



THE POSITION OF THE BRAZILIAN CONFEDERATION
OF AGRICULTURE AND LIVESTOCK (CNA) IN RELATION
TO THE NEGOTIATIONS DURING THE 27TH
CONFERENCE OF THE PARTIES OF THE UNFCCC

COP27 – UNFCCC – SHARM EL-SHEIKH – EGYPT



The 27th Conference of the Parties of the United Nations Framework Convention on Climate Change aims to be seen as the COP of implementation. Faced with the challenge of contributing to actions that can restrict global warming and its effects, the parties to the agreement will seek the best opportunities to meet the commitments that have been made and making adaptations to the commitments in the form of the Nationally Determined Contributions (NDCs). Brazil, as a signatory to the Paris Agreement, committed to ambitious goals, the achievement of which is fundamentally rooted in Brazilian agriculture.

Within this scenario, Brazilian agriculture has an important role in the country's NDCs consolidated at COP26, contributing with a reduction of 37% of greenhouse gases emissions by 2025 and 50% by 2030, in relation to 2005 emission levels. In addition, it seeks to achieve climate neutrality by 2050, eliminate illegal deforestation by 2028, restore and reforest 18 million hectares of forests for multiple uses by 2030, and reach an estimated share of between 45% and 50% of renewable energy sources in the nation's energy network by 2030.

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In order to reach such levels, the country needs to set out a detailed strategy to achieve the proposed goals, attributing individualized action to the production systems that together make up the NDCs. These strategies will need to be presented to the Climate Conference so that they can fulfil Brazil's full potential in the global effort to control the rise in the planet's average temperature.

The COP27 event in Sharm el-Sheikh, in November 2022, is taking place at a time of particular relevance for the implementation of the Paris Agreement, amid the impacts generated by the war between Russia and Ukraine. The conflict is intensifying the energy crisis, signalling a resumption of fossil fuel energy sources and increasing food insecurity, which affects 928 million people according to data from the Food and Agriculture Organization of the United Nations (FAO).

With the intensification of extreme weather events, forest fires, intense heat waves, floods and droughts, the world is in the midst of a post-pandemic recovery marked by rising food and energy prices, rising inflation and the adoption of unilateral measures aimed at containing such impacts.

In this context, COP27 has the complex mission of promoting the adoption of measures to reduce greenhouse gas (GHG) emissions in line with the challenges and needs of each country as set out by the Nationally Determined Contributions



(NDCs). It must also favour adaptation measures that allow each country to reduce the impacts of climate extremes.

For COP27 to fulfil its mandate of being the conference of implementation, it will be up to Brazilian negotiators to promote the national climate agenda in line with the global agenda, from which we consider the following topics essential:

1. A new quantified climate finance goal;
2. Mechanisms focussing on adaptation;
3. Adoption of the action plan for agriculture that resulted from the Koronivia negotiations;
4. Operationalization of carbon market mechanisms; and
5. General recommendations to Brazilian negotiators.

This position aims to support the understanding and positioning of the agricultural sector – an integral part of the Brazilian delegation – during the negotiations of the Climate Agreement at the Conference of the Parties on Climate Change (COP27).

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The Brazilian Confederation of Agriculture and Livestock (CNA) actively participates in the climate change agenda, taking into account the importance of safeguarding food and energy security in addition to strengthening agriculture in a context of climate extremes. With this view, and taking into account the above scenario, the CNA has elaborated the following proposals as a means of contributing to the COP27 negotiations and expressing the position of Brazilian agriculture.





A NEW QUANTIFIED
CLIMATE
FINANCE GOAL

1

Within the principle of common but differentiated responsibilities, the Climate Agreement directive, the ability of the parties to contribute to the global response to combat climate change attributes the developed countries, based on carbon emissions, the responsibility of promoting sustainable development in countries such as Brazil. Among these responsibilities climate finance via the Green Climate Fund (GCF), the Adaptation Fund and other official UNFCCC mechanisms should encourage the efforts that are part of each party's NDC. We hope that the result of the negotiation on financing mechanisms will allow and promote the design and execution of projects that actually reduce emissions in an economically viable way.

