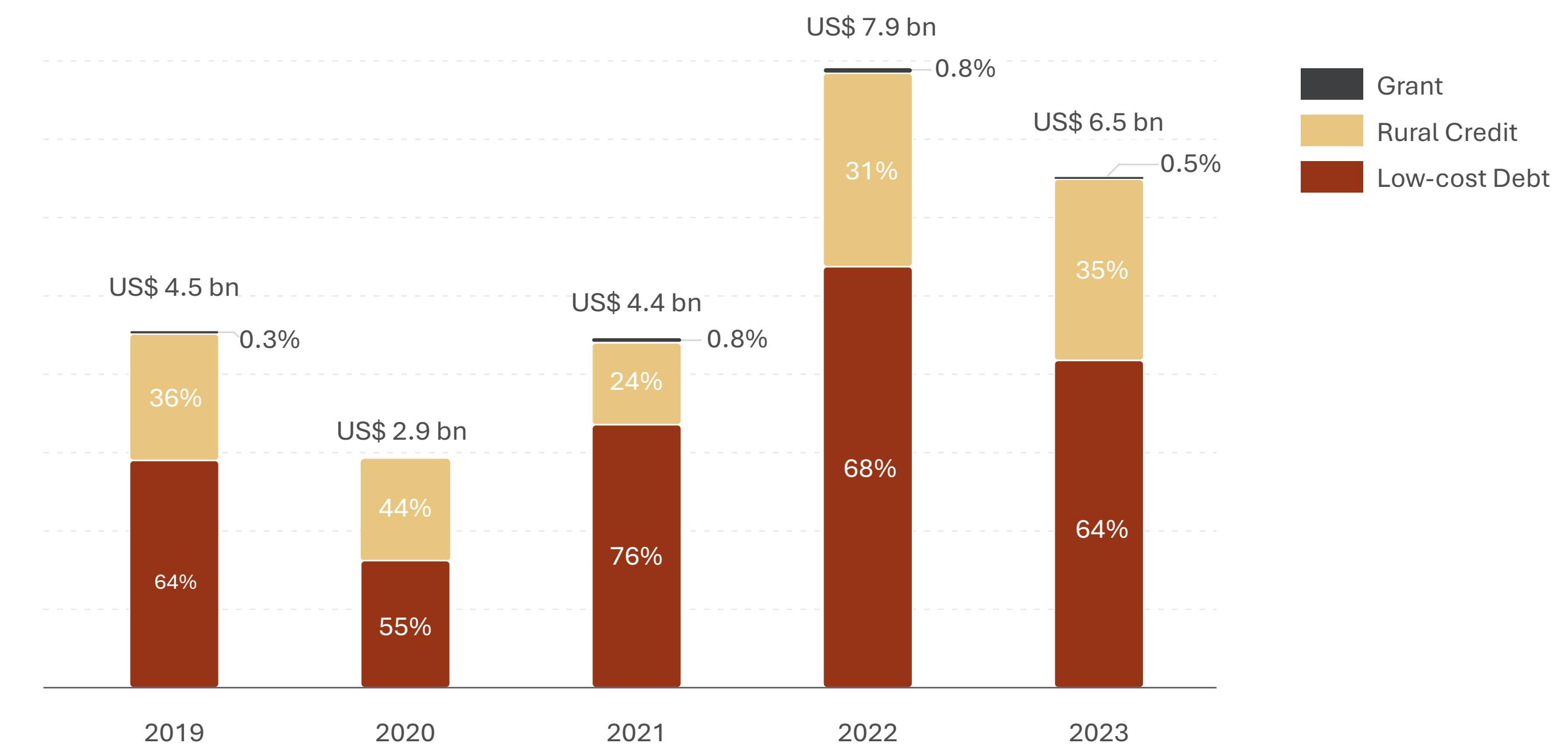


Source: CPI/PUC-RIO with data from SICOR/BCB (2025), SIOP/MPO (2025), MAPA (2025), BNDES (2025), MME (2025), 2025

# BNDES climate spending fluctuated, mainly providing low-cost loans for water and sanitation and renewable energy systems

- The majority of BNDES investments yielded **dual climate benefits**, reflecting synergies in the water and sanitation sector between **mitigation** (of methane emissions) and **adaptation** (access to drinking water and sanitation).
- BNDES also channeled climate finance as **climate-aligned rural credit** and provided more limited **grant finance** in its capacity as the manager of the **Amazon Fund**.\*

**Evolution of BNDES' Climate Spending, 2019-2023**



\* The Amazon Fund was effectively suspended from approving new projects and receiving new donations starting in 2019, following decrees by the Brazilian government that dismantled its steering and technical committees. The fund was only formally reactivated by the new government in early 2023.

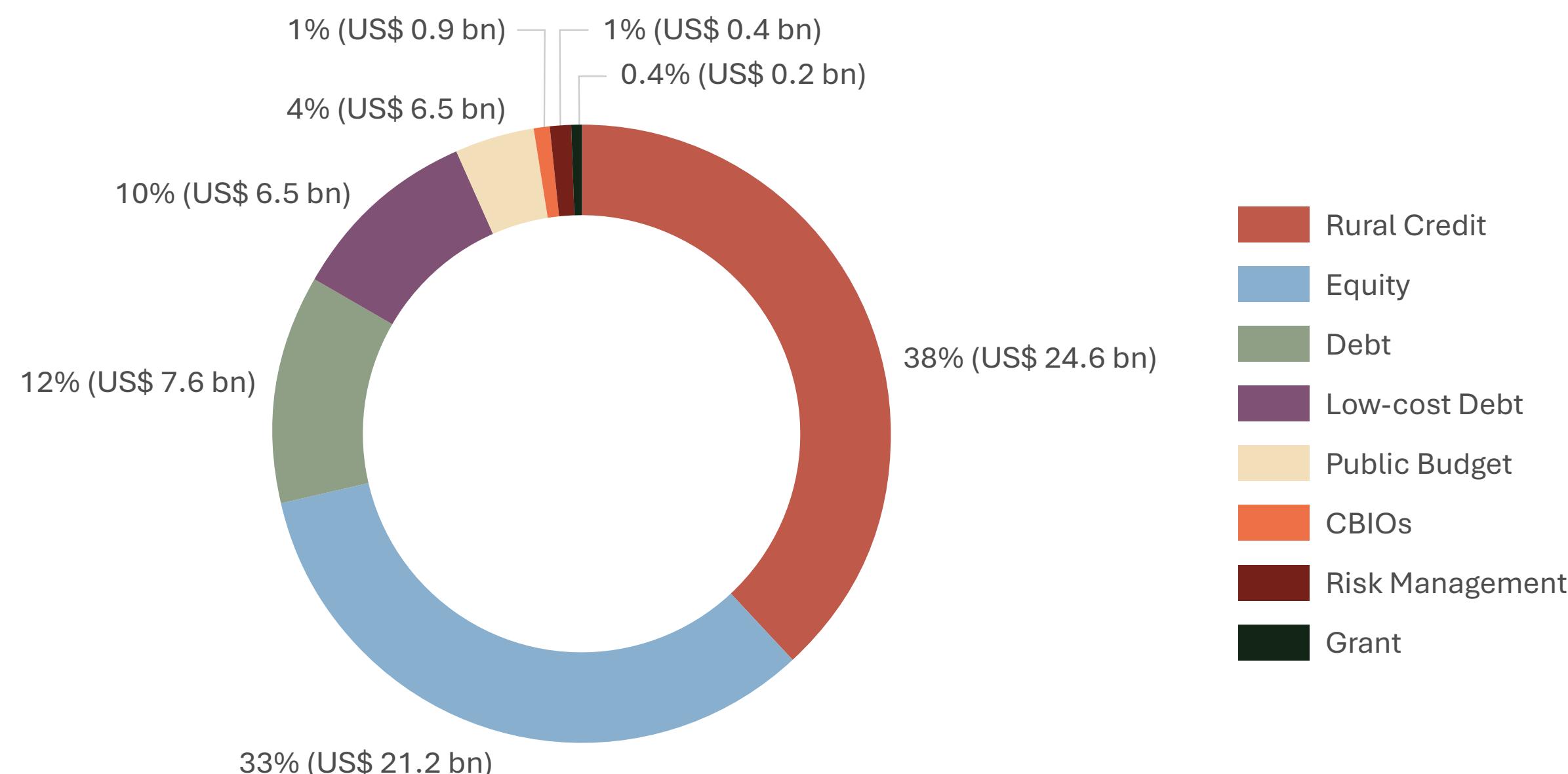
The background image is a wide-angle aerial shot of a tea plantation. The plantation consists of numerous rows of tea bushes, which are neatly trimmed and arranged in a grid-like pattern across the hillside. The tea leaves are a vibrant green. In the distance, the landscape opens up to show more hills and mountains, some of which are covered in dense green forests and others in mist. A few small buildings and utility poles are visible, indicating human presence in this rural setting.

