

**SPEECH BY H. E. MR. HELDER BARBALHO, GOVERNOR OF THE STATE OF PARÁ, AT PRINCETON UNIVERSITY**

**MAY 5, 2022**

**Amazonian Leapfrogging: Tackling the Climate Crisis and Social Inequality  
with Nature-Based Solutions**

I would like to thank the scientific community and its collaborators for the opportunity to return to the Brazil Lab, at the "Amazonian Leapfrogging" event. It is a pleasure and a privilege for me to share with you, at one of the most renowned universities in the world, the progress achieved in Pará and what we still intend to do. We have a long-term approach and a strategy that includes short-term actions to lay the foundation for the Amazon's leap to a low-carbon economy by valuing our environmental and cultural assets.

In 2019, we left Princeton encouraged to think about policies, plans, programs, and actions that would allow us to build institutions. Based on the acknowledgement of the climate crisis, these institutions will be a lever for decarbonization, economic growth, and poverty eradication in the State of Pará. We are convinced that Pará can turn the game around, which today is extremely unfavorable to sustainable development, fundamental human rights, and the full rule of law.

After three years, I can tell you that many of our intentions have been converted into strategies. The goals, targets, and actions that make up these strategies are based on a policy to address climate change. This policy is a central vector for government action. The ongoing effort offers us lessons learned on this path, which allow us to project the next steps towards sustainable, low-carbon development.

Given the current federal context, in terms of climate and environmental policies, the State of Pará has taken upon itself the challenging and vital responsibility of developing an integrated plan of initiatives, policies and financial instruments **with the aim of achieving, by 2036, zero net emissions in the sector of land use change and forests.**

This plan, however, must go beyond command-and-control measures and/or land and environmental regulation. It must incorporate elements that promote a new economic framework capable of transforming social dynamics. It is imperative that this design considers local factors in an integrated manner. From an economic perspective, the forest would gain more value standing than cut down, and in this way, we could start to improve the quality of life of our people.

In this roadmap, we carve a strategic role of leading a collective construction with multiple partners. Our goal is to achieve results, with the engagement of the indigenous and traditional populations, with climate change mitigation and adaptation measures and sustainable development actions that put us on the path to decarbonization.

Pará is a key player in the national and global climate and biodiversity agenda. Between 2008 and 2021, the average percentage of deforestation in Pará was equivalent to 44% of all deforestation detected in the Brazilian Amazon in this period, even though our area is 24% of the entire area of the Amazon region. Pará is the Brazilian state that emits the most greenhouse gases (GHG) into the atmosphere, almost 1/5 (19%), of all Brazilian emissions.

Moreover, the expression "reduce deforestation", a priori, does not reach all the realities experienced by our people, the conflicts, the poverty, the violence, the lack of basic sanitation, the disconnection with the digital world, and the opportunities for personal development. Therefore, we cannot adopt a single recipe to solve our problems. Even solutions adopted in the Amazon region itself are not suitable, most of the time, for our State.

A paradox is evident: the natural wealth of the land versus existing social issues. The Human Development Indexes (HDI) of our municipalities, for example, show that the challenge goes far beyond isolated environmental management or associated operations. We are the 24th state in the HDI ranking in Brazil. 44% of our population lives below the poverty line. To be sure, we will only be able to solve the problem of environmental degradation if we incorporate a concern for the 9 million people of Pará.

The logic in any and all thinking about the future and the improvement of life in the Amazon necessarily includes the human dimension and the intangible issues that go beyond the data of remaining forest, volume of fresh water, biodiversity, among others.

In the economic field, data shows that the development pattern of the Amazon over the last decades is no longer sustainable. Among the 27 states that make up Brazil, Pará has the 11th highest GDP and ranks 24th in terms of GDP per capita. Our production is based on the primary sector, on what is conventionally called "extractive-agricultural-mining-exporting". The result is very little, or often, no verticalization or added value.

Pará has traditionally been a state with a trade surplus, very significant in the context of contributing to the Brazilian trade balance, largely due to its agricultural and mining activities. These activities, however, are inefficient in terms of revenue generation and improving social indicators. Due to the way they are installed and reproduced, they do not generate economic or social returns to the degree expected, in comparison with the investments and the resulting impacts. There is an urgent need to modernize these operations to make them genuinely sustainable. Thus, they would contribute to Pará fulfilling its role in the context of the Brazilian climate ambition.

**Actions in the environmental, social, and economic pillars must be fast and efficient. Their scope must go beyond reducing deforestation. That is why, since our first year in office, we have prioritized improving and strengthening of human capital, infrastructure, and the implementation of public policies in areas related to the environment and to development with low GHG-emissions.**

Guided by this evidence, we develop public policies from the perspective of those who look from inside out and experience serious and challenging issues such as the issue of illegal deforestation. This symbol of an outdated economy is incapable of coexisting in a global society, whose main challenge is the survival of our Common Home. Our purpose is to be a government that is in the field and with a proactive attitude, geared towards sustainability and overcoming predatory dynamics.

We live in a decisive decade. Our choices will influence the future of our children and grandchildren. There is still time to stop global warming. Change must start now.

