



BRASIL

Thematic Debate of the High Level Segment of the Economic and Social Council

**“Promoting an integrated approach to rural development in
developing countries for poverty eradication and sustainable
development, taking into account current challenges.”**

**Statement by Ambassador Maria Luiza Ribeiro Viotti
Permanent Representative of Brazil to the
United Nations
(New York, 2 July 2008)**

(check against delivery)

Mr. President,

The theme selected for the High Level Segment of the ECOSOC couldn't be more relevant. When we agreed on this theme last year, few could have foreseen how timely this debate would become. Rural development, important as it has ever been, has taken a new dimension in these difficult times, given the magnitude of the food and energy crisis.

Last May, in his message to a special debate on the food crisis in this Council, President Lula called for an unemotional examination of its multiple causes, which involve higher prices of oil and fertilizers, seasonal price fluctuations, crop failures, realignment of exchange rates and financial speculation with commodities, among others. He noted that the crisis is also related, in part, to a welcome fact: the improved living standards in several developing countries, which, in turn, has generated higher demand for food.

He also called for short term, emergency action, and long-term, structural measures to deal with such a complex issue.

Mr. President,

Little attention has been given to an important factor in the current crisis – speculation resulting from the turmoil that has shaken the main financial centers.

Investors have sought to escape the financial crunch that befell, in particular, the real estate market in major economies, by spreading their assets in other currencies and speculating with commodities. With a tight world supply of energy and food products, the consequences have been immediately felt in soaring prices for oil and food.

Food and energy security are ever more interdependent. They cannot be decoupled. Today we are witnessing a pattern similar to that of the 1970s with substantial increases in both food and oil prices. Since 2001, the price of a barrel has jumped from US\$ 30 to US\$ 140 today. Such dramatic increase affects the whole food chain, by elevating the costs of fertilizers and pesticides, as well as of transportation, packaging and storage. In Brazil, for instance, energy prices account for 30% of the final cost of food. The dramatic increase in oil prices should be examined more thoroughly by the General Assembly, as proposed by the Heads of States and Government of the Centro-American System of Integration and Brazil last May

The FAO Conference on food security held in Rome, last month, yielded important results, especially in commitments for emergency relief and resources. However, it was not able to adopt medium and long-term measures to restore the capacity of developing countries to feed their populations and supply the international markets. Nor was it able to instill a sense of urgency in tackling the imbalances in the energy markets and their impact on food prices.

Brazil believes it is high time for policy decisions that will create the necessary conditions to turn this crisis into an opportunity for growth and development. I am referring to the elimination of export subsidies and domestic support in developed countries, which have distorted trade in agricultural products. Such subsidies are a significant disincentive to agriculture in developing countries. The unfairness and waste of these

subsidies are well publicized; they must be eliminated. Doing so would remove the obstacles that have prevented poor farmers in developing countries from being lifted out of poverty by taking advantage of their agricultural potential.

Another important opportunity for developing countries is the production of biofuels. If developed in a judicious manner, according to the reality in each country, biofuels can be an essential tool in generating income and promoting food and energy security. This has been the Brazilian experience with sugar cane-based ethanol in that: (1) it has helped cut drastically CO₂ emissions over 30 years with no adverse effect on food production; (2) it has generated income and jobs in rural areas and (3) it has supported economic growth.

We were heartened by Professor Jeffrey Sachs' comments in this Chamber, during the ECOSOC special meeting on the food crisis, when he confirmed that sugar cane-based ethanol, in light of the Brazilian experience, made sense from an economic point of view, from an environmental point of view and from the point of view of energy security.

We are sure that many developing countries, given adequate resources and technologies, would be able to produce biofuels while improving their ability to increase food crops and achieve rural development. Brazil has managed to do precisely that. In addition to the energy and environmental benefits, biofuels in my country have contributed to sustaining a flourishing agriculture. Over the same period of 30 years, the Brazilian agricultural output has increased exponentially, thanks to productivity gains, including in the production of sugar cane.

Over one hundred countries have natural advantages for sustainable biofuel production. In many of them, less than 20% of the population has access to energy sources for their basic needs. These countries, on a case-by-case basis, are the ones that must decide on the convenience of producing biofuels.

In order to better understand this issue, President Lula has invited government officials, scientists and representatives of civil society from all interested countries to participate in an International Conference on Biofuels, to be held in São Paulo, this coming November.

Mr. President,

As part of our efforts to promote rural development, Brazil has placed the right to food at the core of public policy agendas. We have amplified agrarian reform, increased support to small-scale agriculture and granted credit and technical assistance to help farmers market their products. The enactment of the Organic Law for Food and Nutritional Security, in 2006, has made access to food a permanent policy in Brazil. We have introduced public policies that increased people's income, such as "Bolsa Família", a family allowance program that benefits over 11 million poor families.

The eradication of poverty is not only a development objective, but also the fulfillment of a human right. In fact, to confer a humane and ethical dimension to economic growth is a goal rooted in the Brazilian constitutional order and in our strong commitment to human dignity.

Mr. President,

At the opening of our debates, the Secretary-General emphasized that the current crisis affects us all, developed and developing countries. And that only through a collective action of the United Nations, we would be able to find the solutions to our predicament.

In coping with today's challenges, we should try to find responses to the problems derived from climate change, the rising of food and energy prices, the systemic weaknesses of the financial markets and the deep imbalances in globalization. In particular, the struggle to eradicate poverty and hunger must be waged on with determination and an acute sense of solidarity. It is in the rural areas that most of the bottom billion lives. It has been demonstrated that availing themselves of the necessary means, resources, technologies and access to markets, farmers in developing countries will rise up to the challenge of substantially increasing outputs of food and biofuels. Rural development is key not only to alleviate the present dire situation in food and energy markets, but also to lay the foundation of a more fair and balanced world for future generations.

Thank you.