

PERSPECTIVAS

COMUNICAÇÃO & RELAÇÕES INSTITUCIONAIS

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SPECIAL EDITION: LEADERS SUMMIT ON CLIMATE 2021



LEADERS SUMMIT ON CLIMATE SHOWS OPPORTUNITIES FOR THE PRIVATE SECTOR AND SETS A NEW MILESTONE FOR CLIMATE ACTION

THE EVENT ANTICIPATED GLOBAL LEADERS' EXPECTATIONS FOR COP 26 IN GLASGOW

The Leaders Summit on Climate was hosted between April 22nd and 23rd by the US President, Joe Biden, as a forum for dialogue and preparation for COP 26, which will take place in November. The event was attended by representatives of multinational companies, associations, unions, and more than 40 leaders from the countries that are among the biggest carbon emitters.

SOME COMMITMENTS MADE BY THE COUNTRIES IN THE SUMMIT



Reduce 50 to 52% of greenhouse gas emissions by 2030 compared to 2005 levels



Eliminate 100% of mineral coal use as fuel by 2030



Establish legislation that guarantees the control of carbon emissions and brings incentives to reduce them



Emission reduction by 55% by 2030, compared to 1990 levels



Reduction of greenhouse gases emission by 43%, eliminate 100% of illegal deforestation by 2030, and carbon neutrality by 2050

PROPOSAL BROUGHT UPON BY FRANCE SHOWS RISK OF TRADE BARRIERS

The President of France, Emmanuel Macron, proposed including environmental costs in the trade of goods and services through international regulation. If implemented, this could create barriers to international trade.

OPPORTUNITIES AND JOB CREATION: On the second day of the Summit (23/04), the executive director of the International Energy Agency (IEA), Fatih Birol, showed optimism towards the future by pointing out new records in the sectors of renewable energy generation and electric vehicles expected for this year and the great potential for job creation provided by renewable energies.

PRESIDENT JAIR BOLSONARO PROMISES CARBON NEUTRALITY AND TO CUT ILLEGAL DEFORESTATION DOWN TO ZERO



The Brazilian President, Jair Bolsonaro, was the 19th leader to speak during the first day of the Leaders Summit on Climate. His speech was considered “moderate” in comparison with previous manifestations towards the climate issue. According to the President of the United States and organizer of the summit, Joe Biden, the Brazilian President brought “encouraging news” in his speech.

Mr. Bolsonaro said that Brazil has a “proactive role in building the global environmental agenda”. He also emphasized the country’s historical positions, such as defending that countries have common, albeit differentiated, responsibilities in the matter of climate change.

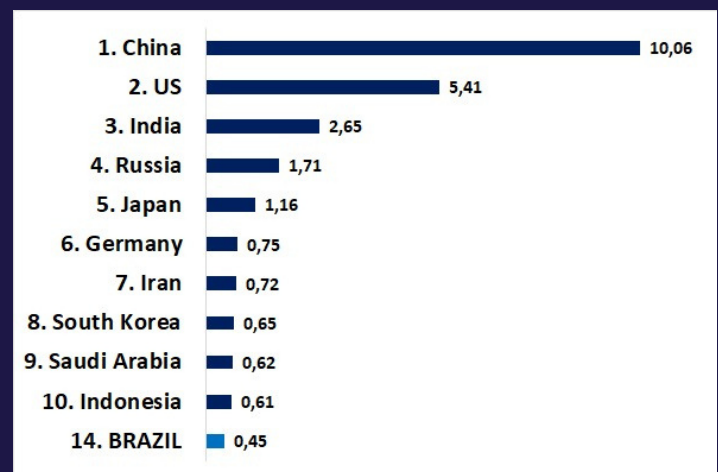
Mr. Bolsonaro highlighted Brazilian investments in renewable energies and the country’s commitment to its Paris Agreement’s Nationally Determined Contributions.

The Brazilian leader also promised carbon neutrality by 2050, thus anticipating the previous target by ten years. As a means to achieve said contribution, the President promised to double the budget for environmental oversight and cut illegal deforestation down to zero by 2030.

Finally, Mr. Bolsonaro described the importance of the carbon market as a source of investments and resources for climate action. Furthermore, he said there needs to be a “fair recompensation for the services provided” by the Brazilian biomes to the planet as “a way to acknowledge the economic value of conservation activities”, according to him. He ended his speech by stating that Brazil is open to international cooperation.