The pandemic has shown in practice what a global crisis means. Science tells us that the climate crisis promises to be even more intense and complex. We are a government that believes in science and seeks to base its actions on science.

With these premises in mind, we structured the legal and institutional frameworks necessary to support our administration's actions in climate policy. We instituted the State Policy on Climate Change (PEMC/PA) in 2019. This policy aims to join the global effort, based on the United Nations Framework Convention on Climate Change and the Paris Agreement, in order to strengthen cooperation to enable programs and projects for climate change adaptation and mitigation.

Based in the state legislation on climate change, we instituted, in 2020, the Amazônia Now State Plan (PEAA). Using established climate and environmental targets, the Amazon Now is a platform to develop actions and programs that offer the Paraense society a new economic framework capable of supporting innovative solutions to face climate-environmental and socioeconomic challenges.

It is a bold, ambitious plan. The awareness of our responsibility and the confidence in the findings of science, encourage us to affirm that yes, it is possible that a public policy, based on a robust institutional framework, will change the way we look at the Amazon, and lead the way to a new reality in Brazil.

Our goal is to define a macro-strategy that changes not only the climate agenda, but also the socioeconomic agenda of the state. The design of Amazon Now was based on the conviction that the fight against deforestation and fires, as well as the fight for environmental and land title regulation, although essential, do not enable us to fully face the socioeconomic challenge. Nor would these actions be sufficient to achieve the desired transition to a carbon-neutral economy, in an inclusive, fair, and sustainable way. The magnitude of the challenge forces us all to take a critical look at the existing reality, including all the positive and negative aspects of our way of living and producing in this land.

The Amazon Now State Plan is anchored in a long-term strategic vision of the transition to a low-carbon economy. Our purpose is to reduce greenhouse gas emissions from forest conversion and land use by at least 37% by 2030 - in relation to the average between 2014 and 2018. From that date, we expect to improve performance by reducing emissions to 43% by December 2035 to become carbon neutral. Our overall ambition is to neutralize 86% of the total emissions of the State of Pará by December 2035.

While we seek to progressively reduce deforestation, we will also increase vegetation regeneration by 5.65 million hectares by 2030. With additional support from domestic efforts, we intend to increase this regeneration to 7.41 million hectares by December 2035. This represents about 50% of Brazil's target under its Nationally Determined Contribution (NDC).

To achieve this ambitious restoration goal, it is essential to create clear and integrating legal instruments and mechanisms to promote the recovery of native vegetation on a large scale. Therefore, the State is seeking to integrate strategies for restoration at the state level by building a restoration plan. The design and implementation of this specific plan should generate economic, social, and environmental benefits for landowners, the urban population, the third sector, and the public and private sectors.

To become a sustainable and long-term public policy, the PEAA has an important funding component: the Eastern Amazon Fund (FAO), a private mechanism with public governance, officially recognized at the end of 2019. After 2 years of structuring on three basic fronts - governance, management, and fundraising - it now has FUNBIO, Brazil's renowned environmental fund manager, as its implementing entity. In six months, FAO has already raised R\$11 million, and the goal is to reach R\$300 million in four years. We are looking for private bonds, asset investment, and voluntary contributions to give scale to the projects.

Pará, through the State Bank, is offering more than 400 million reais in a credit line for the bioeconomy and restoration.

At the tactical and operational level, the Amazon Now State Plan seeks to base integrated state action on three lines:

- a) **Strengthening of environmental Monitoring, Licensing and Enforcement (the so-called "Command & Control")**, with the use of the **State Force to Combat Deforestation** and migration to **online Environmental Licensing**;
- b) **Land, Land Property and Environmental Planning**, through the **Regularize Pará Program**, focused on stimulating environmental regulation and on actions to legalize land tenure for farmers enrolled in the program; and
- c) **Low-Carbon Socio-economic Development**, through the **Sustainable Territories and Bioeconomy** down-to-earth programs.

On a practical level, we have strengthened the command-and-control line by increasing the environmental inspection staff by 866%; we have made the inspection more specialized by creating the State Force to Combat Deforestation, an integrated effort between Environmental and Public Security Systems, in the area of investigative intelligence and with actions in the field. We have already had good results so far. After 21 phases of its main operation, it has embargoed more than 279 thousand hectares of illegal areas; dismantled 117 camps used for deforestation; and banned 62 illegal mining sites. Data from the DETER system indicates that deforestation alerts in Pará were down by 73% in March 2022, when compared to the same period in 2021.

In the case of the social and economic line, the central and differentiating line of our strategy, our ambition is to implement a policy that stimulates the three pillars of sustainable development: social, economic, and environmental. This incentive will translate into reviewing, rethinking, and replacing the "traditional" pattern of appropriation and use of natural capital. This pattern initially generated jobs and some opportunities for local populations, giving the sensation that "development had arrived". In a rapid cycle, often less than a decade, however, the negative externalities of this pattern gain more weight than the benefits to the Paraense society. Additionally, it is imperative that this change creates a favorable business environment and legal security for the private sector to invest resources, ensuring scalability, that is, to grow by meeting demands without compromising the qualities that add value.