# Financial Instruments

# Overall, climate-aligned rural credit and equity dominated the instrument mix (71%), reflecting the prevalence of AFOLU and energy systems

- **Climate-aligned rural credit** was the most prevalent financial instrument used to channel climate finance in Brazil, followed by **commercial equity**.
- **Debt** lending (at market-rates) was largely from a mix of private commercial FIs and public multilateral/bilateral DFIs.
- **Low-cost debt** came primarily from BNDES and subnational development finance institutions (DFIs).

Climate Finance Instrument, 2022/23



Source: CPI/PUC-RIO with data from SICOR/BCB (2025), 2025

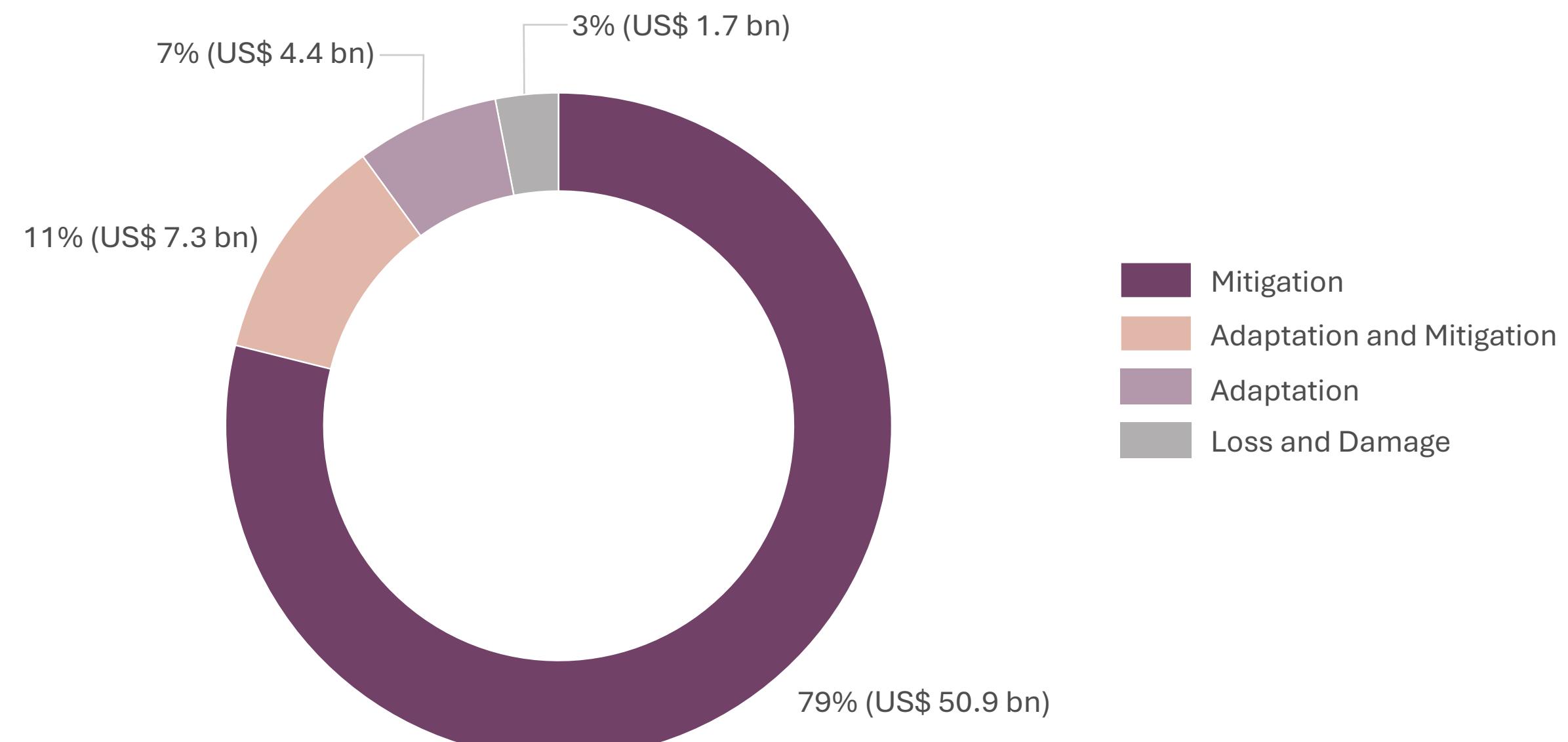
A large field of young cocoa plants in black pots, growing in a grid pattern. The plants have large, green, heart-shaped leaves. In the background, a person wearing a green shirt with a logo on the back is standing. The sky is clear and blue.

