



**United Nations Environment Program
Regional Office for Latin America and the Caribbean**

PROGRAMA DE LAS NACIONES UNIDAS PARA EL MEDIO AMBIENTE
PROGRAMME DES NATIONS UNIES POUR L'ENVIRONNEMENT

**Sixteenth Meeting of the Forum of Ministers of the
Environment of Latin America and the Caribbean**

**Santo Domingo, Dominican Republic
27th January to 1st February 2008**

B. MINISTERIAL SEGMENT
30th January to 1st February 2008

Distribution:

Limited

UNEP/LAC-IG.XVI/4/Rev.1

Thursday 3rd January 2008

Original: Spanish

Agenda Item 6: Ministerial Dialogues about emerging
and relevant issues for the implementation of the Latin American
and Caribbean Initiative for Sustainable Development

**6.1. General information that can be
used by the Ministers and Heads of
Delegation for the dialogue on**

Climate Change

Latin America and the Caribbean vis-à-vis the climate change

1. In the past twelve months we have witnessed important events in the international debate on climate change which are related to the distribution of three new reports of the Intergovernmental Panel on Climate Change which show that man-induced climate change is a reality, as well as the publication of economic evaluations that show that the costs of inaction are well above the costs of action for facing this global environmental problem.

2. To effectively face climate change, the international community must now overcome the challenge of achieving a transition toward an economy with low carbon emissions, as well as adapt itself to unavoidable changes. Achievement of these objectives calls for the mobilization of public and private financial sectors, as well as significant local and international investments. Nevertheless, such challenge affords an opportunity that may be taken advantage of through the adoption of mitigation and adaptation measures, for achieving the following benefits, among others:

- a) Facilitate new investment flows and markets for friendly climatic technologies;
- b) Achieve multiple environmental benefits such as improvement of the quality of air, conservation of biodiversity, sustainable management of ecosystems for ensuring sustainability of sweet water and food and improve public health⁽¹⁾;
- c) Achieve multiple development benefits in a fair and equitable manner, such as energy security; generation of employment, availability of new sources of income in rural economies and eradication of poverty.

3. *"Globalization and Climate Change – Mobilizing Financing for Facing Climate Change"* will be the main theme of the tenth special session of the Governing Council/Global Ministerial Environment Forum (Principality of Monaco, 20-22 February 2008). This will be the first occasion on which Environment Ministers from all over the world will have the opportunity to:

- a) Discuss ways of mobilizing the necessary financial resources for adapting to climate change, with a view to moving forward to an economy with low carbon emissions and, while promoting said objective, to interact with the private sector participants; and
- b) Provide policy and advisory guidelines to the member countries and institutions within the United Nations system regarding the existing diversity of regulatory and policy responses to climate change so as to facilitate a favorable investment climate.

⁽¹⁾ The Ministers may exchange information and viewpoints on the relationship between climate change and health.

4. It is intended that at this Meeting of UNEP's Governing Council the Ministers will focus on determining a fair and equitable way of developing a stable and favorable political environment to:

- a) Determine the financing required for adapting to change, particularly in the most vulnerable countries which require new and better financing mechanisms;
- b) Finance the transition toward a sustainable economy with low carbon emissions, through new investment flows, markets for friendly climatic technologies, facilitate access to sustainable and economic energy services and public-private associations;
- c) Finance the sustainable production of biomass for bio-fuels;
- d) Achieve multiple environmental objectives and the identification of unforeseen environmental consequences through transition and adaptation methods; and
- e) Identify the links between the generation of wealth and the eradication of poverty through transition and adaptation measures.

5. In brief, it may be said that the climate change issue is undergoing a *political momentum* that had not been experienced since the adoption of the Kyoto Protocol. It is thus evidenced by the various international dialogue initiatives on the subject, particularly those convened by entities of the United Nations system.

6. The current circumstances in the discussion on climate change offer opportunities and challenges for the countries of the region, particularly taking into account that what is at stake is the opportunity to relaunch the international cooperation necessary to mobilize resources and undertake efforts that will strengthen commitments and activities to be implemented in the framework of the international climate system.

7. Without prejudice to the negotiation mechanisms and groups in which the countries of the region are participating, it is believed that an exchange among environment ministers is necessary, particularly with regard to the implementation of the Bali Action Plan, approved at the 13th United Nations Climate Conference (Bali, Indonesia, 3 to 14 December 2007), through which it was agreed to launch the Bali roadmap, which should be a comprehensive process to help attain the full, effective and sustained implementation of the Convention on Climate Change through joint cooperation activities from now, up to and beyond 2012, with a view to achieving an agreement and adopting a decision at the 15th Meeting of the Conference of the Parties to the UNFCCC.

8. The agreement approved by 187 countries includes a programme on key issues that should be negotiated up to 2009 and several cooperation mechanisms that are necessary to back the success of global efforts to address this problem, namely:

- a) A commitment on the part of the developed countries to reduce emissions further and the conclusion of negotiations in this regard in Copenhagen in 2009.

