

**Statement of Deputy Special Envoy for Climate Rick Duke,
Before the Senate Committee on Foreign Relations:
The Future of U.S-Brazil Relations
March 15, 2023**

Chairman Menendez, Ranking Member Risch, distinguished members of the Committee, thank you for the opportunity today to provide more detail about our engagement with Brazil on climate change issues. Assistant Secretary Nichols already outlined the global importance of Brazil, and the range of our strategic cooperation. I will focus on how cooperation on climate change fits within these strategic priorities.

In addition to being the world's seventh-most populous country, Brazil is the sixth largest emitter of greenhouse gases in the world. Due to its abundant hydropower resources, renewable sources supply nearly four-fifths of its electricity. As the world's third-largest exporter of agricultural products, Brazil has significant agriculture-related emissions. The largest source of emissions come from the loss of forests and other carbon-rich ecosystems.

The Amazon rainforest plays a critical role in the regulation of global climate – not to mention its importance for the millions of people that live within the region, and the unique biodiversity found only in this biome.

It covers almost 2.8 million square miles and stores an estimated 123 billion metric tons of carbon, equivalent to more than a decade of global energy sector emissions.

Sixty percent of the Amazon rainforest falls within Brazil's territory. This land, and its resources, are unquestionably Brazilian, but the risks posed by Amazon forest loss have global implications.

Deforestation rates in the Brazilian Amazon have soared over the past four years as speculators cleared forests to claim land, ranchers expanded pasture, and illegal loggers and miners encroached into protected areas and

Indigenous territories.

Scientists fear the Amazon rainforest is nearing a tipping point, where natural tree die off accelerates and the Amazon no longer naturally regenerates, turning the Amazon into a net source of emissions. The implications would be catastrophic for the climate. It would also be catastrophic for agricultural production and global food security, which depends on rainfall patterns regulated by the Amazon. It would affect the livelihoods of the more than 25 million people who live in the Brazilian Amazon – including the hundreds of thousands of Indigenous Peoples who have conserved the forests for millennia. It could also cause an unprecedented loss of biodiversity.

Any successful conservation approach must create value for healthy ecosystems, so that the people who depend on them benefit from standing forests more than from deforestation.

On February 10 in Washington, Presidents Biden and Lula instructed the U.S.-Brazil Climate Change Working Group to reconvene promptly. During his trip to Brazil, Special Presidential Envoy for Climate John Kerry and Minister of Environment and Climate Marina Silva identified key areas for engagement, focusing on deforestation, the bioeconomy, low emissions agriculture, as well as clean energy and resilience.

The truth is, we cannot fail. We cannot fail because of Brazil's importance for the global climate, food security, and biodiversity. But we also cannot fail because of the importance of our strategic relationship with Brazil.

The United States has worked for decades to create a closer relationship with Brazil. This relationship eroded over the last few years, and at the same time, the role of the PRC has been in ascendance. The PRC is currently Brazil's largest trade partner, and the largest market for many Brazilian commodities. It is also the largest investor in infrastructure projects. The PRC has invested in building strong relationships with Brazilian legislators

and other leaders, and there is a strong pro-China constituency in the country.

But the Lula administration is committed to a close working relationship with the United States across a range of issues. The United States is the second-largest trading partner for Brazil, and largest source of foreign direct investment. Brazil has a strong cultural affinity with the United States, creating opportunities for even closer political ties.

To achieve this, we need to ensure that funding flows to support Brazil's priorities: conserving forests, building a strong bioeconomy, and transitioning to low emission agriculture and clean energy.

We also have the opportunity to work with a range of partners – government and private sector, multilateral and philanthropic – to bring significant support for Brazil's forest and climate efforts. We see the Amazon Fund and mobilizing private sector investment for Brazil's deforestation efforts as key.

This is a must-succeed year for the Amazon, and for Brazil. Brazil has asked us to step up to be a strategic partner in their efforts. This is a request we cannot ignore – for the climate, for the people of Brazil, and for the future of one of the world's largest democracies.

Thank you again for the opportunity to testify today. I welcome any questions.