# Climate Objectives

# Mitigation finance accounted for 79% of total climate finance, however, dual benefits interventions were also relatively prominent

- **Mitigation** finance reflected the dominance of tracked investments in **energy systems** (renewable energy generation) and **sustainable agriculture** (including agro-forestry and livestock production).
- **Dual benefits finance** accounted for **11% of total climate finance**, much of which was directed to **AFOLU** projects as well as the **water and sanitation sector**.
- Tracked **adaptation finance (7%)** was minimal considering the increasing climate risks and frequency of extreme climate events.

Climate Finance by Objective, 2022/23



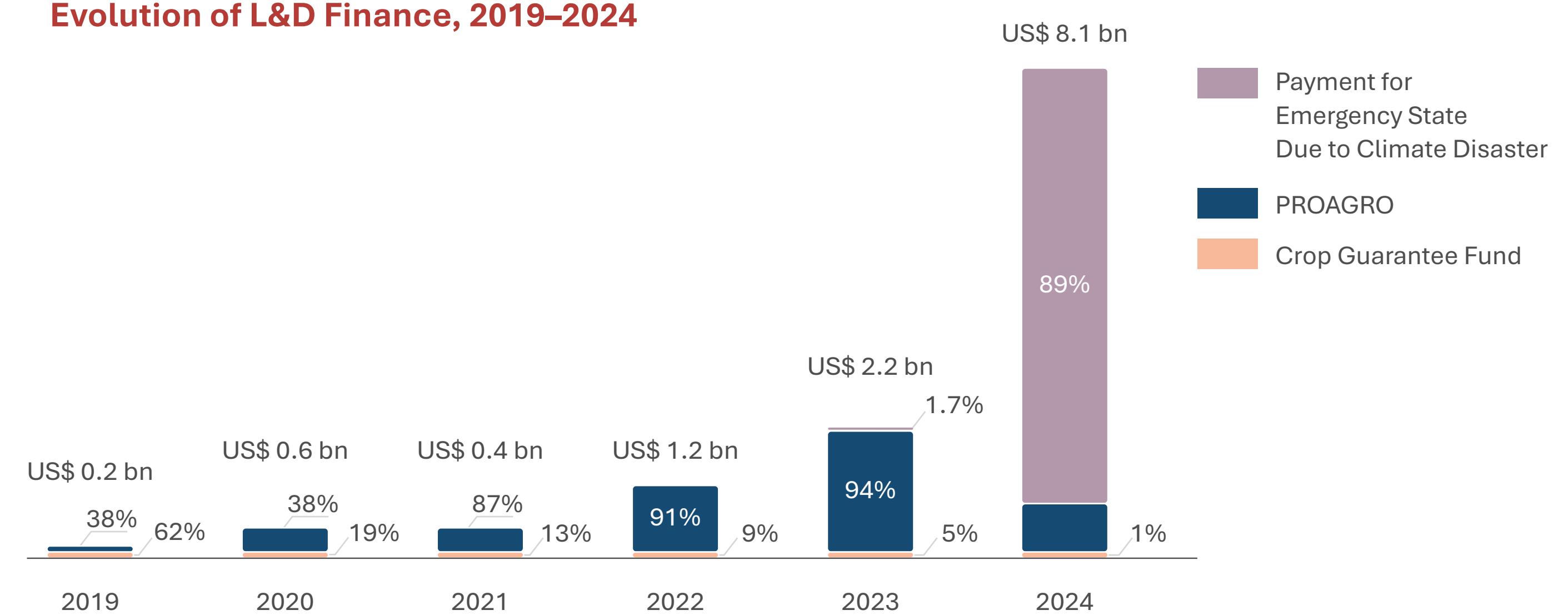
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# Finance for addressing loss and damage (L&D) associated with climate change increased exponentially, reflecting the growing cost of inaction

- Between **2019-2023**, L&D finance was almost entirely provided via two agricultural insurance mechanisms—**PROAGRO and the Crop Guarantee Fund**—with disbursements growing from US\$ 0.2 billion to US\$ 2.2 billion.
- In **2024** alone, however, tracked L&D finance reached **US\$ 8.1 billion**, the majority of which were for **disaster relief**, most notably following the catastrophic flooding in Rio Grande do Sul.

**Evolution of L&D Finance, 2019–2024**



Source: CPI/PUC-RIO with data from SICOR/BCB (2025), SIOP/MPO (2025), BNDES (2025), 2025