The CNA sees the funding agenda as a priority in order to provide the minimum level of aspiration required to strengthen the Paris Agreement.

Climate finance is one of the pillars of the UNFCCC and the Paris Agreement, especially when considering its role in promoting the implementation of mitigation and adaptation efforts by developing countries.

I 7 The discussions on funding at COP26 in Glasgow demonstrated that the target of US\$ 100 billion a year from 2020 is far from being achieved, which greatly undermines the implementation of the Paris Agreement.

The Glasgow Climate Pact¹ emphasised the need to enhance the climate finance agenda with the involvement of resources and the responsibility for contribution on the part of developed countries, among other efforts required to support mitigation, adaptation, technology transfer and training activities.

In Glasgow, the creation of the ad hoc Work Program on the New Collective Quantified Goal was approved in order to negotiate a new goal in an open, inclusive and transparent manner, ensuring representative participation². The new collective quantified climate finance goal must enable the achievement of the Paris Agreement goals.

The demand for climate finance resources, taking into account 149 national contributions made by the parties involving 6,990 actions and the estimated

1. Available at: https://unfccc.int/sites/default/files/resource/cop26_auv_2f_cover_decision.pdf. Accessed on: October 6, 2022

2. Available at: [CMA 3_AUV_8e_new_collective_goal](https://unfccc.int/sites/default/files/resource/cop26_auv_2f_cover_decision.pdf) (unfccc.int). Accessed on: October 6, 2022



costs of implementing 1,137 of these actions, implies costs in the range of US\$8.8 to US\$8.9 trillion. Based on 78 NDCs submitted up to March 2021, it is estimated that up to US\$5.9 trillion will be required by 2030³.

The impacts of the war between Russia and Ukraine, the escalation of the energy and food crisis and their global economic impacts, has impeded the impetus required to fulfil the Copenhagen Accord goal of securing US\$ 100 billion a year from 2020. In a short-term scenario, it is likely that several harmful obstacles to the climate finance goal will remain.

Considering the high-level ministerial dialogues – that will be taking place between 2022 and 2024 – in relation to the challenge of driving towards the achievement of the US\$ 100 billion a year target and the negotiation of a new, more ambitious financing target, the CNA considers that the following aspects should be taken into consideration in the financing negotiations:

It is essential to ensure that the largest share of the resources is provided directly by the developed countries. This is consistent with the UNFCCC rules and the Paris Agreement, despite the lack of a precise concept of the sources of climate finance;

It is recommended that financing be expanded for adaptation practices, technologies and projects that include adaptation of agricultural production systems with a view to reducing the impacts of global warming and strengthening global food security;

It is recommended that a measure be adopted that encourages the private sector to finance projects that are proven to generate emission reductions and/or adaptation, considering climate benefits as environmental criteria in such a way as to expand the sources of climate finance resources;

It is important to stimulate innovative financing instruments, such as blended finance, payments for environmental services and the issuing of bonds linked to emission reduction criteria, as is the case of the Green CPR (a rural product bond); and

3. Available at: <https://unfccc.int/topics/climate-finance/workstreams/needs-report>. Accessed on: October 6, 2022



It is recommended that parties have access to climate finance to support strategic actions contained in their NDCs, aiming to stimulate impetus and the achievement of their climate goals. As such, by way of an example, Brazil should receive finance resources to support the conservation and restoration of native vegetation as well as the implementation of the ABC+ Plan, aimed especially at technical assistance, rural extension and strengthening the adoption of low-carbon technologies in agriculture.

Additionally, Brazil can and should receive climate finance resources to support the conservation of native vegetation and also the implementation of forest restoration projects. These efforts are extremely important for Brazil's NDC and are in line with the IPCC recommendations concerning the role of land use in combating global warming.