BRAZIL MAINTAINS ONE OF THE MOST AMBITIOUS NDC AMONG DEVELOPING COUNTRIES IN THE PARIS AGREEMENT

Among developing countries, Brazil has a special position for having one of the most ambitious Nationally Determined Contributions in the Paris Agreement. Despite being responsible for 3.4% of global emissions, Brazil has determined to reduce total emissions by 37% in 2025, and by 43% until 2030 concerning the emission levels of 2005. The country is also committed to achieve carbon neutrality by 2050 (this target, previously set to 2060, was anticipated during the Climate Summit).



Brazil is in 14th in the ranking of the largest CO2 emitters measured in annual Gt of CO2 emitted based on the year 2018, with 0.45 Gt emitted in the year. Source: Earth Systems Science Data.

The current government has argued that developed countries must finance the developing world’s climate policies. In December 2019, in Spain, during the 25h Conference of the Parties to the UNFCCC (COP25), the Brazilian delegation - led by the Ministry of Environment, Mr. Ricardo Salles - defended that the regulation of Article 6 of the Paris Agreement must consider the historical efforts in reducing emissions, even before the Agreement.

During a pre-meeting of the Climaye Summit with leaders from the Brazilian private sector, Mr. Salles argued that Brazil should receive US\$ 1 billion in international aid as payment for the carbon credits obtained by Brazil from reducing deforestation between the years of 2006 and 2017.

NEXT STEPS - COP 26



UN CLIMATE CHANGE CONFERENCE UK 2021

IN PARTNERSHIP WITH ITALY

The 26th edition of the United Nations Conference on Climate Change (COP26) is scheduled to take place from November 1st to 12th in the city of Glasgow, Scotland, and will be chaired by the United Kingdom. Initially scheduled to take place in 2020, the Conference was postponed to 2021 due to the COVID-19 pandemic.

One of the greatest expectations for COP 26 is the conclusion of negotiations regarding Article 6 of the Paris Agreement, which provides market mechanisms to mitigate global carbon emissions. The regulation of said Article was expected to occur in the previous edition of the COP, in 2019, however, the lack of consensus between the parts of the Agreement stalled the negotiations.

THE CLIMATE SUMMIT AND THE PRIVATE SECTOR

The results of the Summit reinforce opportunities for companies that position themselves according to ESG principles. The degree of ambition of the climate targets will require strong investment towards the transition to a clean energy matrix, in products and technologies that mitigate emissions, and in the generation of jobs associated with a low carbon economy. Companies that have been anticipating this new scenario tend to benefit the most from this transition. It is worth noting the opinion of some experts:

"Resilient or climate-adapted investments, when compared to traditional investments, will result in savings of more than US\$ 4 trillion, equivalent to a US\$ 4 return for each US\$ 1 invested"

Alexandre Kossoy, senior financial expert in the World Bank's Climate Change area (episode 1 of the PERSPECTIVAS Podcast)

"The acceleration towards this low-carbon world [is occurring] quickly. [...] This has caused the Brazilian financial market to react very strongly, especially in the last couple of years."

Carlo Pereira, executive secretary of the Brazil Network of the UN Global Compact (episode 6 of the PERSPECTIVAS Podcast)

Check out the episodes of the PERSPECTIVAS podcast (in Portuguese language only) at the following link:

<https://www.perspectivasbr.com/podcast>

THE CARBON PRICING LEADERSHIP COALITION

The Carbon Pricing Leadership Coalition (CPLC) is a voluntary initiative of the World Bank Group that catalyzes action towards the successful implementation of carbon pricing around the world. The CPLC brings together leaders from government, business, civil society, and academia to support carbon pricing, share experiences and enhance its global implementation. Marina Mattar, founding partner of Perspectivas, is a member of the Steering Committee of CPLC. Learn more at <https://www.carbonpricingleadership.org/who-we-are>

ABOUT PERSPECTIVAS

Perspectivas is a Communication & Institutional Relations consultancy specialized in advocacy strategy and image building based on the pillars of dialogue, ethics, and transparency, with a strong focus on ESG (Environment, Social & Governance) principles, especially in the Low Carbon Economy.

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