# Sectors

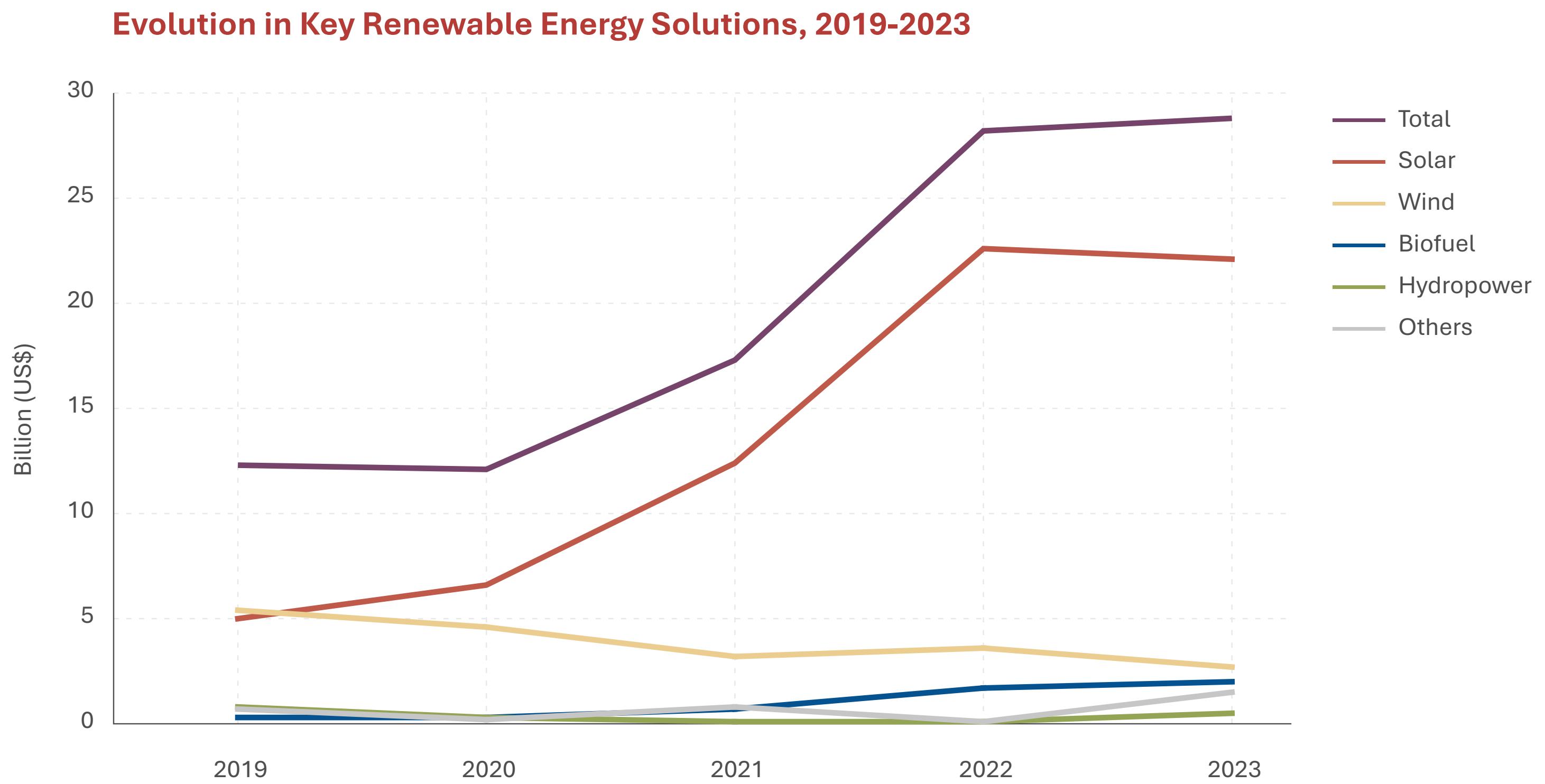


# A solar boom drove most growth in energy-related climate finance, while other renewables fell or experienced limited gains

The steep growth in 2020-2022 reflected growing **solar investments** (specifically among households/ individuals and domestic commercial actors installing **small-scale solar systems**).

**Wind energy** investment, which fell over the entire period, was composed of more diverse funding sources (domestic and international).

Finance for **biofuels** grew from a low base, and was largely financed by domestic private actors, via dedicated Decarbonization Credits (CBIOs).



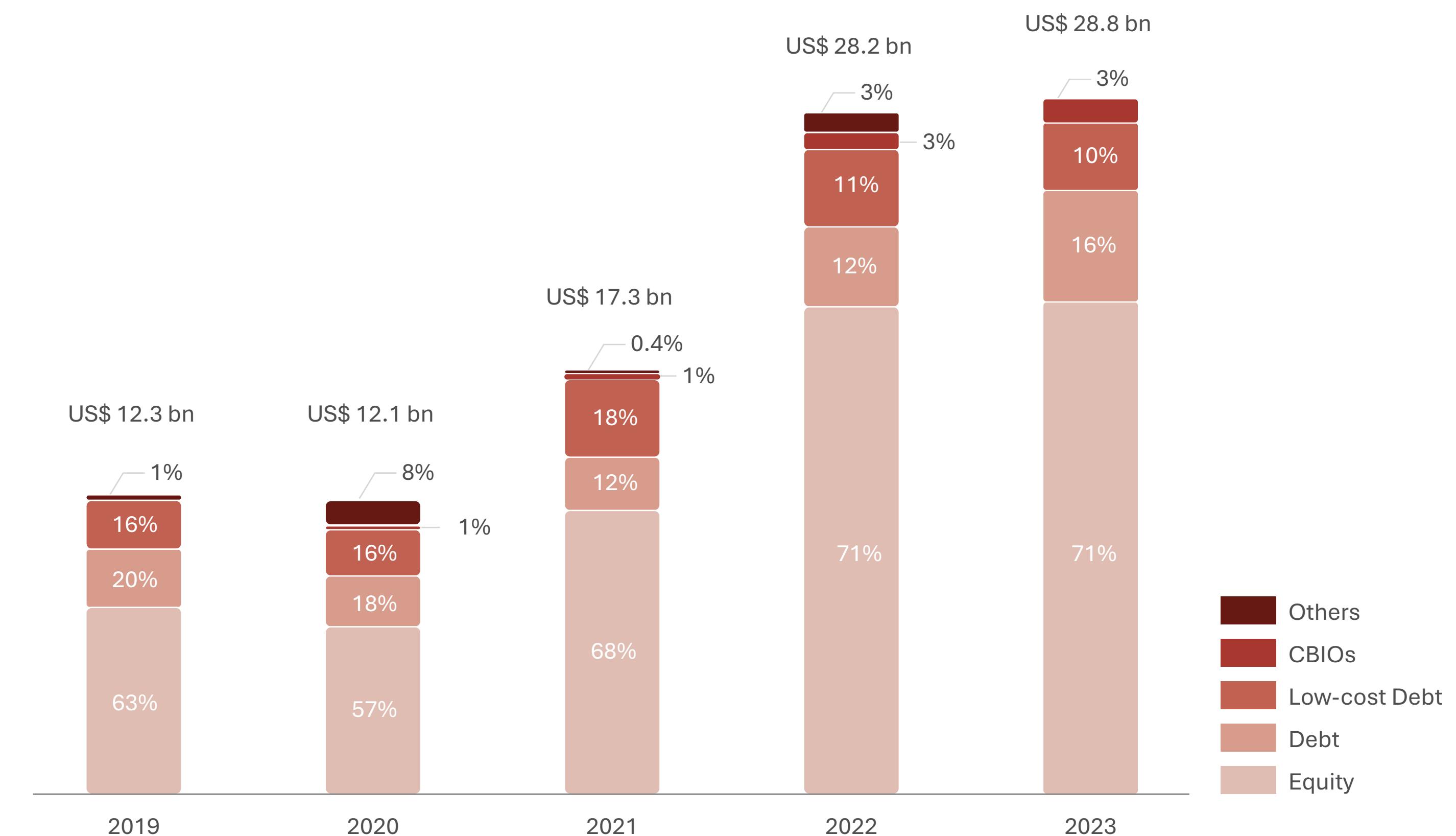
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# Climate finance for energy systems was dominated by equity, comprising over 70% of the mix in 2023

In 2019-2023, **equity** investments in renewable energy systems **increased** while **low-cost debt** declined.