MECHANISMS FOCUSSING ON ADAPTATION



2

The adaptation agenda must be seen as having great potential for agricultural development through the efforts within the Climate Agreement. With the Intergovernmental Panel on Climate Change (IPCC) indicating that we will reach an average temperature increase of 1.5 °C in the next 20 years¹, the adaptation mechanism emerges as a response not only to climate issues, but also in relation to food and energy security.

Brazilian agriculture has invested in adaptation through the adoption of technologies, good practices and technical assistance, providing a model for all parties in the process of combating climate change impacts, as well as playing an extremely important role by allowing the production of food and energy whilst, at the same time, reducing the impacts of climate change.

In Glasgow, the parties approved the *Glasgow–Sharm el-Sheikh Work Program on the Global Goal on Adaptation*, aiming to deepen the negotiations to adopt adaptation goals such as: (i) common and region/area-specific vulnerabilities based on the IPCC findings; (ii) national experience in implementing relevant policies, related common challenges and ways to meet them; (iii) methodologies that can help review progress; and (iv) what, in practice, adaptation measures are in relation to the realities of each party.

Indeed, there is a need to define the means of implementing adaptation processes and action, as well as methods to ensure transparency based on indicators to be determined by the parties. As such, Brazilian agriculture stands out as an example due to the conservation and restoration of native vegetation in rural areas, in addition to the adoption of integrated systems that combine agriculture, livestock and forestry as good examples of adaptation through good production practices.

The CNA considers adaptation and resilience to be central themes of the climate agenda. Agriculture is highly impacted by the incidence of extreme weather events which harm the production and availability of food, negatively interfering with food security.

The ABC+ Plan has included adaptation as one of its pillars. The emphasis on an integrated approach to the landscape, which encompasses the conservation and

1. Available at: https://www.ipcc.ch/site/assets/uploads/2021/08/IPCC_WGI-AR6-Press-Release_en.pdf. Accessed on: October 6, 2022



restoration of native vegetation and the adoption of good productive practices and technologies that allow for the adaptation of production systems, are essential to strengthen food production in scenarios that are increasingly impacted by climatic effects.

In the knowledge that the definition of a global goal will be extremely broad and must, by definition, allow the parties to adopt measures in line with their own realities and needs, the CNA recommends that the negotiations for the global goal for adaptation in agriculture be grounded on the efforts of the parties in their NDCs, in addition to being supported by climate finance and technology transfer, among other efforts.

Although the mitigation of GHG emissions from agricultural production is also important – as it is directly linked to reducing the intensity of emissions – we must not lose sight of the Paris Agreement’s main aims, nor those of its predecessor (the Kyoto Protocol), which are related to food security in all its aspects, especially food supply that is of sufficient quality and quantity to end hunger and which comes at affordable prices for consumers.

I 12 Article 2 of the Paris Agreement makes it clear that its aim is to strengthen the global response to the threat of climate change in the context of sustainable development, as well as the efforts to eradicate poverty, including enhancing the capability to adapt to the adverse impacts of climate change and enhancing resilience against climate threats so as not to threaten food production.

Therefore, there is a danger to food security coming from the approach and the regional policies that some countries have insisted on adopting in relation to the agricultural sector. These include policies aimed at reducing emissions at any cost, inducing and requiring farms to abandon tested, approved and reliable technologies used in food production, such as the responsible use of pesticides, chemical fertilizers and other inputs, which have done so much to feed the world and alleviate hunger on the whole planet. This jeopardizes the assurance of a safe supply of food in sufficient quantity and quality. The replacement of efficient production models by others that have less impact does not waive the need to demonstrate the effectiveness of the systems that are being defended as their replacements.



