

**INTERVENÇÃO DO MINISTRO DE ESTADO DE MINAS E ENERGIA,
BENTO ALBUQUERQUE, NA ABERTURA DO SEGUNDO
DIA DO AGRI-SUSTAINABILITY TALKS**

Londres, 02/12/2020

5'18''

DEAR AMBASSADOR FRED ARRUDA,

DEAR FRIENDS IN BRAZIL AND THE UNITED KINGDOM,

I AM VERY PLEASED TO PARTICIPATE IN THIS SECOND EDITION OF THE AGRI-SUSTAINABILITY TALKS, ORGANIZED BY THE EMBASSY OF BRAZIL IN LONDON.

WE ALL KNOW THESE ARE CHALLENGING TIMES. FOR THE FIRST TIME IN THE LAST TWO DECADES, GLOBAL BIOFUELS PRODUCTION DROPPED, DUE TO THE IMPACT OF COVID-19 AND RESPONSE MEASURES. A FALL IN CRUDE OIL PRICES AT THE START OF THE PANDEMIC MADE BIOFUELS LESS COMPETITIVE THAN TRADITIONAL FOSSIL FUELS.

IN THIS SCENARIO, SECURING STEADY AND STABLE FINANCING FOR THE RECOVERY AND DEVELOPMENT OF THE BIOENERGY SECTOR, WHICH IS CRUCIAL FOR THE TRANSITION TO A LOW CARBON ECONOMY, BECOMES MORE IMPORTANT THAN EVER.

BIOENERGY SOLUTIONS – LIKE ETHANOL, BIODIESEL, BIOELECTRICITY AND ADVANCED BIOFUELS – NOT ONLY OFFER ONE OF THE BEST AND MOST AVAILABLE PATHS FOR THE DECARBONIZATION OF TRANSPORTS AND INDUSTRY. THEY ALSO HELP CREATE HIGH-QUALITY JOBS, DEVELOP

RURAL AREAS AND BRING ABOUT MORE SECURE AND DIVERSE ENERGY SUPPLIES.

AS YOU KNOW, BRAZIL HAS A LONG EXPERIENCE WITH RENEWABLE ENERGY. OUR ENERGY MIX IS ONE OF THE CLEANEST IN THE WORLD, AND IT WILL REMAIN SO. ACCORDING TO OUR PROJECTIONS, WIND AND SOLAR SOURCES MAY ACCOUNT FOR 49% OF OUR NATIONAL POWER SECTOR UNTIL 2050. BIOENERGY ITSELF WILL BE RESPONSIBLE FOR 18% OF OUR TOTAL ENERGY MIX IN THE NEXT DECADES.

BIOFUELS HAVE BEEN AN ESSENTIAL PART OF OUR NATIONAL ENERGY POLICIES FOR HALF A CENTURY, ENSURING THE SECURITY OF NATIONAL SUPPLY AND PROMOTING, AT THE SAME TIME, THE DECARBONIZATION OF THE BRAZILIAN MATRIX OF FUELS.

LAST APRIL, THE NEW BRAZILIAN POLICY FOR BIOFUELS, RENOVABIO, CAME INTO FULL IMPLEMENTATION. THE PROGRAM AIMS TO EXPAND THE PRODUCTION AND USE OF BIOFUELS IN THE TRANSPORT SECTOR IN BRAZIL. IT PROMOTES INVESTMENT, INNOVATION, AND SUSTAINABILITY, BY TYING INCENTIVES TO WELL-MEASURED ENVIRONMENTAL PERFORMANCE.

RENOVABIO'S MAIN INSTRUMENTS ARE

- CERTIFICATION OF THE BIOFUELS PRODUCTION;

- DECARBONIZATION GOALS;

- AND ISSUANCE AND TRADE OF DECARBONIZATION CREDITS, ALSO CALLED CBIOS, WHICH ARE LINKED TO EMISSION REDUCTIONS BASED ON LOW CARBON FUELS.

