

**Conference Report for Breaking Global Deadlocks**  
**Climate Change, Energy and Food Security**  
**November 14<sup>th</sup>, 2008 Rio de Janeiro**

**Summary**

The leaders' G20 meeting presented a significant opportunity for Brazil to influence global governance innovations.

- Brazil has potential to become a superpower in the environmental area because of the global importance of its sugar cane based bio fuel supplies and the Amazon rainforest.
- Latin America could be focal point for organizing global co-operation on energy R&D.
- With hydroelectricity the primary source of energy in Brazil, the biggest carbon problem in Latin America is deforestation - stopping deforestation requires building institutions and enforcement.
- As the leaders' G20 dialogue continues, Brazil is well poised to provide leadership from the South, particularly if it exercises its soft and smart power.

**Introduction**

The November 14, 2008 meeting was hosted by the Centro Brasileiro de Relações Internacionais (CEBRI) and convened by the University of Victoria's Centre for Global Studies and the Centre for International Governance Innovation. The Chatham House rule meeting focused on the potential of the November 15<sup>th</sup> Washington leaders' G20 meeting and Brazil's role and contribution in future leaders' level fora. Although the leaders' G20 meeting was called to discuss the global financial crisis, it presented a significant opportunity for global governance innovations, particularly for nations such as Brazil.

The group concluded that caution is needed to move forward with a leaders' G20. Other options such as a G13 (a merged G8 + G5) need to be explored. Multiple levels of leadership, deep preparation, the development of trust, and equal treatment of all members are essential ingredients. Due to Brazil's size, history, its soft and smart power, its stewardship of Amazonia, and its leading expertise in such fields as biofuels, it was agreed that Brazil is well positioned to take a more significant global leadership role.

**Perspectives from Latin America: Brazil, the region and global governance**

Brazilians perceive their own impact on world affairs has been limited. Brazil's apparent lack of global relevance may stem from regional lack of conflict and security threats. Regardless of Brazil's own perceptions, other Latin American countries view Brazil as a role model that has been both active and effective in foreign policy. Comfort was provided by the fact that the current financial crisis was not of Latin America's doing. Yet, while Latin American leaders may

be well prepared to weather the storm, it has become clear that they are hardly immune from the global crisis.

Despite the stories of success, some participants recommended an incremental approach for Brazil, contending that the country needs to move slowly, first grappling with the pervasive internal problems of inequality, violence, and the sense of discontent demonstrated by the growing emigration rates. Some argued Brazil would benefit by not starting a debate on its “role” per se, but rather establishing clear national interests and then consolidating Brazil’s influence in a regional context before moving to the global stage.

Participants noted the limited extent of a regional or Latin American identity. Within Latin America, several geopolitical groupings, integration schemes, or distinct relationships exist, including Mercosur, Andean community, the Rio Group, English Caribbean, and Spanish Caribbean. Efforts to establish these groupings were often intended to project the structural power of the region on the global stage. However, most efforts have failed and, in reality, Latin America has rarely played a significant international role.

Participants discussed the impacts of decreasing American influence and Brazil’s relationships with other emerging powers, including China and India. Some proposed that Brazil’s interests may converge with “pragmatic” rather than democratic countries, and that composition of ad-hoc international “coalitions” may vary widely depending on specific issues and their relevance to strategic domestic interests. A major consideration also involved the fact that any regional interests are *in addition* to national interests, not a driving force, which demonstrates the lack of deep integration in Latin America and strong belief in the absolute retention of state sovereignty. The predominance of varying domestic interests will pose a challenge for multilateral co-operation.

### **Capturing Brazil’s potential - Recommendations**

- Brazil has potential to become a superpower in the environmental area because of the global importance of its sugar cane based biofuel supplies and the Amazon rainforest.
- Due to its peaceful history, Brazil is viewed as an interlocutor for brokering deals on specific issues.
- Brazil could take the lead in the advancement of a regional “Defence Council”, providing a mechanism by which national, bilateral, and regional security issues can be managed, particularly in light of the “stretched” US commitments in other regions.
- Similar to Mexico’s perspective on the roles and responsibilities related to climate change, Brazil is demonstrating its ability to shift from its traditional positions (E.g. Doha) to pursue constructive engagement at the global level.

## **Governance of Energy, Environment and Sustainable Development**

Due to Leaders' ability to transcend the boundaries of ministerial portfolios, it was argued that they are uniquely capable to agree on the dimensions of a grand bargain to resolve deadlocks on energy, environment and sustainable development. It was stressed that political leadership, the suspension of conventional pessimism, and a thorough analysis, including a "Track II" process are all necessary components to develop more effective governance arrangements. Scepticism was expressed regarding the ability of the UNFCCC process to address climate change in a timely fashion. Observations included:

- There is a synergy between energy, climate change, and development.
- There are multiple definitions for "energy security".
- Changing lifestyle choices at an individual level, which will be part of any climate change solution, was a seemingly an insurmountable problem; increasing SUV sales with declining oil prices was an example.
- Public awareness was lacking about the role that Latin America can play with respect to climate change.
- Protectionism may return to compromise global economic prospects.
- China has now begun to indicate that it feels threatened by climate change.
- The most important transformation is the further declining hegemony of the US, which coincided with a distinct interest amongst elites that the US should play a more co-operative role in multilateralism.
- Different nations will enter any "grand bargain" with different interests. While one country may be interested in environmental benefits associated with climate change action, others are interested in protecting trade. Pragmatic compromises are possible.
- The risks associated with declining investments in energy R&D were underscored. Existing levels of investment in R&D are too low to make any significant impact on climate change.
- Statistically, Latin America has lagged behind the rest of the world in energy R&D funding, and historically, it has not lead any significant initiatives. Yet, it has already demonstrated ample ability in its role in developing sugar cane-based biofuels.
- It was important to follow the route of adaptation rather than mitigation. (This observation sparked controversy given Stern's argument that the cost of adaption and deferring mitigation measures is far higher than the costs of directly addressing the problem in the immediate term.) In some cases immediate adaptation is the only choice. In others investment in mitigation is required.
- Ultimately, the solution to addressing climate change in Latin America will need to be different from the EU, US, China, and India because the primary source of energy in this region is already hydroelectricity. The biggest carbon problem in Latin America is deforestation and stopping deforestation requires building institutions and enforcement.

- Brazil's involvement in any leaders' level group was not necessarily going to enhance representation for the rest of Latin America.
- Energy R&D needs to be regarded as a hedge. Full commercial production is not necessary with every product; rather the technology must be brought to a level that is ready for deployment. Latin America could be a focal point for organizing global co-operation on energy R&D.

### **Global Institutions Architecture: the potential of the G20**

- There was a debate about the merits of “variable geometry” (rotating membership) in any leaders' level forum. Some participants argued that depending on the issue, the degree of relevance (power) or interest by nations may vary. Therefore, with a flexible, variable arrangement, relevant nations could enter and exit the process accordingly. On the other hand, a group with fixed membership provides the essential benefits of the personal relationships, trust, and cohesiveness formed by familiar, long term bonds. Brazil would have an interest in nearly every significant global issue – being invited to participate on a rotating basis would only highlight the sense of “second class” treatment.
- There was consensus that there was a need to proceed with caution with the leaders' level G20. Composition may in fact change (eg. L13, L14, L19?). Some cautioned that existing, albeit imperfect processes such as the G7/G8 or G20 finance group should not be too quickly dismissed.
- While the discussion purposely avoided issues of composition (there being no “correct” answer as to which countries should be in the G20), a clear decision is needed between a G20 track or a G13/14 track, both cannot survive (Berlusconi, the next G8 Presidency has since come out in favour of a G13, and Gordon Brown has announce the next Leaders G20 for April 2).
- There is a limit to the number of Summit processes – it may have been exceeded in terms of the capacity to participate meaningfully.
- Doubt was expressed that major progress could be made at the November 15<sup>th</sup>, 2008 Leaders' G20 meeting in Washington, due to the lack of lead-up time and preparation (the Bretton Woods process involved approximately a year and a half of preparatory meetings and briefings).
- We do not need more international, global, and regional organizations. Those no longer relevant or effective should be disbanded or reformed. A leaders' level group will not supplant other important multilateral mechanisms and arrangements, such as the UN Security Council, OAS, and UNFCCC. It will provide a primary agenda setting and deadlock breaking venue, with detailed negotiations in the relevant organizations.

- The financial crisis is in many regards a short to medium term problem that can be resolved. The environmental crisis has much graver consequences and the prospects for effective governance arrangements remains far bleaker in this area.
- There is a need for intensive outreach with the public as a “global community”. Individuals must be engaged in issues that affect their well-being to strengthen understanding of the relationship between the economy and the environment. It was unclear whether this is a responsibility for a national or a global body.
- We need a norm entrepreneur to champion and ensure the effectiveness of a leaders group. Leadership requires the culmination of collective efforts.
- There is a need for competent professionals in the preparation of all multilateral arrangements. Participation in many of these groups is not just about voting power, but also about influencing the outcome through technical and diplomatic expertise.

## **Recommendations**

- The term “Global Steering Committee” is inappropriate terminology to capture the idea of the need for a leader/catalyst. One suggestion was to call it a “Catalytic Group”.
- Several participants suggested that as the leaders’ G20 dialogue continues, the leadership of a Southern nation was critical. Brazil was considered by many to be well poised to do so, particularly if it exercises its soft and smart power.
- Deep and serious preparatory processes involving leaders, sherpas, and expert networks are essential to the success of any leaders’ level group.
- Any serious discussion will require the involvement of academics, private actors, NGOs, think tanks, networks, and other non state actors.
- With respect to the financial crisis and global imbalances, consideration should be given to optional arrangements for potential lending mechanisms and assistance, including tapping the large reserves of nations such as China and Japan.
- A leaders’ G20 group could benefit from an auditing mechanism to enhance trust and accountability.
- Integrating the G8 and G5 groups would build on existing relationships and could move forward quickly. The G8 needs to adjust quickly - separate G8 and G5 groupings have negative and polarizing consequences.