

Rio plus or less 20?

Brazil and the challenges of the transition to a Green Economy

April 18th, 2012

The Rio+20 Conference, scheduled for next June offers a unique opportunity for a serious, in-depth discussion of the domestic policies and the international negotiations about climate change and the transition to a low carbon economy.

Current standards of production and consumption are challenging the natural limits of the planet. We cannot passively accept this problem and its implications for economic and social development to be hidden from the agenda of a meeting whose very name and object is sustainable development. The dramatic evidences of the global warming process, expressed in extreme climate events, are multiplying in Brazil and in the rest of the world, and the impacts, including economic ones, of this track are noticeable in several countries and sectors.

In light of the challenges and urgency of the climate and environmental agenda, there is a high risk that Rio+20 may not only be irrelevant, but may even represent a backlash. This perception is becoming more widespread, and may even undermine the ambition of the Conference in terms of the presence of Heads of State and Government, creating an embarrassing contrast with Rio 92, whose anniversary is being celebrated.

We do not ignore the fact that the current global situation is not conducive to international cooperation initiatives and negotiations. To the contrary, it is necessary to honestly recognize that the economic crisis is being used as an apparent justification to unilateral growth efforts, which do not take into account the natural limits to current patterns of consumption and production.

Without ignoring or minimizing the difficulties, it is essential for the Conference to show that far from being an obstacle, the transition to a low carbon economy is the only realistic way to impose dynamism to sustainable growth.

The recent evolution of the Conference's preparatory work confirms that there is a strong risk that the sustainability dimension of the development debate be diluted in an excessively broad agenda, resulting in the loss of focus of the efforts of international coordination in the area of climate change and the environment. Rio+20 is an opportunity that will not soon return to give concrete content to the climate and environmental pillar of sustainable development, and this aspect should not be lessened within a generic, rhetorical and unfocused agenda.

The role of Brazil, the host of the Conference, in this unfavorable international context is fundamental. Brazil is a first tier actor in everything that refers to the climate change and environmental agenda: the country's assets in the agricultural, energy, water and forest resource areas make Brazil a necessary participant in any international effort to face global challenges. We cannot turn away from the responsibility to contribute as hosts to bringing different positions closer and to build consensus around bold goals, especially after having assumed, in Copenhagen (at the COP 15), the commitment to reduce emissions by 2020.

Our strategy and our alliances on the external front should be guided by the objectives of defending the country's interests, but they should also be a vector for affirming Brazil as an international player concerned with the global and indivisible interests of humanity, the so-called "global commons." The best way to assert Brazilian interests and the values of a sustainable future for all countries is not through automatic alignment with other developing economies, but through the essential role as a facilitator of consensus, in which nobody can take the place of Brazil.

Brazilian protagonism should not only be expressed in the international sphere, but also, and today more than ever, in the domestic policy arena. Here, Brazil made a significant progress by approving the National Policy on Climate Change, or PNMC (Law no. 12.187/2009) and by reducing deforestation. In this field, it is essential that the new Forest Code, currently under examination at the National Congress, makes it possible to consolidate recent efforts, avoiding legislative and institutional backlashes.

In the domestic sphere, Brazilian mitigation efforts, which are concentrated on reducing deforestation, are evident, yet the country's policies and initiatives to support the transition to a low carbon economy are less obvious.

In the majority of countries, the policy agendas to mitigate emissions and to foster transition towards a low carbon economy are closely related, since the origin of the emissions in these countries is concentrated in the energy and/or the industrial sector. However, in Brazil, there seems to be a disconnection between the two agendas. The challenge of mitigation, reducing deforestation, is being faced, but little was done to move towards a low carbon economy.

In terms of the domestic policy agenda, this situation leads to a low degree of intersection between, on the one hand, industrial, trade and innovation policies, and on the other, climate policies. These different policies barely communicate between themselves, which becomes obvious in the priorities set by the industrial and transportation policies, often creating perverse incentives from the point of view of the transition to a low carbon production model.

In response to the 2008 economic crisis, a variety of countries adopted in their incentive packages a set of specific measures focused on increasing the green content of the post-crisis recovery process. The incentive packages announced by China and South Korea certainly contained the largest component of green policies, although incentive measures with

similar content were also adopted in the USA and in several European countries.

Except in the case of incentives for energy efficiency in the major appliances sector, Brazil practically ignored the climate dimension in its incentive packages adopted after 2008. Beyond that, Brazil seems not to perceive the extraordinary opportunities that the sustainable development agenda offers for a country like ours. Brazilian economic and social policies should be coherent with the transition to a low carbon economy and with exploitation of the associated economic opportunities.

The delay in implementation and disclosure of the Sector Plans established in the National Climate Change Policy seem to reflect the difficulties in coordinating climate policies with industrial and transportation policies.

Since the issue of sustainability is “horizontal,” requiring the involvement of different types of policies and actors, the elevation of its hierarchy in the agenda of domestic policies in Brazil could be expressed in the setting of a coordination structure, linked to the Presidency of the Republic, among the different intervening government levels and agencies.

In summary, the signatories of this document believe:

- the Rio+20 Conference is an opportunity to keep the flame of sustainable development alive and to advance in climate negotiations, and must not be allowed to wither inside a generic and unfocused development agenda.
- Brazil should act in international climate negotiations as a protagonist, defending its specific interests, but also as a force for moderation and balance to promote topics and agendas related to global goals.
- Brazil should clearly engage, through a coordinated set of public policies, in the agenda of transition to a low carbon economy, seeking to develop the competitive advantages associated with this process and discouraging initiatives that go in the opposite direction to this transition.
- priority for the transition towards a low carbon economy should translate into industrial, transportation, energy, agricultural, trade and innovation policies and into policy instruments that favor sustainable investments.
- in order to ensure priority for the agenda of transition to a low carbon economy, a structure should be created, linked to the Presidency of the Republic, to coordinate policies related to this objective, ensuring coherence among different sectoral actions, and short and medium term objectives, etc. This structure should occupy a first level of importance in the Ministerial structure.

Sign the document:

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- Elena Landau – Economist, Lawyer and Former Director of BNDES
- Fábio Feldmann – Former Congressman and Former Secretary of Environment of the State of São Paulo
- Gustavo Krause – Former Governor of the State of Pernambuco, Former Minister of Finance and Former Minister of Environment
- José Carlos de Carvalho – Former Minister of Environment and Former Secretary of Environment of the State of Minas Gerais
- José Goldemberg – Former Minister of Education and Former Secretary of Environment, Science and Technology of the Federal Government
- José Sarney Filho – Congressman (PV-MA), former Minister of Environment, President of the Environment and Sustainable Development Commission, Green Party leader, President of the Rio+20 Subcommittee of CMADS and Coordinator of the Environmentalist Parliamentary Front of Brazilian Congress
- Luiz Augusto de Castro Neves – President of CEBRI (Centro Brasileiro de Relações Internacionais)
- Marcelo Takaoka – President of the Brazilian Council for Sustainable Construction and President of the Council of Sustainable Building and Climate Initiative, of UNEP
- Marina Silva – former Minister of Environment and candidate for Presidency of the Federative Republic of Brazil in 2010
- Pedro da Motta Veiga – Sociologist and Director of the Center for Studies on Integration and Development – CINDES
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