- b) The developing countries agreed to consider reducing their emissions in the understanding that the principal of common but differentiated responsibility is related to financing and technology.
- c) The administrative structure of the Adaptation Fund was approved.
- d) The inclusion of deforestation in the climate agreement after 2012 and the expansion of reforestation and afforestation projects.
- e) More than twenty agencies of the United Nations, funds and programmes, through the coordination of the Environmental Management Group sponsored by UNEP, are compensating for the emissions associated with their trips to and from Bali.
- f) Norway will provide about US\$3 billion dollars to address deforestation.
- g) Denmark also announced that it would grant resources of approximately US\$10 million dollars for UNEP to provide assistance to the countries in protecting their economies in relation to climate effects.

9. UNEP has actively participated in the work of the IPCC and carried out various activities in the field of sustainable consumption and production linked to climate change. It has also participated and backed initiatives launched by the General Secretariat of the United Nations in the field of political dialogue regarding climate change. In the future UNEP will direct its efforts towards four specific spheres – mitigation, adaptation, investment or financing, and technology transfer or transition – to work towards a society and a world with low carbon emissions and a secure climate.

10. The conclusion of the negotiations in 2009 will guarantee that the new agreement can enter into force no later than 2013, following the end of the first phase of the Kyoto Protocol. For the UNFCCC Executive Secretary Yvo de Boer, with the adoption of the Bali Roadmap the *"Parties have recognized the urgency of action on climate change and have now provided the political response to what scientists have been telling us is needed."*

11. On the other hand, the improvement of energy efficiency and the use of more environment friendly energies amongst them, renewable energies, has been considered as an option vis-à-vis consumption of fossil fuels. In fact, the Latin American and Caribbean countries decided to commit themselves, through ILAC, to increase the inclusion of renewable energies in their corresponding energy matrices. This commitment was recognized at the World Summit on Sustainable Development held in Johannesburg in 2002 and seven years after holding said Forum and two years prior to evaluation of compliance with said goal, it is appropriate for the countries of the region to undertake an exchange on progress achieved and challenges that have been faced.

12. The need to speed up efforts toward greater energy efficiency and the use of renewable energies has been recognized as a result of high oil prices and given the importance of expanding energy alternatives that may reduce environmental impacts, particularly the generation of greenhouse gases caused by climate change.

13. On the other hand, high oil prices and increasing consensus regarding the need to undertake actions in view of climate change have made bio-fuels a possible option in view of environmental impacts generated by the production and consumption of fossil fuels. The viability of bio-fuels from the economic and environmental standpoint has become an issue for discussion at various international gatherings. Impacts on world food availability and subsidies to agriculture in developed countries have also become subjects for discussion.

14. For the Latin American countries – mostly for those lacking or with a deficit of fossil resources – the alternative of the so called “green oil” is seen as an opportunity to reduce their degrees of foreign dependency and the deficit of their trade balance.

15. The document *“Opportunities and risks arising from the use of bioenergy on the food safety issue in Latin America and the Caribbean”*, jointly developed by FAO and ECLAC quotes a study prepared by the World Food Program under the title *“Evaluation of the World’s Food Safety”* (CFS: 2007/2) in which the subject of the impacts generated by the competition between food and bioenergy. In this document a claim saying that bioenergy presents both opportunities and risks is made. The implications of bioenergy for food safety and the environment will depend on the scale and speed of the change, as well as on the type of system considered, the structure of the product and energy markets, and on the decisions concerning the policies on agriculture, energy, environment, and trade.

16. In Latin America and the Caribbean agrofuels are produced in at least ten countries: Argentina, Bolivia, Brazil, Colombia, Ecuador, Guatemala, Honduras, Mexico, Paraguay and Peru. Out of the aforementioned countries, four export agrofuels from their own crops (Brazil is the largest exporter out of the four; there are much smaller sales from Bolivia and Guatemala, and Argentina has just started with such a trade). There are ongoing programs in almost all the countries and, hence, the list of producer is continuously growing. In addition, some Central American and Caribbean countries import hydrated ethanol to process it and export it to other places.

17. In accordance to the joint analysis of ECLAC and FAO, the countries of our region present a wide diversity of edafoclimatic situations, as well as a wide variety of production conditions of the various raw materials for bioenergy. It is obvious that some countries have adequate natural conditions to supply an important part of their energy consumption with products that come from the agricultural area. However, there is a need to consider that the social and economic impact derived from the introduction or intensification of certain crops might be negative, even if the country has production conditions that do not demand for the exploitation of its natural resources. Finally, it is important to take into consideration the situation of countries that lack the natural conditions for the production of bioenergy and that, obviously, will not be able to participate from this effort for the substitution of oil imports.

18. The subject was discussed in the South American Energy Summit (Isla de Margarita, Bolivarian Republic of Venezuela) in April 2007. The statement approved during said meeting expressed the “acknowledgement of the biofuels’ potential to diversify the South American energy matrix”, and there is an agreement to join

"efforts to exchange experiences undertaken in the region with a look at maximizing the efficiency in the use of said sources, so that they foster the social, technological, agricultural, and productive development⁽²⁾".

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⁽²⁾ "Statement of Margarita. Building the Energy Integration of the South", April 17, 2007.