The CNA is of the understanding that today's modern and smart agriculture cannot be replaced – even under the pretext of reducing GHG emissions – by low-yield and unsustainable technologies from the point of view of food security. Returning to the methods from the last century will solve neither one problem nor the other and will punish the poorest citizens whilst putting the assurance of safe food production and the farmers at risk.

Furthermore, given the fact that there will be low productivity and risk of production losses, the adoption of technologies that are unproven in terms of ensuring food security will require more land and more suppression of the remnants of native vegetation, which also goes against the objectives of climate balance, the aim of the Paris Agreement.





**THE KORONIVIA
JOINT WORK ON
AGRICULTURE**

3

The CNA understands that it is essential to approve the decision that formalizes the creation of the Koronivia Committee whose objective is to debate how agriculture is related to innovation and adoption of technologies, increased productivity, adaptation practices that promote the resilience of production systems, technical assistance, greenhouse gas emission reductions and financing, and how countries should consider these issues in the context of their contributions (NDCs) to the Paris Agreement.

Recognising that agriculture is part of the solution for tackling global climate change shows the importance of the working group denoted as the Koronivia Joint Work on Agriculture (Koronivia Group), repeatedly cited as a reference point for sustainable agriculture practices. The adoption of practices and technologies that allow for the adaptation of agricultural production systems and the reduction of the intensity of emissions associated with the assurance of food and energy security are of fundamental relevance to all countries and a competitive advantage for the Brazilian agricultural sector.

COP27 will be an extremely important moment for agriculture given the depth of the connections between climate change and agriculture that have taken place since the creation, in 2017, of the Koronivia Group on agriculture.

According to the summary report of the NDCs submitted up to October 2021¹, prepared by the Convention Secretariat, 140 parties to the agreement consider adopting adaptation and/or mitigation efforts in the agriculture sector as part of the necessary action to combat climate change.

This shows, on the one hand, that agriculture and food security are significantly impacted by extreme weather events, which in turn requires the adoption of measures that favour the adaptation capability of the different production systems. Additionally, they understand that it is important to promote production with reduced emissions, which requires the adoption of technologies and/or production practices.

1. Available at: https://unfccc.int/sites/default/files/resource/cma2021_08r01_E.pdf. Accessed on: October 6, 2022



Therefore, the possibility of adopting technologies and innovations in production systems is inherent to the ability to stimulate low-carbon and resilient production, which must be carried out in accordance with the realities and needs of each country, aiming to stimulate improvements in all agricultural systems.

Efforts that increase productivity, recover degraded areas, increase the absorption of carbon in the soil, reduce the intensity of emissions, capture carbon through native vegetation associated with productive areas, among others, are strategies to promote resilient production with low carbon emissions.

To this end, it is crucial to encourage investments that could possibly come from climate finance anchored in the Green Climate Fund, as well as other financial mechanisms aligned with the Convention and the Paris Agreement. At the same time, it is necessary to stimulate access to and transfer of technology in order to make adaptation and mitigation in agriculture feasible.

For this reason, the CNA hopes that at COP27 the Koronivia Committee or the work program on agriculture will be set up in order to intensify efforts in the agricultural sector through domestic and international cooperation efforts. Without this, the efforts made by the Koronivia Group will tend to be in vain, leaving future efforts on agriculture lacking a formal space where they can be leveraged as part of the solutions to tackle global warming.

The results of the Koronivia Group allow for the strengthening of Brazil's position in the decisions of the Paris Agreement's Framework Convention highlighting the role of agriculture as part of the solution for combating global warming. As Brazil is a world leader in sustainable agriculture, the contributions contained in the parties' NDCs will tend to be valued, strengthening the country's position and that of the agricultural sector under the terms of the Climate Agreement.





