

**High Level Panel on “Strengthening the International Cooperation for
Development to Address the Climate Change Challenge”
New York, 20 November 2007**

**Statement of Ambassador Maria Luiza Ribeiro Viotti,
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I would like to thank Under-Secretary-General Sha Zukang and Ms Ana Cortez for the invitation to participate in this Panel.

I also wish to thank Mr. Tariq Banuri for a very interesting and thought-provoking paper. He has accomplished an uncommonly balanced synthesis of the main issues related to the challenge of sustainable development and climate change. I agree with some of the main ideas that are present or, I believe, built in his thesis:

The problem of climate change is real, serious and requires immediate action. It should be dealt with within the framework of sustainable development and as an endeavor. The consequences and costs of those actions will be unevenly distributed between developed and developing economies.

The way to reduce human impact on the climate is not to stop or cap economic development of poor countries. It would be unfair, it would be unrealistic, it would make the world unsustainable, and it would not solve the problem. The solution is not to stop development. It is to aim at a new pattern of development, a pattern of sustainable development.

This new pattern of sustainable development will require a conversion of the current infrastructure of production, transportation, cities organization, energy production and consumption, and patterns of consumption.

Keys to such a conversion are investments and technology, and the actions for facing the sustainable development challenge need to put these two issues in the center stage of international debates and negotiations.

However, I think the author, while focusing on the conflict between climate change and development, has not sufficiently emphasized the main conflict. In my view, the first and foremost conflict, arises from the basic facts of climate change: the recognition that this phenomenon is the result of cumulative emissions and that the largest share of historical and current emissions of greenhouse gases originated in developed countries. It becomes more than clear that radical change in production and consumption patterns, mainly in developed countries, are required.

This brings about critically important issues of equity and fairness, which form the basis of the principle of common but differentiated responsibilities and are the cornerstone of the international climate change regime.

Accordingly, the distribution of responsibilities in the international regime lays on two facts: (1) the historic responsibilities of developed countries, which have extensively used fossil fuels since the XIX century to foster their industrial development and are responsible for the current increase in world's temperature; (2) the greater vulnerability of developing countries, who did little to create the problem and who count on less resources to adapt to the impacts of climate change.

Mr. Banuri, in his 4th thesis, argues that there are no welfare costs of climate stabilization in rich countries.

He calls our attention to the fact that developed economies can manage their macroeconomic policy in a way they could make the needed investment in reducing emissions and, at the same time, still maintain price stability and relatively full employment. For developing economies, however, much more would be required in order to mobilize their scarce resources for investing in climate stabilization and, at the same time, tackle the problems of poverty.

On the other hand, he points out to an important obstacle related to the coordination question due to the fact that each individual country would be afraid to be the first to make the move towards a more sustainable economy because it could jeopardize the short term competitiveness of their enterprises in comparison to those of their competitors in other developed economies. He assumes, however, this will not be a problem because "all rich countries [will] have to undergo more or less the same transition". I believe this could not be granted, and it is another reason for supporting a coordinated international action on this respect. A common international framework would remove the "beggar thy neighbor" attitude that could hinder climate adjustment moves in each country.

In this regard, in the global effort to address climate change, binding quantitative emission reduction commitments by Annex I countries should continue to be an essential element for the future and they should be deeper in the second commitment period. Developing countries should not be expected to take on such commitments, as their priority is to ensure growth and reduce poverty. They can also further contribute to global emission reduction efforts under a framework that recognizes and supports national initiatives to design and implement policies and measures to mitigate the effects of climate change. Such policies should be supported by adequate and continuous financial and technological flows.

Along those lines, during COP-12, in 2006, Brazil presented a proposal aimed at the creation of positive financial incentives to support national efforts to reduce emissions caused by deforestation in developing countries. This idea could be expanded to other

sectors, providing adequate flows of finance and technology to support actions by developing countries that are additional to those of developed countries.

Brazil, alongside other developing countries, will be most affected by global warming. The IPCC estimates have indicated the high probability of 30% of the Eastern Amazon being converted to grassland by 2100 due to current global warming. This is alarming and calls for urgent adaptation activities in the region, as well as immediate mitigation efforts by those responsible for current warming.

We look forward to the Bali Conference as an important step in building the future of the climate change regime. It is our hope that a roadmap can be adopted in Bali, setting clear timetables and processes to allow for the conclusion of negotiations by 2009.

This roadmap should contain a timetable to conclude negotiations on more ambitious reduction targets to be fulfilled by developed countries in the scope of the Kyoto Protocol; as well as an institutional framework in the scope of the UNFCCC to offer incentives to developing countries for the implementation of policies and measures aimed at reducing verifiable emissions of greenhouse gases.

It is important, in this regard, to note that the Kyoto Protocol will not expire in 2012. What does expire in 2012 is the first period of implementation of emissions reduction, not the Protocol itself. It is worth recalling, in this regard, that the majority of Annex I countries is far from reaching the reduction targets agreed upon in Kyoto.

As I conclude, I would like to mention that Brazil is taking action in several fronts to tackle climate change. There are a number of governmental programs and initiatives, which have resulted in important reductions in the emissions of greenhouse gases and have lowered the curve of greenhouse gas emissions from Brazil.

Brazil's energy mix is one of the cleanest in the world. 45% of our energy comes from renewable sources, compared to a world average of 14% and 6% for OECD countries.

The author includes biofuels among some other options he classifies as controversial and offering no more than a minuscule contribution for the reduction of emissions reduction.

I believe the thirty years old ethanol program of Brazil deserves a better consideration. It contributes much more to emissions reduction than the comparative and relatively well-known biofuels production of developed countries, as it is the case of ethanol made of corn. The Brazilian previous experience with large ethanol production has been shown to be compatible with a huge increase in food production and cheap food prices. Furthermore, we believe the production of sugarcane ethanol could represent an important opportunity for reconciling the environmental aspect of sustainable development and the social and economic aspects for a large number of developing economies.

In the transportation sector, our experience of 30 years in using sugar cane for the production of automotive fuels turned into one of the most successful biofuels initiatives in the world. The increase and more efficient use of ethanol have resulted in avoided emissions of 644 million tons of CO₂-equivalent over the past thirty years. In Brazil, the production and use of biofuels has led to a share of about 17% of renewable sources in the fuel market in 2005, which is expected to increase in the near future through mandatory targets for biodiesel. This share is expected to expand as a result of the exponential increase in the sales of flex-fuels vehicles in the past years. Nowadays flex-fuel vehicles in Brazil run on any mixture of gasoline and ethanol, depending only on the consumer's choice.

The Brazilian Government considers climate change a formidable global challenge that requires a global and urgent response. Different countries bear different responsibilities for the problem and should face the next steps in the international effort accordingly. Brazil is doing its part. We will be ready to engage in negotiations to do even more.