

UN Commission on Science and Technology for Development
High-level panel discussion on Technology and innovation for
cleaner and more productive and competitive production

March 28th

Good morning, everyone! (Geneva is afternoon)

It is a pleasure to participate in this high-level panel on technology and innovation for cleaner and more productive and competitive production.

First, I would like to kindly greet our moderator: Mr. **Mansour Al-Qurashi**, Vice-Chair of the CSTD; our Secretariat: Ms. **Shamika N. Sirimanne**, Director of the Division on Technology and Logistics at UNCTAD.

My colleague panelists, Dr. **Srivari Chandrasekher**, Vice Minister of the Ministry of Science and Technology of India; Ms. **Xiaolan Fu**, Professor of Technology and International Development at the University of Oxford.

Our discussant Ms. **Ariesta Ningrum**, Manager of the Means of Implementation Division at UNFCCC. And finally, **to all of you** that are following our panel.

Thank you for the invitation and for the opportunity to share the perspective that has been defended by the Entrepreneurial Mobilization for Innovation, a movement of around five hundred innovative companies in Brazil coordinated by the National Confederation of Industry (CNI).

MEI, as we call it in Portuguese, completes 15 years in 2023 and has established itself as the main forum for dialogue on Science, Technology and Innovation in Brazil, through constructive and lasting dialogue between the business sector, the government and the Academia. We have worked on an Innovation and Sustainability agenda that dialogues with the theme of this panel.

I want to start my speech by recalling the Intergovernmental Panel on Climate Change report released last week. It brought us, once again, alarming messages:

- There is little chance of preventing the planet from surpassing the rise of 1.5 (one point five) degree in temperature by 2030. In this sense, specialists already consider that we will have to start working to return to lower levels.
- There is an imminent risk that we will be unable to reverse much of the damage, such as losing part of our biodiversity

forever. Thus, it is urgent for countries to reduce gas emissions into the atmosphere.

- How to do this depends heavily on national strategies to ensure long-term sustainable economic development.

Additionally, the OECD report, called Driving Low-Carbon Innovations for Climate Neutrality, released this year, reinforces the need for public policies.

According to them:

- Climate neutrality targets cannot be achieved just by deploying existing technologies, such as renewable energy.
- Carbon emission reductions will have to come, in large part, from new technologies.
- Therefore, innovation and industrial policies must act together to encourage research and development of low-carbon technologies, as well as their dissemination, so that countries achieve climate neutrality, as well as the commitments of the ESG agenda.

- As the solutions involve or impact many areas, the transition to a low-carbon economy also requires the engagement of several areas of government.

With that in mind, the MEI highlights the urgency of long-term national policies to support the development and adoption of green technologies or to support eco-innovation.

This week we will launch the study Trends, Challenges and Opportunities in Eco-innovation for Brazilian Industry produced by CNI in partnership with the Economic Commission for Latin America and the Caribbean – ECLAC.

This study shows, through patents and export data, the accelerated global race for green technology that is underway. Several countries are betting on green economic growth strategies.

The European Union announced the Next Generation in 2020, which estimates to allocate around 750 (seven hundred and fifty) billion euros in clean technologies in pursuit of global leadership in the green economy. Among its priorities are:

- Improving the energy efficiency of public and private buildings.

- Promoting sustainable, affordable, and smart public and private transport.
- Stimulate the circular economy.
- Support the transition to renewable energy sources.

The European Green Deal that is being discussed only reinforces its commitment to this agenda.

The US long-term strategy for energy security and climate change is another great example. The Inflation Reduction Act estimates an allocation of approximately 369 (three hundred and sixty-nine) billion dollars for clean technologies. As in the case of the European Union, it is the United States' biggest plan for sustainability. Both plans will have an important impact on the global economy. Developing countries like Brazil need to respond to them.

As our study with ECLAC shows, Brazil has lost its place on the world stage, although it maintains a leading role in the Latin American race for green technology. Thus, it is necessary to scale up eco-innovations in Brazil to respond to climate challenges, regulatory and institutional demands, enable insertion in global trade and ensure sustainable growth.

The good news is that Brazil has the conditions to be a leader in the green agenda.

According to a survey by Bloomberg, Brazil is among the top ten investors in energy transition, with around 12 billion dollars in 2020.

The UNCTAD Technology and Innovation Report “Opening green windows: technological opportunities for a low-carbon world” also demonstrates Brazil's potential. In 2020, we were among the top ten leaders in installed wind energy and bioenergy capacity. I dare to say that we may have also advanced in solar energy in the last two years, as solar energy generation reached the plateau of wind energy in 2022 - about 11% (eleven percent).

Furthermore, more than 70% (seventy percent) of the energy expected to come onstream in the coming years will come from solar panels in Brazil. So, there is a big chance the country will have a more prominent role in this area over the next years.

Here are some more examples of opportunities in Brazil:

- CNI survey points out that around 76 (seventy-six) percent of companies in Brazil have some initiative in the circular

economy, such as water reuse, logistics reverse and material recycling.

- Regarding recycling, 99% (ninety-nine percent) of aluminum cans are recycled in the country - a world record, and 22% (twenty-two percent) of plastic packaging are recycled.

We could still mention in favor of Brazil:

- It has the greatest biodiversity in the World.
- It has a predominantly clean electrical matrix, unlike Europe, which has always been an energy importer.
- The installed capacities in Brazilian industry in areas such as energy conservation and transport, in addition to the installed industrial and research capacity to implement projects in advanced areas (such as bioenergy and biomaterials).
- The favorable geopolitical situation for attracting foreign investment, for example, for renewable sources of electricity generation, biofuels, and energy efficiency.

In this sense, in the entrepreneurial sector's view, Brazil has a very relevant potential for (re)industrialization through eco-innovation. It could certainly be a leader in the carbon-neutral product industry .

To become a global player, it is urgent to build a Brazilian Green Deal. It must have a portfolio of effective and coordinated policies and include the private sector in this construction.

Therefore, in our view, the priorities of a Brazilian strategy could be to improve the regulatory model, establish a carbon pricing system and encourage private investment in sustainable technologies, following the example of ongoing initiatives in the United States, China and Europe.

Finally, it is worth saying that in September this year, we are going to have our International Innovation Summit dedicated to the Innovation and Sustainability agenda. We will debate with national and international experts on many issues related to this subject. I would like to invite you to come to Brazil to be part of this event.

Thank you for your attention!