



Template for non-Party stakeholders' inputs for the Talanoa Dialogue Question 1 – Where are we?

This template is meant to guide non-Party stakeholders (organization(s), coalition(s), initiative(s) and/or sector(s) etc.) in providing inputs that are relevant and impactful to the Talanoa Dialogue process. Using such the template is not mandatory, however, the High-level Champions encourage non-Party stakeholders to use such a structure to facilitate capturing and highlighting the key messages across the three questions.

Where are we?

The commitment (planned and/or announced) as well as the actions taken so far that are in line with aims of Paris Agreement, the 1.5/2 degrees' goal and the transition towards a net-zero emission society by this mid-century [Maximum 300 words]

Brazilian Business Council for Sustainable Development (CEBDS, in Portuguese) brings together around 60 important corporate groups in the country. Brazil's commitment is a reduction of 37% in greenhouse gas emissions by 2025, in addition to an indication of a reduction of 43% in National emissions by 2030, based on 2005 levels.

It is hereby indicated where Brazil currently stands in some relevant areas:

Reaching zero illegal deforestation is the highest priority for low-carbon development in our country. One of the main worrisome issues is still the existence of a clandestine market for forest and wood products associated with deforestation. Throughout 2018 campaign period for election, especially July through September - deforestation increased around 61% compared to the same period of 2017. This shows the need for strength local policies. The country must establish an approach that, besides traditional command and control mechanisms, adopts measures to direct national and international markets towards deforestation-free products.

Energy Transition: The improvement of the renewable profile of our energy system is a priority in the medium and long terms. Recognizing the limitation of public resources, the establishment of secondary markets for private credit, the extension of instruments for the securitization of foreign exchange hedges for external funding, and the stimulation of capital markets apart from our National Development Bank (BNDES), are relevant.

Companies have unanimously stressed out the importance of adopting a carbon pricing mechanism, including offsets from the forestry sector. In its foreign affairs policy, Brazil should position itself as to become a leader in the international market of emissions transfers, including REDD+. Brazil needs to maximize its great potential for international cooperation by attracting foreign investment, based on performance. This approach should supply resources to several tools such as REDD+ and Feed-in Tariffs for renewable energy, direct payment for mitigation or the creation of tradable emissions certificates.

Progress made so far against the above commitments, including success stories, case studies and gaps [Maximum 300 words]



CEBDS has been engaging companies to establish ambitious commitment, especially related to create the basis to a carbon pricing mechanism in Brazil. CEBDS articulated the Open Letter on Carbon Pricing¹, with support of CPLC and was elaborated among the Business Climate Initiative (IEC), a group composed by CEBDS, CDP, Center for Sustainability Studies (GVces) of Fundação Getulio Vargas (FGV), Brazilian Network of UN Global Compact, Ethos Institute, Neomondo and Envolverde, which are strategic non-government Brazilian institutions for climate action.

The Open Letter has been signed by CEOs of major companies in Brazil. The objective was to address carbon pricing as a fundamental tool in the Brazilian strategy for efficiently reducing its greenhouse gases emissions and the fulfilment of the Paris Agreement. In the last six months, we have increased the signatories from 24 to 29 and were able to bring in companies from the oil and gas and cement sector.

The letter declares that carbon-pricing mechanisms shall boost investments, assure companies' competitiveness, and drive low-emission technological innovation in Brazil. Also companies commit to adopt internal carbon pricing as an instrument for business decision-making and cooperate with the public sector and other companies, especially those in their value chain, by disseminating good practices, exchanging experiences and partnerships, and aiming to engage them in the debate.

Quantitative impact so far with respect to mitigation, adaptation, resilience and/or finance [Maximum 300 words]

In the last three years (2015, 2016, 2017), Brazilian companies have reduced an accumulated total 243 million tCO₂e, equivalent to 11% of the country's emissions in 2016. The companies know that they can do much more. Issuance of green bonds have risen 4 times from 2016 to 2017.

Where do we want to go?

Vision of the future for your organization and/or sector in terms of its possible role in achieving the 1.5/2 degrees' goal and a net-zero emission world by this mid-century [Maximum 300 words]

Long-term projections carried out by the main national studies have concluded that Brazil may get to 2050 with considerably smaller emissions than current levels, by reducing deforestation, trying to maintain its clean energy mix, implementing carbon pricing mechanisms and other relevant measures.