**OPERATIONALIZE
THE ARTICLE 6
CARBON MARKET
MECHANISMS**

The CNA understands that the broader definitions of articles 6.2 and 6.4 are of fundamental importance in order to permit the operationalization of the regulated carbon market mechanisms, and Brazil must actively participate in the development of projects following the decisions adopted since Glasgow. Furthermore, we recommend that Brazilian negotiators pay special attention to the qualification of carbon credits that are tradable between countries, the rules for applying the corresponding adjustments and the definitions of additionality.

The approval of the rulebook for article 6 of the Paris Agreement at COP26, represented a big step towards implementing article 6.2 mechanisms which deal with the international transfer of mitigation results between countries, and of article 6.4, the only mechanism that allows the inclusion of private projects in Emission Reduction Credits (ERCs) transactions. The aim is to strengthen the participation of the public and private sectors in the implementation of the NDCs promoting greater aspirations for mitigation and adaptation.

As for the negotiations of cooperative approaches in article 6.2, it is important that Brazil seeks to negotiate potential cooperation agreements with countries that are interested in purchasing the Internationally Transferred Mitigation Outcomes (ITMOs), generated by sectors such as agriculture, livestock farming and energy. For the private sector, approving cooperation agreements with key countries can drive the development of a variety of projects that contribute to the country's sustainable development, in addition, of course, to generating emission reductions.

In the specific case of Brazil, in bilateral agreements, it is recommended that ITMOs are sought based on deforestation reduction and/or restoration of native vegetation on a large scale due to the operationalisation cost which favours large-scale projects, as well as the use of RenovaBio Biofuel Decarbonization Credits (CBIOs). In addition, projects that use methodologies approved under the Clean Development Mechanism must expedite ITMO credit transactions.

Furthermore, it will be essential to work on the definitions of how to comply with the requirements in order to operationalize the mechanism. The concepts of the corresponding adjustments (a mechanism that avoids double counting of carbon credits), the national reports on cooperation agreements (that allow the operationalization of bilateral agreements in order to achieve the NDCs), the timeframe for the accounting of credits between countries, monitoring, and other relevant aspects, must be specifically negotiated to ensure Brazil's competitive advantage in the global carbon market.



The operationalization of article 6.4 is essential in order to stimulate the development of projects that generate reductions and carbon stocks and, therefore, carbon credits that are accepted in the regulated market.

The issue of carbon removal methodologies and activities, and their environmental integrity, is one of the central themes that will be addressed at COP27. Assuming that the parties are able to approve methodologies and will need to validate them with the supervisory body to support the development of projects, it is essential that decisions on methodologies are robust enough to allow the generation of highly credible carbon credits, and that they do not become restrictive to the point of harming specific sectors and activities.

The documents under discussion in relation to the methodologies and carbon removal address several methodological details whereby the issue of additionality deserves particular attention¹. For the CNA, the debate on additionality should not be restrictive nor prevent the development of projects that make effective contributions to the reduction of emissions and to carbon sequestration.

I 19 It is essential to consider that methodologies should encourage aspiration and broad participation. They should be real, transparent and credible, and should avoid carbon leakage in regulated sectors, contribute to reducing emission levels on the part of the host and align with its NDC and its long-term low GHG emission development strategy. Methodologies need to ensure transparency for the projects as well as data consistency, efforts that allow for the reduction of the risk of non-permanence of credits generated, leakage and lack of involvement of relevant players, among other aspects.

In this regard, additionality must be demonstrated using a robust assessment that shows that the activity would not have taken place in the absence of the incentives provided by the article 6.4 mechanism, taking into account all relevant national policies – including legislation – that exceed any mitigation required by law or regulation and taking a conservative approach that avoids locking in levels of emissions, technologies or incompatible carbon-intensive practices².