Evolution in Climate Finance for Energy Systems, 2019-2023



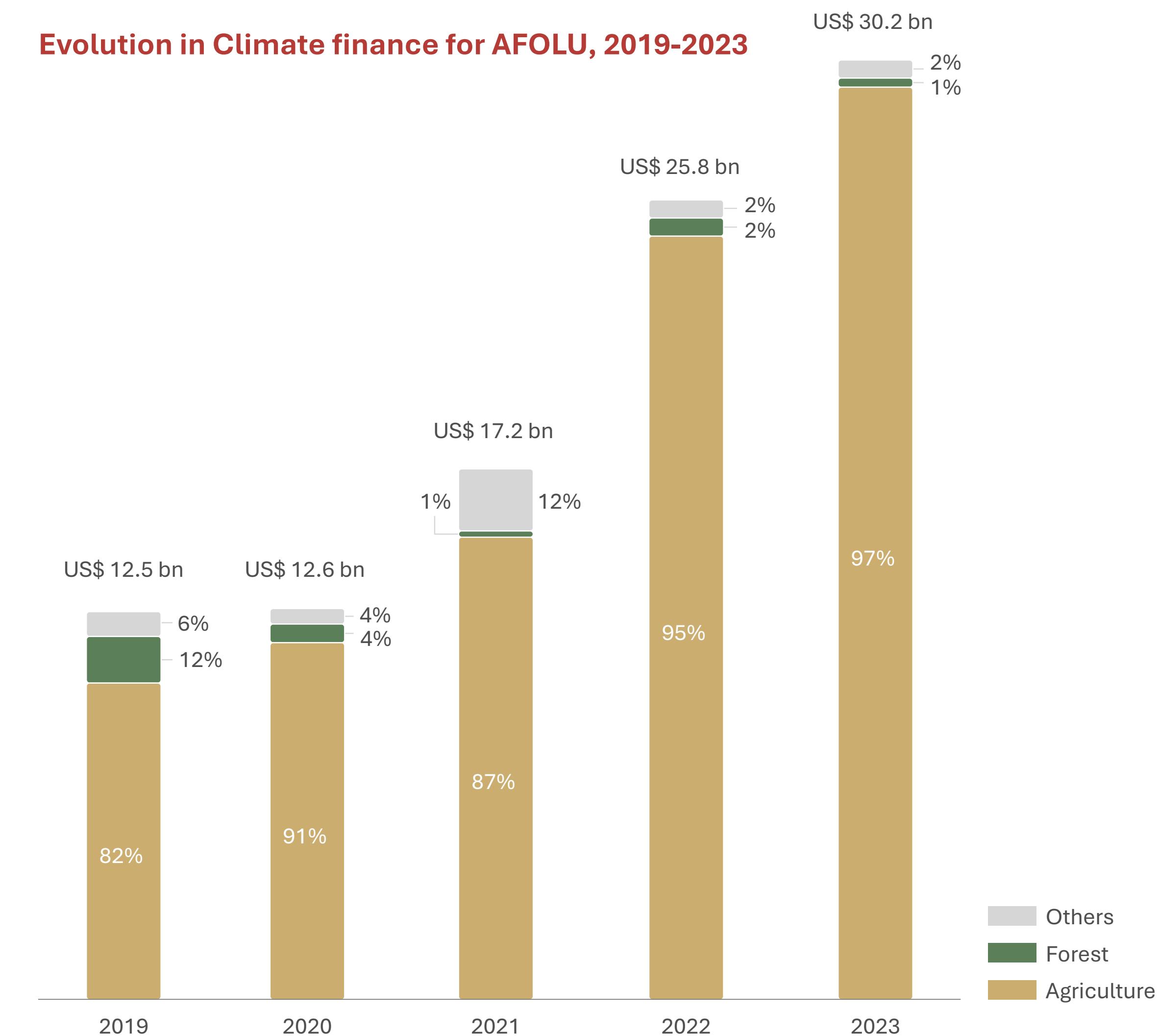
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# Nearly all the finance for AFOLU came from investments in low-carbon agricultural practices

The steep growth in agricultural finance between 2020-2022 reflected a large step-up in rural credit, primarily from **Commercial FIs**.

## Evolution in Climate finance for AFOLU, 2019-2023

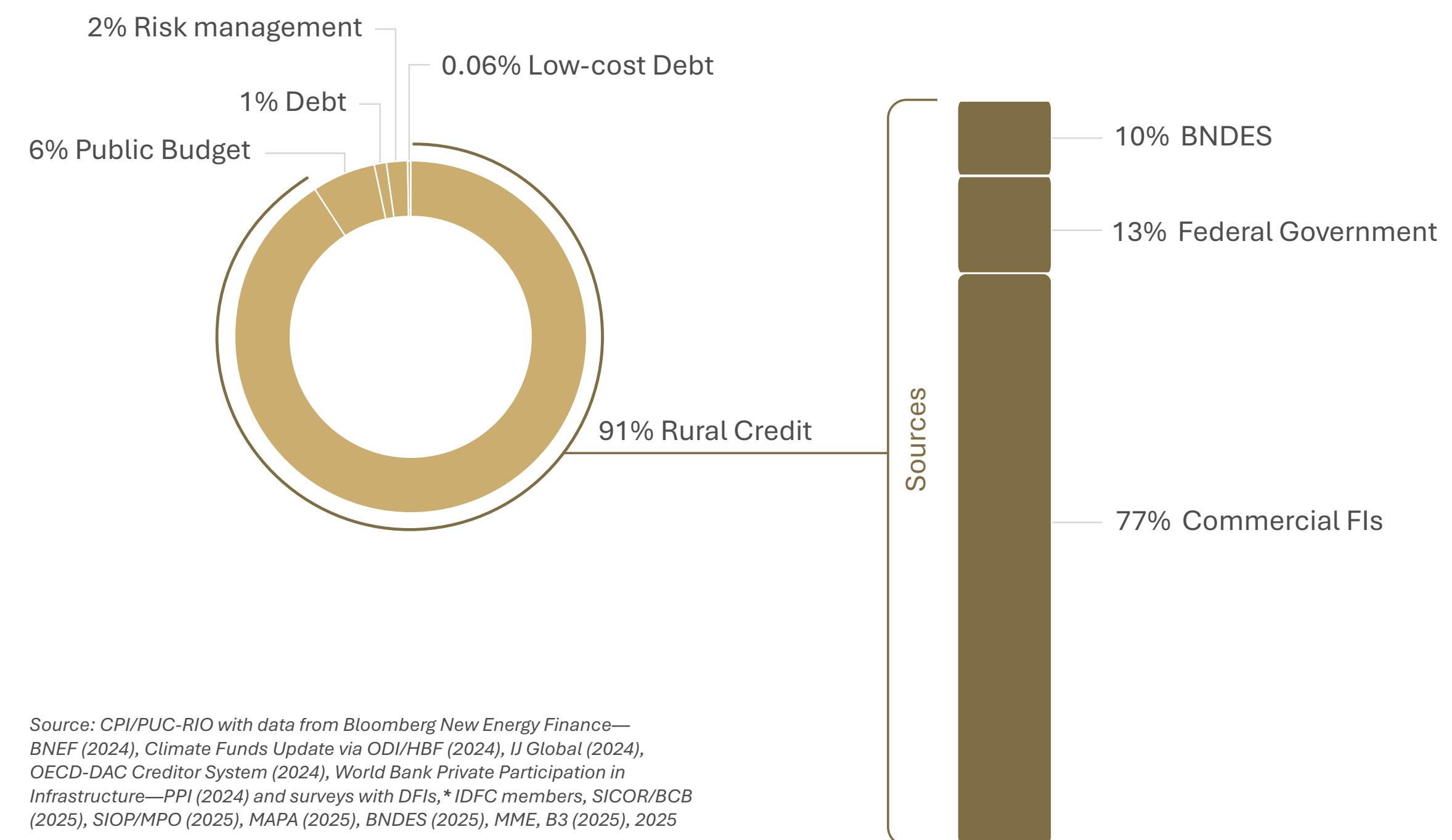


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# Rural credit has served as the main instrument for financing low-carbon agriculture in Brazil