Sustainability management requires multisectoral and permanent governance, essential instrument for the programs developed and those already in operation. The Sustainable Territories Program is an example of what I am saying. This program focuses on integrated actions that encourage the adoption of more technology-intensive productive models, with better per-capita income per hectare. It currently covers five territories, in southeast Pará, located in the so-called deforestation belt, with high rates of deforestation and complex land issues. The Sustainable Territories Program promotes technical assistance, guarantees access to credit, in addition to land and environmental regulation. In two years, more than 1,000 farmers have been assisted, and we have a projection of reaching 3,000 by the end of 2022 through partnerships with the private and third sectors.

Ladies and Gentlemen,

In addition to this program, and in the context of the global demand for post-COVID economic recovery, bioeconomy has the potential to reconcile the promotion of a sustainable and balanced environment, with the generation of employment, income (especially for young people and women), and the possibility of promoting new alternatives for economic development, with the strengthening of the local economy.

This new productive model will guide, over the next few years, the investments in the State of Pará. Its discussion gained momentum last year when, in October, during the World Bioeconomy Forum, in Belém, we launched the first bioeconomy strategy of the Brazilian states. The initiatives of the State Bioeconomy Plan will take place through planning actions divided into three strategic areas:

- (i) **Research, Development and Innovation;**
- (ii) **Genetic heritage and associated traditional knowledge; and**
- (iii) **Production chains and sustainable businesses.**

The bioeconomy we want for Pará is not a silver bullet. It is a path where actions are geared to adding value to raw materials, processes, and products.

Based on the studies of Professor Salo Coslovsky with Amazônia 2030, we identified that Pará exports more forest compatible products (44 products) than the other Amazon states together (41 products). From the IBGE's Agricultural Census database, we also identified that 74% of the national non-exhaustive extractive activities (seeds, leaves, fruits, oils, without leading to tree felling) are in the Amazon. Between January 2017 and December 2019, companies in the Region exported 955 different products. At least 64 of them can be considered "forest compatible," including products from agroforestry systems, horticulture, non-timber forestry, and those obtained through fishing and fish farming. On average during this period, the export of these products earned Pará exporters US\$257 million per year, representing only 0.2% of the global export market turnover of US\$ 121 billion per year.

This highlighted the opportunity to raise the level of exports of forest-friendly products. We can produce more and better than we do today, generating income and employment. Since last year, with the support of Professor Salo, we have been

working, starting at the cocoa chain, on a program called "Down to Earth Bioeconomy". This program aims to leverage the regenerative, low-carbon economic development, aiming to accelerate the State's exports by solving bottlenecks and preparing pre-competitive arrangements that encourage the exports of these products. We started with the cocoa chain but will expand to other priority chains in the State such as açai, pirarucu, manioc, and Brazil nuts, among others.

Our Bioeconomy Ecosystem will create innovation spaces for interaction between scientific-technological sectors, traditional peoples, private initiative (incubation and acceleration), civil society and public sector. It seeks to create new products, services, and businesses from environmental assets with high technology, knowledge, and nature-based solutions. In this way, we are confident that we will add value and foster an entrepreneurial culture that generates wealth and sustainable development.

To build a robust climate and environmental policy, the State of Pará has been striving to structure its REDD+ Jurisdictional System to meet the requirements needed to attract resources from payments for results, as well as from the voluntary carbon market. In 2021, we submitted our interest to the Leaf Coalition based on the actions of the Amazonia Now Plan and its scalability.

In sum, through a model of integrated, multi-pronged action, the Government of the State of Pará has formally made the commitment to become a Carbon Neutral jurisdiction as of 2036. We endorse this intention by signing our commitment to Race to Zero. We are convinced that deforestation and the loss of biodiversity are complex problems, impossible to be solved by isolated and sporadic actions, without due attention to the prevailing economic rationale and/or disassociated from the challenge of eradicating hunger and poverty, elements that are still very present in the life of the Amazon people.

Low-carbon policies, guarantees of rights for indigenous and traditional populations, and sustainable development based on the standing forest with fair and equitable distribution of benefits for the local society are Amazonian issues for the 21st century, and a PRIORITY for the Government of the State of Pará.

We understand the relevance of improving political and economic incentives in favor of an economy based on regional biodiversity. Key elements are studies that enable



the State to formulate public policies and focused and impactful projects to achieve the objectives and goals established in the Amazon Now State Plan.

Ladies and Gentlemen,

I reaffirm my commitment to act firmly in the search for **practical solutions, with the objective of reducing deforestation and restoring the State's forests, improving the livelihoods of the population and the Forest People - indigenous, extractivists and quilombolas**. In other words, the field is fertile and can inspire transformative, impactful public policies for the State's climate and social agenda.

The Government of the State of Pará is at the disposal of the best science available in the world, some of it produced here, by you, ladies and gentlemen, so that we can continue to be a living laboratory in favor of the Amazon. For us, leapfrogging will result not only in a conserved, sustainable Amazon, but in a land where the Amazonians have their fundamental rights assured and have the leading roles of their own history.

An Amazon of dignities, more inclusive and less unequal!

Thank you very much.