



## **Brazil should lead the debate on climate change**

**By Marcos Jank**

Friday, December 12th, 2008, saw the conclusion of two weeks of rather sterile meetings in Poznan, Poland, ending the 14th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 14). Despite the heated emotions that accompany the question of reducing emissions of greenhouse gases, the ones that cause climate change, the fact remains that 11 years after adopting the Kyoto Protocol, results are still extremely modest.

We should recall that the United States refused to ratify the protocol after having initially signed it, and that the majority of rich countries are still a long way from complying with their proposed reduction targets. Compensation via the so-called Clean Development Mechanism (CDM) also faces huge bureaucratic difficulties for operational implementation. Developing countries are split between those that demand substantial reductions, because they risk simply disappearing (island nations, for example); those that refuse to make any progress (petroleum producers); and those that insist the rich countries put their own house in order before asking poorer countries to step up to the plate. Despite being one of the countries with the greatest potential to reduce greenhouse gas emissions, Brazil had been hiding behind China and India in this third category. But China, Brazil and India were, respectively, the world's second, fourth and sixth largest emitters of greenhouse gases in 2000! It's time to change that position.

In the first place, if Brazil did its own homework properly and achieved a significant reduction in the annual rate of deforestation in the Amazon, this would give us a position of global leadership in climate negotiations. More than 75% of Brazilian emissions are related to the "original sin" of illegal deforestation, and this has its origins in inadequate control mechanisms and the lack of good property rights over the land. Just 4% of Amazon land is covered by legally solid title deeds, a fact that makes the forest an open invitation to illegal settlers, be they poor families or big farmers. Happily, the government decided to face up to the problem and announced at the Poznan conference an historic change of policy, with national targets for deforestation. This was spelled out in the National Climate Change Plan approved two weeks before by President Luiz Inácio Lula da Silva. The goal is to reduce Amazon deforestation to a level of 5,740 km<sup>2</sup> per year by 2017.

If Brazil really does manage to do this, it will be taking an enormous step towards controlling today's chaotic occupation of the forest. However, this goal will be achieved only if the private sector also becomes involved in the process. The soy industry moratorium in the Amazon and the unequivocal support of the sugar-energy industry for the ban on new sugarcane planting in the Amazon forest and Pantanal wetlands are examples of the business community adopting more mature positions and taking concrete measures with respect to sustainability.

Secondly, there is a real possibility of reducing greenhouse gas emissions through policies that promote the sustainable expansion of the share of renewable fuels within the Brazilian energy matrix, in particular with renewable vegetable charcoal, ethanol and sugarcane biomass, biodiesel, wind and solar energy. Unlike China and



India, Brazil today boasts one of the cleanest energy matrixes on the planet, with 46% of its energy coming from renewable sources, and it is imperative that we fight to make this even cleaner. However, the expansion of “dirty” thermoelectric power stations burning coal and fuel oil and the permanent “temptation” to reduce government-determined prices for, and/or taxes on, gasoline could unfortunately bring about a drop in the share of renewables in the energy matrix, as happened in the 1990s.

Thirdly, complementary efforts could be made through emissions reductions in agribusiness and industrial sectors like iron and steel, mining, cement, petrochemicals and others.

Everything suggests that the Democrats under Barack Obama will change the US stance on the question of global warming and that the country will come to the 15th meeting in Copenhagen (COP15) with innovative positions, taking on a leadership role in negotiations for a post-Kyoto agreement. The new American government is likely to combine expansionist fiscal policies with incentives for less polluting technologies. In the second half of 2009 the presidency of the European Union will be held by Sweden, a country with an exemplary record in the areas of the environment and the wide use of bioenergy. The atmosphere at Poznan made it clear that the fight against climate change requires more than just political good will. The United States, the European Union, Brazil, China and India are central players who must exercise leadership in the discussion of new methodologies and incentive mechanisms and in more ambitious commitments to reducing emissions.

It is time for the Brazilian government and the country’s business leaders to start seriously studying the possibility of agreeing to ambitious targets for reducing emissions sector by sector, at least within Brazil, with a system for compensations and public policies that reward those technologies that bring environmental and social benefits for society as a whole. In climate discussions in 2009, our diplomats will certainly have the opportunity to negotiate multilateral actions that can more adequately mitigate global warming and that are at the same time measurable, reportable and verifiable.

If the inevitable post-Kyoto agreement results in an economic system that encourages clean technologies more effectively than the current CDM, certainly Brazil will have no problem in committing at some future date to global goals for emissions reductions, not least because this would be very likely to result in more gains than losses for companies and for society.

*Article first published in Portuguese in the "O Estado de São Paulo" newspaper on December 13, 2008.*

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