Evolution in Climate finance for AFOLU, 2019-2023

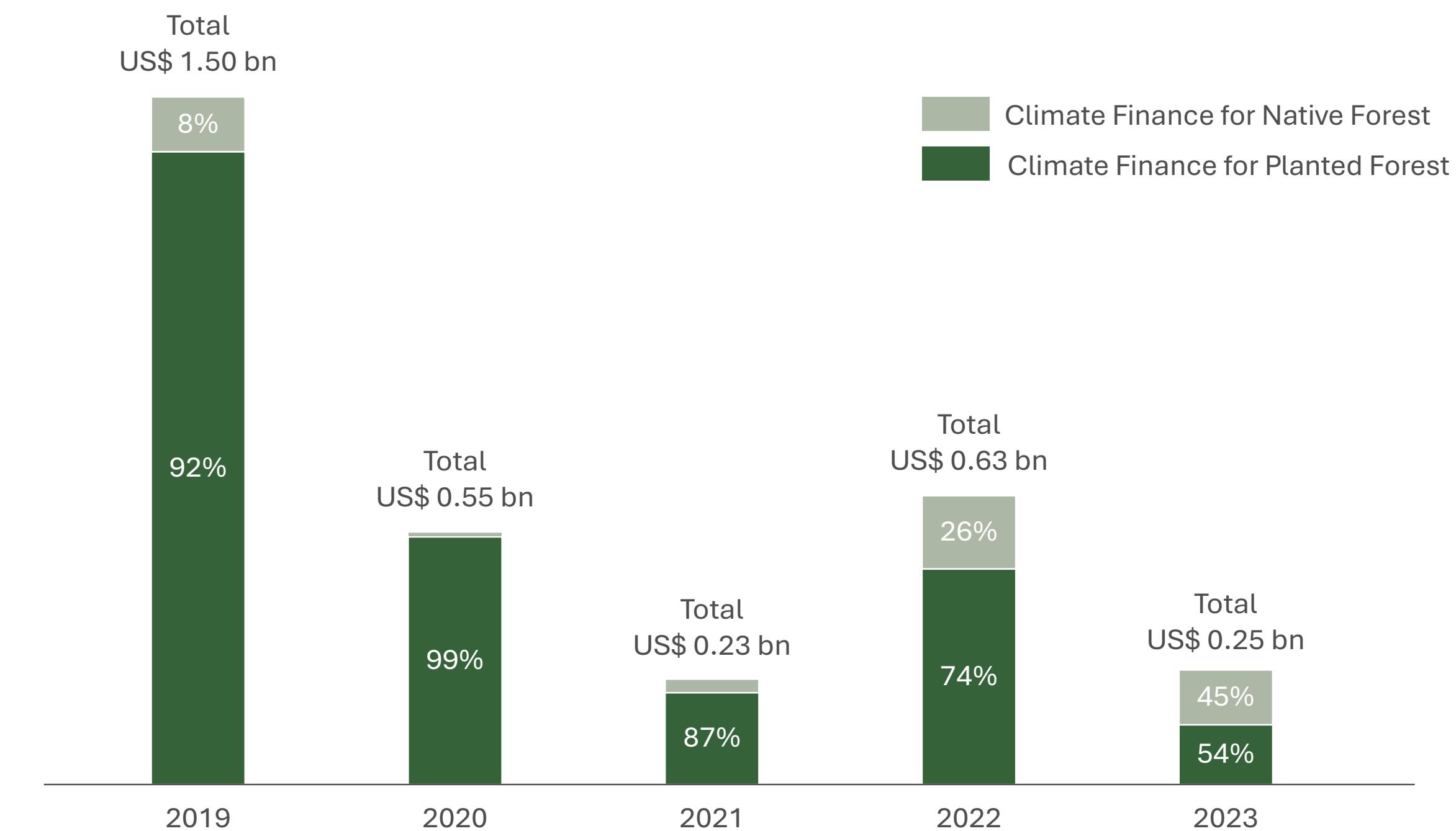


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# Forest finance fell by approximately 6 times from 2019 (US\$ 1.5 billion) to 2023 (US\$ 254 million)