1. Available at: <https://unfccc.int/sites/default/files/resource/a64-sb002-aa-a05.pdf>/ and <https://unfccc.int/sites/default/files/resource/a64-sb002-aa-a06.pdf>. Accessed on: October 6, 2022

2. Available at: <https://unfccc.int/documents/460950>. Accessed on: October 6, 2022



In view of this, it is recommended that Brazil act to promote a balanced view of additionality. The fact that there are laws regulating efforts that can supposedly generate emission reductions or incentive policies must not, in itself, impair the additionality of certain projects. A policy to encourage the production of biofuels or biomethane, for example, should not be understood as an obstacle to the additionality of future projects. In the same way, the restoration of native vegetation and the conservation of large areas in compliance with the Forestry Code should not hamper the development of methodologies.

This, in practice, interferes with the development of projects aimed at implementing efforts that will be of fundamental importance to achieving the goal of emission neutrality by 2050.





**GENERAL
RECOMMENDATIONS
TO BRAZILIAN
NEGOTIATORS**



The importance of moving forwards on the implementation of the Paris Agreement is increasingly more important, especially given the increase in the incidence of extreme weather events. The energy crisis and the resumption of fossil energy sources increase the need to finance and stimulate energy transition in all countries. If there are no advances made in the improvement of renewable sources – including biofuels for transport – it's likely that countries will fail to meet their NDCs, undermining the goals of the Paris Agreement.

When it comes to agriculture, it is essential to strengthen the view that there must be action to encourage technologies and innovation as the necessary path to enable the production of food, energy, fibre and biomass, to reduce emissions and to promote adaptation and the achievement of the Sustainable Development Goals, in particular SDGs 2, 12, 13, and 15, among others.

The ABC+ Plan, approved by the Ministry of Agriculture in 2021, reinforces the strategy of expanding the adoption of technologies that can lead to reducing emissions, promoting adaptation in production systems and restoring degraded areas, transforming them from being unproductive into areas of high productivity. This is the focus point for Brazil in relation to the Paris Agreement. Adopting low-carbon technologies over a total area of 76 million hectares offers the potential of a 1 billion tonne reduction in CO₂, thus demonstrating how Brazilian agriculture and livestock farming will contribute to the goals of the Paris Agreement.

The Brazilian approach to the actions that will be adopted to achieve its climate goals must be recognized in line with the rationale behind the creation and successive implementation of the NDC. Assuming that there are 140 NDCs encompassing agriculture, it is essential to look closely into how the parties will seek to enhance their efforts in line with emission reductions and adaptation, enhancing the production of food, fibre, renewable energy and biomass.

COP27 is a unique moment to consolidate the commitments of the parties in view of the effective implementation of action in accordance with the most relevant sectors for each. The process of reassessing the NDCs through the global stocktake, which should gain momentum from 2023, aims to expose both the weaknesses and the potential to expand efforts that favour the effective achievement of climate commitments.

In this regard, the decision on how to proceed with the Koronivia Joint Work on Agriculture will be of fundamental importance to allow the parties to progress in the integration of agriculture and livestock as part of the solution to global warming.



The CNA, representing 5 million Brazilian farmers, is committed to the implementation of actions that contribute to food security and low carbon agriculture, or *climate smart agriculture*. In light of this, the hope is that COP27 can move forwards with decisions that make it possible to operationalize climate finance, adaptation, the carbon market and other essential agendas to enable a low-carbon economy.

The main pillar of the Brazilian agricultural sector is science and this has allowed us to increase food production with increased productivity. The technology used in the fields today demonstrates that environmental protection and economic development are complementary and, in the case of Brazil, an agricultural nation, these concepts are necessarily unified.

Brazil hopes that the effort and investment made by all Brazilians and, especially, by farmers who have dedicated significant portions of their private properties to environmental preservation, will be recognized by the world as an important environmental asset and is incorporated into the quality and characteristics of all agricultural products produced in Brazilian territory.

Finally, the CNA wishes the greatest success to our negotiators facing this immense challenge. The Brazilian farming sector is fully aware of the difficulties ahead and places its full confidence in the unquestionable competence of the Brazilian representatives. Count on the support of the CNA and the Brazilian farmers in order to overcome one more challenge.