CBIOS ARE ALREADY TRADING IN SÃO PAULO'S STOCK EXCHANGE. MORE THAN TWO HUNDRED BIOENERGY PRODUCERS HAVE ALREADY BEEN CERTIFIED, AND OVER 15 MILLION CBIO CREDITS, EQUIVALENT TO 15 MILLION TONS OF AVOIDED CO2 EMISSIONS, HAVE BEEN REGISTERED THIS YEAR, SURPASSING THE GOAL WE HAD ORIGINALLY ESTABLISHED.

WE ESTIMATE THAT, IN 2029, THE PARTICIPATION OF BIOFUELS IN THE BRAZILIAN TRANSPORT SECTOR WILL RISE FROM 23 TO 29%, A LEVEL WITHOUT EQUIVALENT IN THE REST OF THE WORLD.

THERE ARE OTHER POSITIVE DEVELOPMENTS GOING ON IN GREEN FINANCE IN BRAZIL. IN 2019, A SUGARCANE MILL IN SÃO PAULO ISSUED THE FIRST GREEN AGRIBUSINESS RECEIVABLES CERTIFICATE IN THE WORLD TO BE CERTIFIED UNDER THE "BIOENERGY" CRITERIA BY THE CLIMATE BONDS INITIATIVE. THIS IS JUST A SINGLE EXAMPLE, BUT IT IS CERTAINLY A MAJOR STEP IN THE RIGHT DIRECTION.

IN ANY CASE, THERE IS A CLEAR POTENTIAL TO EXPAND NOT ONLY THE VOLUME BUT ALSO THE SCOPE OF GREEN FINANCING IN THE BIOENERGY SECTOR IN BRAZIL.

FINANCE IS A KEY ASPECT FOR THE ENERGY TRANSITION. OUR EXPERIENCE SHOWS THAT FINANCE AVAILABILITY IS A RESULT OF WELL-RUN MARKETS, SOLID AND STABLE POLICIES, PREDICTABLE REGULATORY FRAMEWORKS, AND RESPECT FOR LONG TERM CONTRACTS. SCALING UP

FINANCE FOR RENEWABLES, THEREFORE, IS A MATTER OF GETTING THOSE FACTORS RIGHT, WHICH IS PRECISELY WHAT WE ARE DOING IN BRAZIL.

ALSO, CONSIDERING THE WORLDWIDE SUCCESS OF WIND AND SOLAR POWER, WHICH HAVE MATURED TO THE POINT THAT MOST OF THE FINANCING IS ALREADY BEING PROVIDED BY COMMERCIAL SOURCES, IT IS IMPORTANT THAT INTERNATIONAL FINANCIAL INSTITUTIONS AND MULTILATERAL BANKS START TO PRIORITIZE AND BUILD MORE EXPERTISE IN RENEWABLE ENERGY.

FINALLY, I WOULD LIKE TO POINT OUT A LESSON THAT WE LEARNED A LONG TIME AGO IN BRAZIL.

IF DONE THE RIGHT WAY, THERE IS NO COMPETITION BETWEEN THE PRODUCTION OF FOOD AND THE AGRICULTURAL PRODUCTION OF ENERGY. AND GREEN BONDS AND OTHER FINANCIAL MECHANISMS BASED ON SUSTAINABILITY CRITERIA CAN CONTRIBUTE TO THE CONSOLIDATION OF INTEGRATED FOOD-ENERGY SYSTEMS. BIOFUELS AND FOOD CAN WORK TOGETHER TO INCREASE PRODUCTIVITY, CREATE MORE JOBS AND PROMOTE THE LOW-CARBON FUTURE WE WANT TO BUILD.

I WISH YOU ALL A VERY PRODUCTIVE PANEL TODAY AND LOOK FORWARD TO YOUR ENHANCED PARTICIPATION IN THE BRAZILIAN BIOENERGY MARKET.

THANK YOU VERY MUCH