## Evolution in Climate Finance for Forests, 2019-2023



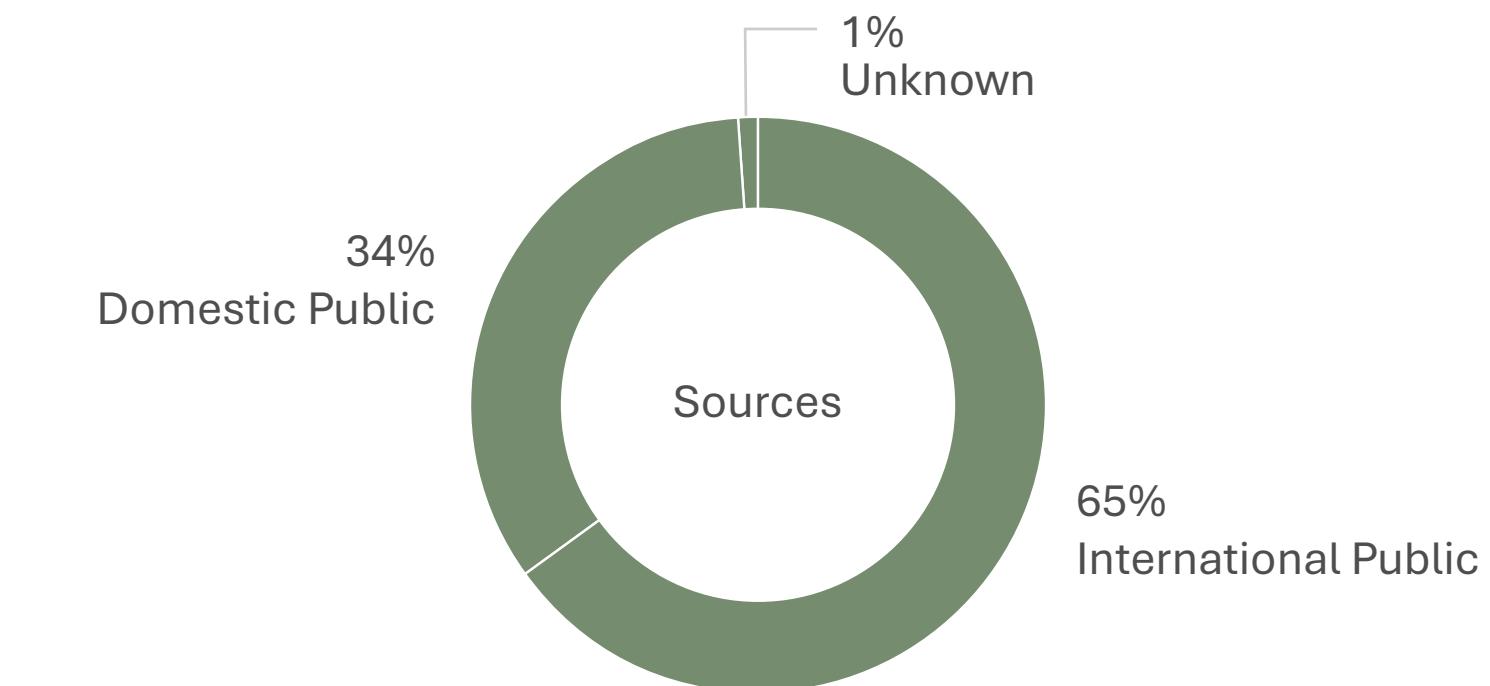
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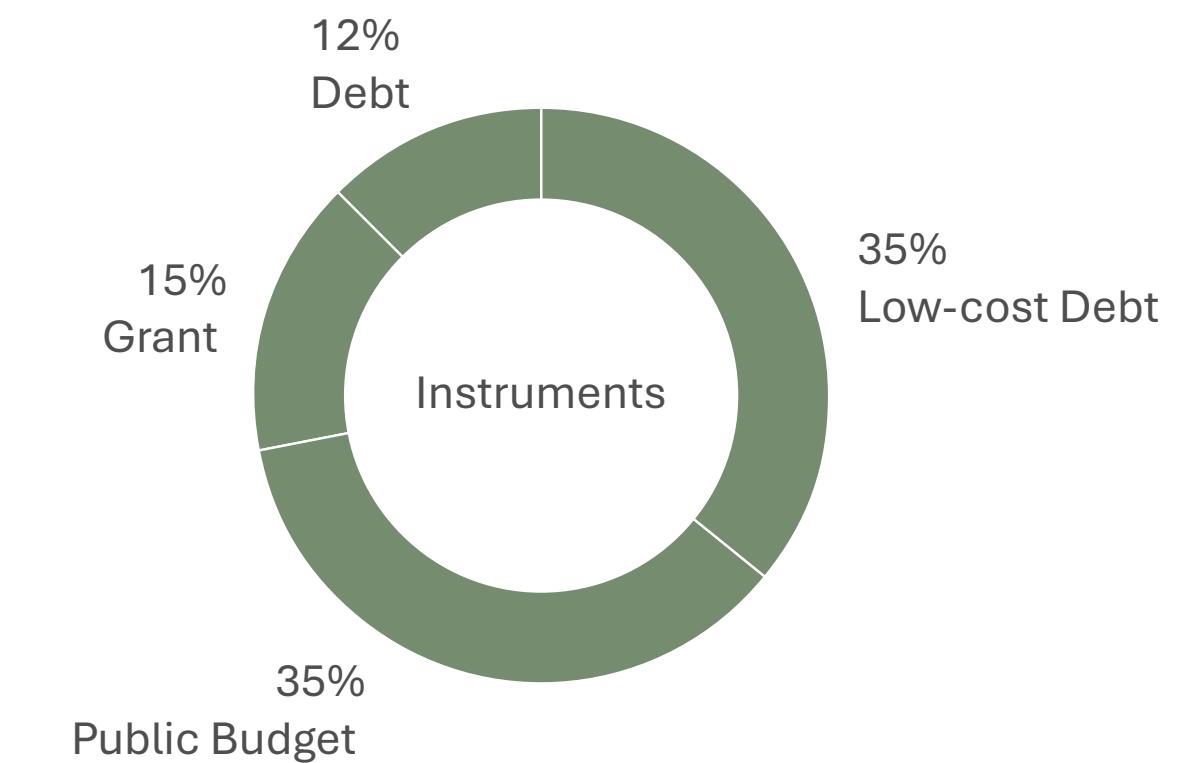
# In 2022/23, international public actors provided 65% of the funding for native forests

## Evolution in Climate Finance for Native Forests, 2022/23

### Sources



### Instruments



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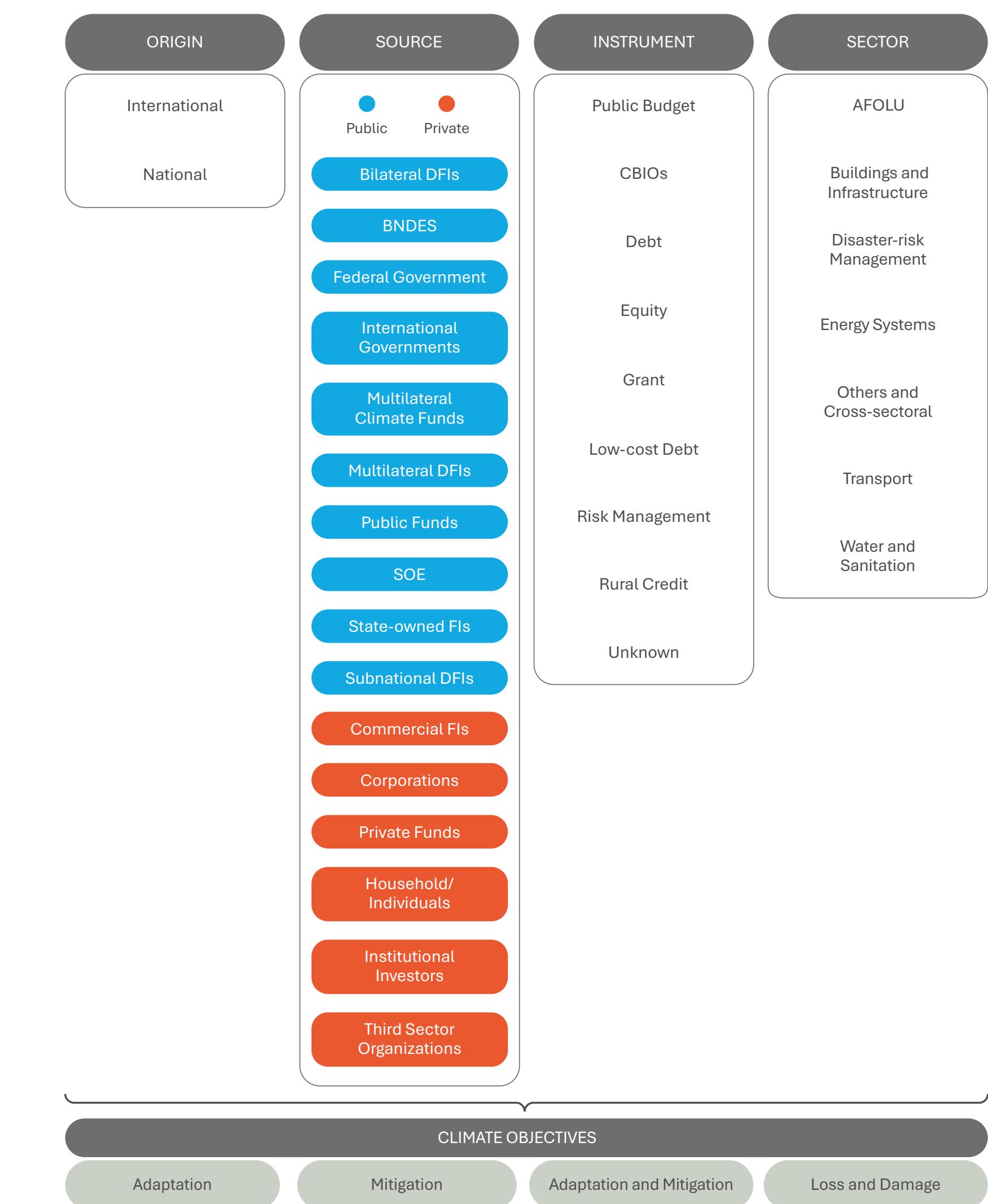
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# Methodology