CEBDS' "Long-term low-carbon development strategies²" study, launched at the end of 2017, aims at indicating pathways and bringing together elements that allow strategies to be defined and trends to be discovered. It also highlights and develops the essential elements to structure a long-term strategy in Brazil, defining the roles to be played by businesses and by different government areas, identifying opportunities and challenges that go beyond the timeframe under the NDC, which means, focusing on the time gap between 2030 and 2050.

Possible and potential new commitments and pledges of to achieve the 1.5/2 degrees' goal and a net-zero emission world by this mid-century [Maximum 300 words]

We believe the following actions must be pursued:

- Eliminate any illegal deforestation in the Brazilian Amazon by 2030;*
- Businesses must establish GHG emissions mitigation and/or removal goals based on scientific data;*
- Adoption of a national carbon pricing mechanism, since it would reduce the economic cost of climate policies by allowing sectors and companies with lower abatement costs to contribute more with the efforts to*

¹ <http://cebds.org/wp-content/uploads/2018/04/cebds.org-9533-carta-cebds-ing-18-07.pdf>

² <http://cebds.org/en/publicacoes/long-term-low-carbon-development-strategies/>



reduce emissions. For the Brazilian industry, the goal is to establish a cap and trade system which CEBDS has written a proposal and delivered to the Minister of Finance³.

- Companies should consider reusing materials and using inputs with lower carbon footprints to foster the low-carbon development of the industry, thus adopting a Circular Economy approach;*
- The improvement of the renewable and clean profile of our energy system, by eliminating subsidies to fossil fuels and improving the energy governance system;*
- The commitment for energy efficiency auctions could promote efficiency gains in a systematic way, serving as an alternative to expand the generation system, as we state in our “Efficient electricity consumption: an agenda for Brazil”⁴ study. The goal of 10% gain in electrical efficiency, established in the Brazilian NDC, implies a decrease of 24% of the operating costs of the National Interconnected System (SIN) and reduced demand for investment in new energy supply of approximately 42%. Although there is a huge economic potential, it is emphasized that **it is modest and could reach up to 23% efficiency levels** if ambition was increased.*
- Development of a national green (and other sustainability-related) bonds market. The government needs to facilitate this mechanism to be used as a financing source for low-carbon investments*

Foreseen positive impact of these commitments once they are realized, including contributions to the sustainable development agenda [Maximum 300 words]

Preparing to achieve long-term mitigation objectives involves planning and short- and medium-term actions and creating the necessary foundations. Actions taken up to 2030 must, in addition to meeting the medium-term targets set by the Brazilian targets - NDC, be part of a long-term program and be consistent with subsequent planned actions. This means that, in the medium term, the Brazilian economy should not only carry out specific investments in order to reach the 2030 targets. Instead, it should avoid the renewal of cycles of greenhouse gas emission technologies, requalifying its infrastructure, its practices and its export profile. The government in its three spheres and the business sector must implement over time structural changes that guarantee the regulatory, technological, fiscal and financing conditions for the requalification of the development that could consolidate Brazil as a leader of the new world economy. Hence, being consistent with the goal of containing global warming at levels well below 2oC by the end of the century.

How do we get there?

Ways in which the UN Climate Change process can help you achieve your vision and goals, and how your actions can help in expediting sustainable transitions to climate neutral societies [Maximum 300 words]

The Talanoa Dialogue is helping non-parties to be heard during this global climate action process; moreover, it should amplify the contributions received by the non-parties. The responsibility of parties rising ambition in the commitments made gains force with the best and most updated scientific data on hand. The UN Climate Change process can lead giving huge visibility to the physical consequences the parties are much probably exposed to thus strengthening the sense of urgency. CEBDS has been identifying pathways, challenges and opportunities, in addition to proposing actions through relevant projects for several aspects of low-carbon development in Brazil. Among them we highlight

³ <http://cebds.org/wp-content/uploads/2018/07/cebds.org-carbon-pricing-in-brazilian-industry-strategic-initiative-cebds-precificacaocarbono-ingles-2707.pdf>

⁴ http://cebds.org/wp-content/uploads/2016/05/CEBDS_Estudo_PSR_Sum-Exe_ING-1.pdf



the paper “Vision 2050 - A new business agenda” (2012), the studies: “Opportunities and Challenges of the Brazilian NDC commitments for the Business sector”⁵(2016), “Long term low carbon development strategies” (2017), the Open Letter on Carbon Pricing and the Carbon Pricing proposal for the Brazilian Industry that have already been mentioned.

