

STATEMENT BY HIS EXCELLENCY MR. RICARDO SALLES

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4th Ministerial on Climate Action (MoCA) – 7 JULY 2020

**• How are you aligning your economic recovery plans with the Paris Agreement aim to enhance climate action over time?**

The post-epidemic economic recovery process is a crucial matter. As a developing country, Brazil faces the challenge of saving lives whilst also trying to ensure that the economic crisis provoked by the pandemic will not further increase our poverty level, which in itself is already a major cause of environmental degradation.

Brazil's plans for the post-COVID recovery have significant *green* components. The economic recovery process will require long-term investments in all sectors, with infrastructure playing a leading role. With an economy-wide NDC, Brazil has several opportunities for aligning investments for economic recovery with the objectives of the UNFCCC and the Paris Agreement, and, more generally, for promoting sustainable development.

These are some of the main policies that our Government has been working on:

Last June, the Brazilian Senate approved a new “Regulatory Framework for Basic Sanitation”. This is a groundbreaking development, as it is intended to provide *universal access to basic sanitation* to all Brazilian citizens. Investments worth over US\$ 100 billion will take place in this sector in the coming years, with the private sector playing a major role. In addition to stimulating investments, including foreign ones, this new milestone will have a large and very positive environmental impact in Brazil, by contributing to more efficient and appropriate waste management, while reducing urban pollution levels and mitigating greenhouse gas emissions. Needless to say, it is one of the most effective adaptation initiatives possible as well.

We are also similarly committed to consolidating a robust framework for *payments for environmental services*, which will help to spur investments and finance conservation and restoration activities in our territory, specially with market driven instruments. Last week, we launched the “Floresta + Project”. Under this program, the Brazilian government will enable that those who produce environmental services by preserving native vegetation cover or engaging in restoration activities be duly remunerated. Floresta + is designed to align policies for social and economic development with climate change adaptation and mitigation, as well as biodiversity protection.

The recently-created Council for the Amazon, which is chaired by our Vice-President of the Republic, is also developing a strategic plan for boosting sustainable development in the Amazon region, as well as combating illegal deforestation and other illicit activities in the rainforest.

Brazilian agriculture, which currently provides food to over 1.2 billion people living outside of Brazil, as well as producing bioenergy, fibers and environmental services, meets the highest standards of sustainability among the large food producers in the World. Under Government-sponsored programs, such as Project ABC (“Low Carbon Agriculture”), it will continue to play an important role in economic planning and environment-friendly investments in Brazil.

I would be remiss if I did not refer to what is truly *the core of climate action and combating climate change: energy transition*. UNFCCC and Paris Agreement goals will never be met unless we focus on a transition that ensures the replacement of fossil fuels by other more sustainable energy sources, as Brazil has been doing for decades. Investments in renewables (ethanol, biodiesel, wind and solar energy) remain as crucial as ever.

Finally, we do hope that the much-needed funding allocated for climate finance, especially for developing countries, is not displaced by actions focused on the economic recovery from the pandemics. On the contrary, it is of the utmost importance that climate finance is enhanced with supplementary financial support, aimed at promoting more sustainable businesses and life patterns. In our view, recovering from COVID 19 and fighting climate change can and must go hand in hand with each other.

An environmentally sustainable recovery demands proper levels of financing, market driven instruments, capacity building and technology transfer, especially for developing countries. A recovery that will “do no-harm” should really mean a recovery that tackles international economic development disparities, which have been aggravated by the current pandemic.