# Overview of Brazil's Climate Finance Tracking Ecosystem





# Identifying Climate Finance

**Climate finance:** capital flows directed towards interventions that bring direct or indirect benefits for GHG mitigation or climate adaptation, as well as in responding to loss and damage.

## This includes...

- Primary investments** in productive assets and projects that directly contribute to adaptation, mitigation or loss and damage, along with public framework and capacity development expenditures for enabling these efforts.
- Commitments** over disbursements

## Not included...

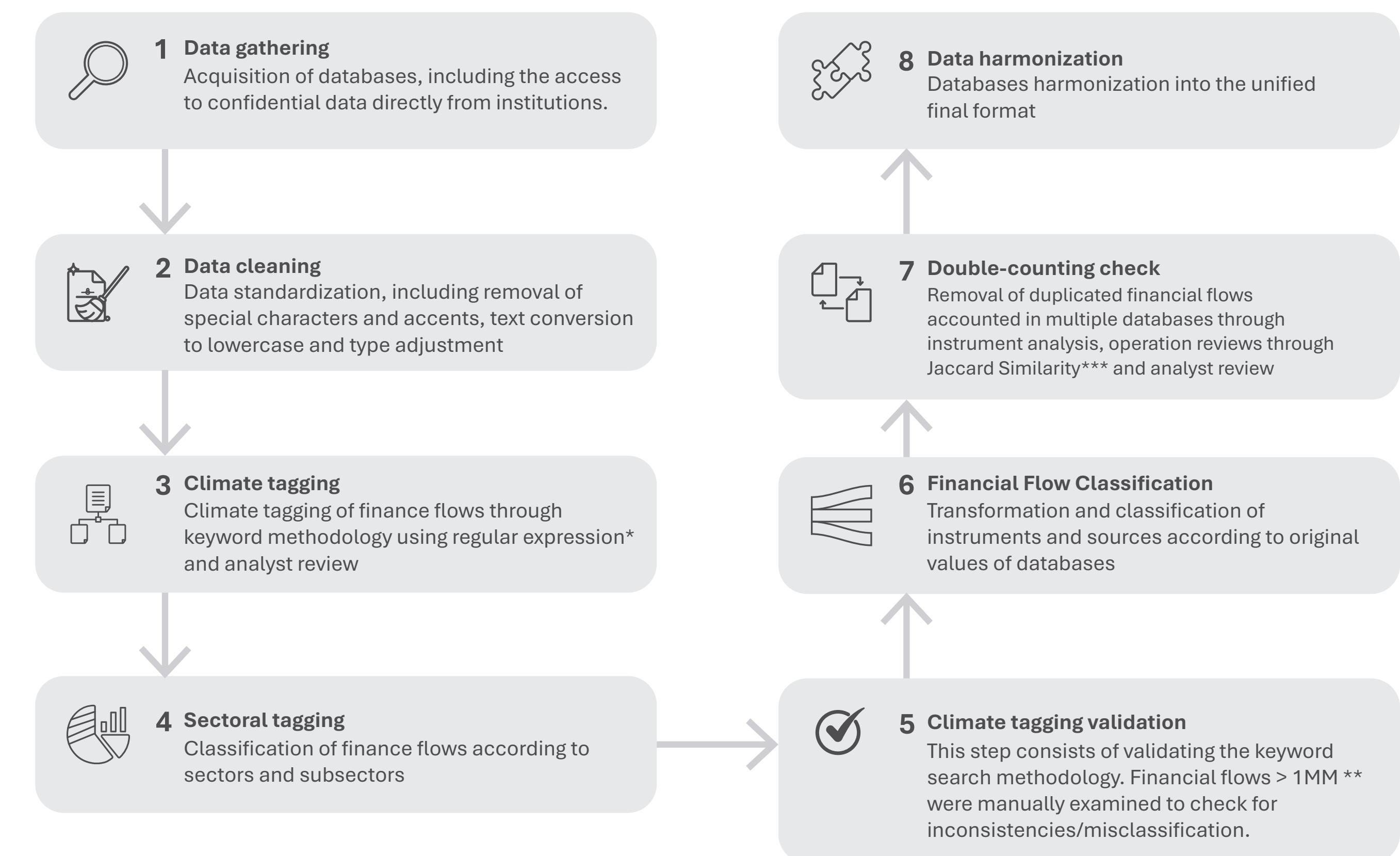
- Secondary market transactions
- Economic subsidies or public grants whose main function is to reimburse investment costs
- Investments in manufacturing or sales
- Fossil fuel-based energy generation and nuclear
- Energy efficiency measures concerned with improving the performance of fossil fuels.

# Climate Finance Tracking Process

The climate finance landscape represents a comprehensive effort to track climate finance across sectors of the Brazilian economy and instruments.

It integrates international and national databases from both public and private sources and applies a climate and sectoral tagging methodology.

- **Challenges:** Data gaps, reporting barriers, and underestimation of private finance.



\* Regular expressions (regex) are patterns used to identify, extract, or classify specific parts of text based on defined rules, such as keywords or text structures.

\*\* Financial flows > 1 MM represent ~50% of all flows in quantity, but in financial terms they represent ~99% of all mapped flows

\*\*\* The Jaccard similarity is a metric that compares two sets by calculating the ratio between the number of elements they have in common and the total number of distinct elements present in both sets.

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Source: CPI/PUC-RIO, 2024

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Climate Policy Initiative (CPI) is an organization with international expertise in finance and policy analysis. CPI has seven offices around the world. In Brazil, CPI has a partnership with the Pontifical Catholic University of Rio de Janeiro (PUC-RIO). CPI/PUC-RIO works to improve the effectiveness of public policies and sustainable finance in Brazil through evidence-based analysis and strategic partnerships with members of the government, civil society, the private sector and financial institutions.



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