The aim of the Long term study was to highlight and develop the essential elements to structure a long-term strategy in Brazil, defining the roles to be played by businesses and by different government areas, identifying opportunities and challenges that go beyond the timeframe under the NDC, which means, focusing on the time gap between 2030 and 2050.

Concrete solutions that have been realized while implementing your commitments, including lessons learnt from success stories and challenges, and case studies that are in line with the 1.5/2 degrees’ goal and can support the Parties in achieving their NDC goals, enable higher ambition and inspire engagement of other non-state actors [Maximum 300 words]

After articulating the Open Letter on Carbon Pricing the next step was to evolve from this position paper into a proposal and show to the government that the business is opened to dialogue and can help the government by performing its homework and drive cooperation in the entire private sector, contributing to increase synergy with other social and economic fields.

Therefore, CEBDS developed a number of consultations with companies to reach an agreement and common ground for essential items necessary on a cap and trade system for the Brazilian Industry.

In addition to the studies already mentioned by CEBDS, regarding the Long Term study, the following sources were used: (i) projections carried out for the Brazilian economy and by each individual sector until 2050; (ii) lessons learned from international experiences in the creation of Long-Term Strategies; and (iii) information gathered from interviews with companies from key sectors in Brazil, and also other highly impactful representatives from civil society, such as academics and sectorial experts.

Another topic is that CEBDS recently hosted a Talanoa Dialogue in the afternoon of 19 of October in partnership with the Museum of Tomorrow, in Rio de Janeiro, gathering companies, academia and civil society together. The event began with a presentation of the Special Report of the IPCC towards 1.5C and was followed by two discussion panels. One with companies who presented how they are contributing to the Paris Agreement and the second one bringing the views of the civil society, start-ups and cities into the debate. The variety of sectors and actors inspired engagement and showed to the public the different approaches each individual can have to combat climate change.

Collaboration models with other stakeholders and, in particular, between non-Party stakeholders, national governments and the UN Climate Change process that have been successful in helping you, or can help you, achieve your commitments [Maximum 300 words]

During the second panel on the Talanoa Dialogue there were two projects from non-party stakeholders on the debate which strategy was a collaboration model that CEBDS understands that is important to share.

The first problem was that the municipality of São Paulo failed to implement the policy on reducing the public transportation emission and had no sanction. To address this problem, they formed a coalition of supporters (around 8 different organizations), focused on the process of renewing the policy and the goals of this law. With collective effort from various organization, they made a huge mobilization, in which many statues in the centre of São Paulo dawned, on the day of the public hearing, with his mouth covered with a protective mask, drawing attention to the impact of pollution on health and the importance of having a fuel transition planned.

⁵ http://cebds.org/wp-content/uploads/2017/06/CEBDS_NDC_SUMEX_ING_navegavel.pdf



They were not talking about carbon, they were talking about health, which is everyone values and around which mobilizes. No matter how much you talk about a problem on social media and networks, you have to go to the street, talk to people. Another important point was the mobilization in the media before of the approval of the bill, with matters in the National Newspaper, printed newspapers, Instagram, Facebook.

Opportunities to further scale up action and means to address barriers that can enable even further action by non-Party stakeholders based on the actions you have taken to implement your commitments. (“We’ve made progress and have made new commitments as described above. This is what I need from national governments, other non-Party stakeholders and the UN Climate Change process to take even further action...”) [Maximum 200 words for each item below]:

- *Collaboration/cooperation opportunities*

Another collaboration example was a project based on having new messengers to talk about climate change. In 2015, there was a coalition of religious leaders from Umbanda, Candomblé, evangelical, Christian, spiritualist, Buddhist churches. They are leaders who already understand that climate change is a problem and that they needed to do something but they did not know how to start. An initiative have brought these leaders together in a climate project. Since then, several developments have arisen at regional and national level, focusing on energy transition, not only for installation of photovoltaic panels in religious temples, but with deep analysis of the problem. This is a process beginning in Brazil, and already advanced in other parts of the world. In Jordan, for example, 6,000 mosques have already pledged to adopt measures for neutral carbon. It has also been realized that we need to train young people to be these spokespersons, willing to religious, making interchange between scientists, activists and religious leaders. The theme of water, for example, is a common element in each of the religions.