

Brazil and Norway Extend Groundbreaking Climate and Forest Partnership

The Governments of Brazil and Norway agreed today that they will extend their climate and forest partnership until 2020, further increasing ambition on reducing deforestation and forest degradation in line with Brazil's stated goals. The first phase of their results-based partnership, which has been in place since 2008, has seen Norway contribute US\$ 1 billion USD to Brazil's Amazon Fund in recognition of Brazil's massive reductions of deforestation in its Amazon region. This partnership has recently been described by UN Secretary-General Ban-Ki Moon as "an outstanding example of the kind of international collaboration we need to ensure the future sustainability of our planet".

President Dilma Rousseff declared that "Brazil's INDC marks the first time a major developing country commits to an economy-wide, absolute reduction of emissions, which represents a major political signal for the global response to climate change. We are enhancing our commitments for a low carbon economy based on sustainable agriculture, renewable energy, forest restoration and reforestation, and eliminate illegal deforestation, all to reduce emissions but most importantly to fulfill our goal to reduce poverty and provide better lives for millions of our fellow Brazilians. The Amazon Fund and the support from the Norwegian people are in essence the realization of this goal."

"Brazil's reductions in Amazon deforestation ranks among the most important climate change and sustainable development efforts of the last decade. We are proud to have been Brazil's partner since 2008, and are delighted now to extend that partnership to 2020. Together with our German partners, we do this in recognition of both Brazil's impressive results so far and its admirably high ambitions for the future. Given continued Brazilian performance in meeting those ambitions, we will maintain our financial support at current levels¹ until 2020," stated Norwegian Prime Minister Erna Solberg.

Norwegian contributions under phase II of the partnership would initially continue to be made based on the results-based framework of the Amazon Fund. Brazil envisions the need to transition through established UNFCCC procedures to a national reference level that also includes forest degradation within the 2017-2018 timeframe. Norway applauds that ambition and will, once the shift is made, make its contributions on that basis.

Monitoring, reporting, and verification of results would be consistent with UNFCCC guidance. The Brazilian scientific community has provided leadership in the areas of climate and land use change. We jointly commit to reliance on the best available science to inform and sustain the continuous improvement of our commitments and their implementation.

In line with UNFCCC agreements, Brazil recently established its national strategy for REDD+ which sets in place a national commission, composed by representatives from ministries, local states, municipalities and civil society.

"The provision of adequate and predictable support for results-based reduction of emissions from deforestation and forest degradation in developing countries (REDD+), requires the implementation of internationally recognized environmental, social, and fiduciary safeguards," stated Brazilian Minister of Environment Izabella Teixeira. "For Brazil this is of utmost importance and we intend to

¹ The Norwegian support to the Amazon Fund has been respectively 1.000 billion Norwegian kroners (2013), 900 million Norwegian kroners (2014), and around 1.025 billion Norwegian kroners (2015).

report annually to the UNFCCC on how effectively the safeguards have been implemented starting in 2016."

The Norwegian contributions will continue to be made through the Amazon Fund - or by other channels which both countries deem appropriate. The Amazon Fund is administered by the Brazilian Development Bank (BNDES). The fund has an innovative governance structure consisting of representatives from state authorities in the Amazon, various Ministries, BNDES and civil society. All of the projects the Amazon Fund supports are a part of Brazil's general plan to reduce deforestation, while also promoting sustainable development in the Amazon region. Support varies from indigenous peoples, who are a priority to the Fund, through the development of economic activities based on the sustainable use of the forest, to the enforcement of the Forest Code. The Amazon Fund currently supports 75 projects in the total amount of US\$ 546 million.

"The success of performance-based payment in reducing deforestation proves that, in order to step up to the challenges of climate change, we require swift, robust and large-scale intelligent mechanisms," commented BNDES President Luciano Coutinho. "It is only with support from Brazilian society and the international community that it will be possible for the Amazon Fund to continue fostering this extensive project to build a new development model that aligns forest conservation with better standards of living for the people living and working there."

"The Amazon Fund is an outstanding example of a nationally owned and managed performance based mechanism for international climate change and sustainable development collaboration," stated Norwegian Minister for Climate and Environment Tine Sundtoft. "There will always be challenges for those leading the way, but the fund has seen impressive evolution and progress during its seven years of existence, and we are confident that its performance will continue to improve and its relevance to Brazil's efforts to reduce deforestation in combination with sustainable development will continue to grow."

The governments of Brazil and Norway launch the second phase of their partnership on the opening day of the 21st Conference of the Parties of the United Nations' Framework Convention on Climate Change (UNFCCC) in Paris.

Brazil and Norway share a commitment to achieve an ambitious climate agreement in Paris, including provisions supporting the continued implementation of REDD+, as defined by the relevant decisions under the convention. The two countries will explore the potential for extending their partnership beyond 2020 in light of the Paris agreement.

"The leadership of Brazil globally on climate and forest issues – and its contributions to south-south collaboration – are commendable," according to Minister Sundtoft, "Brazil is already sharing experiences and helping build capacity on REDD+ implementation in the greater Amazon region, soon also in the Congo Basin. We are looking forward to see continued leadership from Brazil and a scaling up of their south-south partnerships."

Experience in the Brazilian Amazon over the past decade has demonstrated that improvements in forest protection and agricultural production can be advanced in tandem, and in the same geography, with enormous climate and development benefits. This new 'production and protection' paradigm lies at the heart of sustainable rural economic development and can be realized in many of the world's forest region -- linking conservation, restoration of degraded agricultural and forested lands, and low-carbon intensification of production systems. Brazil and Norway will work together – including in collaboration with Germany and through other public, private, and public private partnerships, to help drive this agenda forward globally. In Brazil, this will include working on ways

to drive finance toward low-carbon agricultural intensification and forest restoration, and to incentivize forest conservation on private lands that could otherwise be legally deforested.

“Brazil has been effective in controlling deforestation in the Amazon. To guarantee that low rates of deforestation are sustained, we have deployed policies such as the new Forest Code, one of the the most important microeconomic reforms in Brazil in recent years, according to Brazilian Minister of Finance Joaquim Levy. “The Code brings transparency, aligns incentives, and stimulates investments in agriculture, food production and restoration in our country. The transition to a low carbon economy in Brazil implies structural transformations that open new frontiers for technological change and innovation in the areas of clean sources of energy, energy conservation and urban mobility, making the green economy an integral part of our growth and development strategy.”

“The use of land and land resources play and will continue to play a fundamental role delivering national economic growth for Brazil. To maintain sustainable growth that also protect high value ecosystems for future generations, reduce emissions, and deliver economic and social benefits to millions of farmers, we are building strong new production and protection foundations for future economic development and environmental conservation,” remarked Minister Teixeira.