Mr. Chairman:

It is with great satisfaction that I note the increasing participation in this commission of ministers from areas other than the environment. Increasingly, environmental issues interface with other fields and the frank dialog that this commission proposes is a unique opportunity for interested parties to deal with comprehensive subjects on an institutional level.

The issues that are the subject of our discussions are matters of great complexity, and the policies adopted in each one of these areas – which are comprehensive in nature – have an immediate impact on the daily lives of the world’s population. These policies seek to eradicate poverty, change unsustainable production and consumption practices, and promote human health. Thus, I would like to consider these four main themes in an integrated fashion, by focusing my remarks on the issue of biofuels.
The use of biomass as an energy source has created great opportunities to confront major socio-environmental, technological and economic challenges. Because Brazil is especially aware of these challenges, I believe that our experience, especially insofar as biofuels are concerned, can contribute significantly in creating development models that give the appropriate weight to economic development, social inclusion and environmental conservation.

The available data regarding global climate change leaves no doubt as to the need for concrete initiatives to change the world energy paradigm. We can no longer afford to delay increasing significantly the percentage of renewable resources used in energy generation. For *Annex One Countries* of the *Convention on Climate Change*, this represents a major opportunity for forming creative partnerships and for demonstrating solidarity with developing nations in the area of biofuels.

The majority of the developing nations have considerable potential to help reduce the emissions of the developed countries, be it as suppliers of ethanol and biodiesel or as partners in the implementation of CDM projects that use biomass. By exploring these possibilities we reaffirm our commitments to the principle of *common but differentiated responsibilities* that was consecrated in Rio de Janeiro in 1992 -- a principle frequently praised but just as often disregarded in many international forums.
Unfortunately, these opportunities have not been adequately explored. Although there are no great technological barriers to increased use of biofuels (Brazil is an excellent example of this) unacceptable political and economic barriers persist and prevent the increased use of renewable energy in the global energy network. Thus, countries that, in principle, would have much to gain from the use of such fuels (if nothing else, so that they may comply with their national and international commitments) adopt internal economic policies that discourage the adoption of energy options derived from biomass.

These barriers are particularly inexplicable if we consider the impact that the widespread adoption of biofuels would have in reducing greenhouse gas emissions and atmospheric pollution and in promoting technological and industrial development, job creation, generation and redistribution of wealth and the closing of the social divide, among others.

In Brazil, our experience over the last thirty years with biofuels as an energy source, which began with the Ethanol Program and continues today with the Brazilian Biodiesel program, illustrates the potential that I am referring to. Flexfuel vehicles, which can operate on any proportion of gasoline to ethanol, already represent 60% of new car sales in Brazil.

In Brazil, these policies have resulted in the decrease in the importation of oil and oil derivatives, reduced dependency on fuels
from other countries, significant job creation, income generation in
semi-arid regions, and the introduction of new crop combinations to
these areas. It is important to emphasize that these policies are
highly replicable in other countries.

However, in an environment of ever decreasing funding for
international cooperation, it is essential that we create effective tools
that facilitate south-south cooperation. There is no doubt as to the
positive results that can come from such a model of cooperation -- a
model by which countries that share similar economic, social and
environmental realities, can also share common solutions to common
problems. Still, the level of current cooperation between developing
countries is small, almost insignificant, in spite of the intensity with
which such a model is championed. There is much work to be done in
this area. The CSD can exercise a strategic role by promoting the
necessary synergy among the disparate and not always well-
articulated initiatives that already exist.

Mr. Chairman, Ladies and Gentlemen,

I have no doubt that the immense shortcomings in implementing the
majority of the multilateral environmental accords are much more a
symptom of lack of political will than a lack of financial or
technological resources.
In order to preserve the credibility of the multilateral system that we belong to it is necessary that we overcome these shortcomings with concrete actions.

Increasingly, we see that the use of renewable energy sources is a development model that is proven to be sustainable. For Brazil, the use of biofuels affords us a prime opportunity to deal in a comprehensive manner with the themes of this commission, always looking towards achieving the goals of diminishing the social divide and promoting environmental conservation. My country is ready to be part of this effort on both the national and international fronts. And we are already working towards these goals.

Thank you very much.