This country transition snapshot was produced as part of the report *Powering Across Divides – Clean energy cooperation in a fragmented world*, published November 2026. The full report is available from **https://www.e3g.org/publications/powering-across-divides-clean-energy-cooperation-fragmented-world/**

Brazil's transition snapshot

Key facts

Brazil showed strong leadership in clean power as the host of COP30, with nearly 90% of its electricity generated from non-fossil sources, including 52% from hydropower and about 26% from wind and solar.[1] Brazil also added a record 10.9 GW of capacity (5.6 GW solar and 4.3 GW wind) in 2024,[2] and 7.4 GW of large-scale capacity (2.8 GW solar and 1.8 GW wind) in 2025.[3] Distributed solar is the fastest-growing segment, growing from less than 1 GW (2018) to 40 GW (2025).[4]

Brazil's clean power system, however, sits within a more fossil fuel-dependent wider energy system. Oil products account for around 41% of final energy consumption, reflecting particularly high dependence in transport, while industry accounts for 78% of gas consumption.[5] Brazil imports these refined oil products and gas, leaving parts of its economy exposed to international fuel prices and supply risks despite its abundant domestic fossil and clean-energy resources. Alongside drought-related volatility in hydropower, these vulnerabilities create a strong energy-security rationale for diversification.

At the same time, Brazil is unlikely to shift decisively away from oil soon, given its role as a major fossil fuel producer and exporter.[6] Brazil retained its position as the world's ninth-largest oil producer in 2025, with output rising by 12.3% to a record average of about 3.7 million barrels per day.[7] Oil and other mineral fuels and their distillation products were in fact Brazil's largest export category in 2025, accounting for about 16% of total export value (roughly US$53 billion). Crude oil alone was the single largest export product.[8] Continued production therefore carries significant economic and fiscal value even though fossil fuels supply only a small share of Brazil's electricity.

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[1] IEA, 2025, **Brazil** (website, accessed 12 October 2026)
[2] Argus, 13 January 2025, **Brazil's power gen expands at record rate in 2024**
[3] Taiyang News, 14 January 2026, **Brazil adds 7.4 GW power capacity in 2025, led by solar PV**
[4] US Energy Information Administration, 26 September 2025, **Distributed solar generating capacity is the fastest-growing power source in Brazil**
[5] IEA, 2025, **Brazil** (website, accessed 12 October 2026)
[6] BBC, 18 August 2026, **Brazil's President Lula hails oil discovery near Amazon River**
[7] Brazilian NR, 3 February 2026, **Brazil oil and gas production 2025: New historical record**
[8] TradeInt, 18 March 2026, **Brazil Export Data 2025: Top partners, products analysis**

Development and sovereignty help explain why this economic importance translates into political durability. Domestic energy resources, including oil, biofuel and renewables, are treated as assets for strengthening energy sovereignty and national development.[9] Petrobras – a major national fossil fuel company – in particular, is closely associated with economic development and energy security, while its significance extends beyond the energy sector through employment, incomes and local economic activity. In communities across the areas where it operates, investment in training, education, infrastructure and wider social programmes further reinforces its role in local development.[10] Fossil fuels are therefore embedded not only in Brazil's energy system, but also in prevailing ideas of development, employment and sovereignty.

This shapes the type of transition Brazil is pursuing. Rather than centring rapid abandonment of existing fossil resources, Brazil's approach combines continued fossil fuel production with the expansion of renewables, biofuels and other cleaner industries. Its emphasis on a just and orderly transition, including internationally, reflects a preference for pathways that accommodate national development priorities and circumstances. This presents a central political-economy challenge: expanding clean industries does not in itself ensure that fossil-fuel dependence will be displaced.

Brazil's enabling conditions are substantial: an already clean electricity system, strong solar and wind resource potential, active climate diplomacy and rising external investment interest from Asia and Europe in its clean technology development.

The biggest risk, hence, is less about technological barriers than about strategic drift. Brazil may continue to expand oil long enough that fossil incumbency becomes harder to unwind later, especially if "environmentally friendly" extractive narratives[11] blur the distinction between lower-impact growth and the genuine decarbonisation needed to secure Brazil's leadership in emerging clean technology and digital economy value chains.

Opportunities for international collaboration

Key areas of opportunity for strategic cooperation are climate diplomacy, finance and industry.

Having hosted COP30, Brazil is continuing its leadership through the Roadmap for Transitioning Away from Fossil Fuels in a Just, Orderly and Equitable Manner (TAFF). Brazil can use this momentum to advance its own energy planning (National Energy Transition Plan – currently in draft format and not yet adopted) and emerging domestic work on transitioning away from fossil fuels.[12] International cooperation can reinforce this

[9] E3G, 2026, **Navigating the energy transition in Brazil, Indonesia, and South Africa**;
[10] Petrobras, **Strategic Plan 2050 and Business Plan 2026-2030** (website, accessed 26 October 2026); AgenciaBrasil, 17 September 2025, **Petrobras announces investments in socio-environmental initiatives in Rio (Petrobras anuncia investimentos em ações socioambientais no Rio)**
[11] Climate Action Against Disinformation coalition and the Climainfo Institute, 2025, **A 2,900% Increase in Greenwash: Big Oil Targeted Brazil With Google Ads To Undermine COP30**
[12] FGV, 5 May 2026, **Energy transition plan advances with public consultation open to society**

domestically led process through technical cooperation and investment in clean infrastructure.

The Brazil Climate and Ecological Transformation Investment Platform (BIP) provides an existing government-led mechanism for matching Brazil's development and climate priorities with international and domestic capital.[13] Cooperation can build on this model by strengthening project pipelines, blended and concessional finance and coordination between public institutions and private investors.

Brazil's objective of building higher-value domestic clean industries creates scope for deeper cooperation on clean technologies, manufacturing and supply chains. Engagement with major trade partners, particularly the EU, can connect market access, investment and evolving trade rules such as CBAM with Brazil's priorities around industrial upgrading and competitiveness, helping create stronger domestic economic incentives for the transition.

[13] Glasgow Financial Alliance for Net Zero, October 2024, **Brazil Climate and Ecological Transformation Investment Platform Launches to Help Deliver Brazil's Ambitious Development and Climate Goals**

ABOUT E3G

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We drive systemic action on climate by identifying barriers and constructing coalitions to advance the solutions needed. We create spaces for honest dialogue, and help guide governments, businesses and the public on how to deliver change at the pace the planet demands.

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