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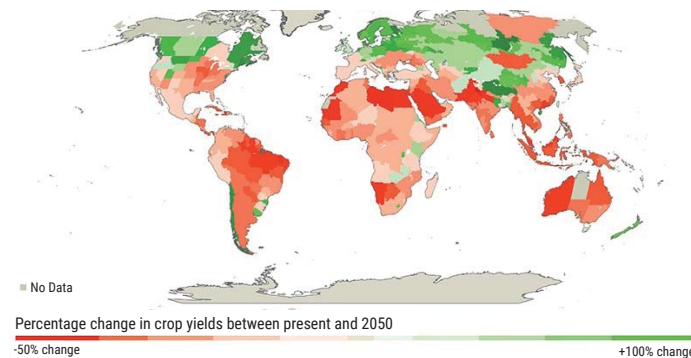
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## FEATURED Q&A

# Will Latin America Take the Lead on Climate Change?



Some studies suggest that climate change will reduce the number of productive acres for crops across much of Latin America. // Image: World Resources Institute.

**Q** Pope Francis made climate change a central theme of his week-long visit to Cuba and the United States in September, imploring members of the U.S. Congress to become more active in "protecting nature." Are the Argentine-born pontiff's appeals on climate change hitting home for policy makers in the Americas? Will the global climate change conference set to take place this December in Paris get a boost from the Pope's efforts? Which countries have succeeded in making substantial efforts to reduce greenhouse gas emissions, and which countries need to be more aggressive in their efforts to combat climate change? Are there any regional alliances that might be particularly fruitful on this front?

**A** Steve Schwartzman, senior director of tropical forest policy at the Environmental Defense Fund: "Pope Francis's encyclical *Laudato Si'* on the environment and climate change and his focus on these themes during his visit to the Americas have added to momentum for a successful outcome for the upcoming UN climate conference in Paris. In the United States, where political opposition to climate action and continued denial of the problem are most marked, the Pope's popularity and appeal to both liberals and conservatives will make it harder for climate deniers to portray climate change as a fringe concern of a few extremists, helping to diffuse efforts to block President Obama's Clean Power Plan. This may in fact be among the most important immediate effects of his visit, since in Latin America in general both public opinion and political leadership broadly support climate action (at least rhetorically). More broadly, the Pope's wide-ranging appeal

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## TODAY'S NEWS

### POLITICAL

## Brazil Court Opens Door for Campaign Probe

By a vote of 5 to 2, Brazil's Supreme Electoral Tribunal, the TSE, on Tuesday agreed to open an investigation into allegations that President Dilma Rousseff inappropriately used state funds to finance her re-election campaign.

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### ECONOMIC

## Venezuela Growth to Shrink Most in World This Year

New data from the International Monetary Fund suggest Venezuela will see its economy shrink more than any other country in the world this year.

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### ECONOMIC

## U.S. Commerce Secretary Visits Cuba

Sec. Penny Pritzker has arrived in Cuba for two days of talks focusing on the trade embargo. She has become the second U.S. cabinet official to visit Cuba since the re-establishment of diplomatic relations on July 20.

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Pritzker // File Photo: U.S. Government.

## POLITICAL NEWS

## Brazil Court Opens Door for Rousseff Campaign Probe

By a vote of 5 to 2, Brazil's Supreme Electoral Tribunal, the TSE, on Tuesday agreed to open an investigation into allegations that President Dilma Rousseff inappropriately used state funds to finance her re-election campaign, O Estado de São Paulo reported. The ruling also implicates her vice president, Michel Temer with the opposition PMDB party. Another major opposition party, the PSDB, called for the investigation into allegations that Rousseff and Temer used more money than reported and received donations from companies involved in a corruption scandal to fund last year's re-election campaign, Bloomberg News reported. The unprecedented decision, widely anticipated, could bring legal hearings that ultimately could result in the ouster of the president as calls for her impeachment build in Congress. While the scandal may not bring down Rousseff, it does

complicate the congressional outlook for her fiscal agenda, particularly the CPMF banking transaction tax, Eurasia Group analyst João Augusto de Castro Neves wrote in a research note circulated Tuesday before the ruling was announced.

## ECONOMIC NEWS

## U.S. Commerce Secretary Visits Cuba

U.S. Secretary of Commerce Penny Pritzker on Tuesday arrived in Cuba for two days of talks focusing on the trade embargo. Her first event was a visit to Mariel Special Development Zone, where she visited the container terminal and the warehouse, the Commerce Department said. Pritzker has become the second U.S. cabinet official to visit Cuba since the re-establishment of diplomatic relations on July 20, when Sec. of State John Kerry attended the embassy flag-raising ceremony in Havana. In related news, U.S. Rep. Rick Craw-

## NEWS BRIEFS

## Pemex Evacuates Workers After Gas Leak Found on Gulf Platform

Mexican state oil company Pemex said on Tuesday that it was working to control a gas leak at the Sihil A platform in the Gulf of Mexico, Reuters reported. Eighty-five workers have been evacuated, Pemex said, adding there were no injuries. Last April, an explosion on an offshore oil platform operated by Pemex killed at least four workers, injured 16 and forced 300 to be evacuated.

## Moody's Downgrades Brazil's Oi Amid Shift to Pay TV, Broadband

Moody's Investors Service on Tuesday downgraded the debt ratings of Brazilian telecommunications company Oi to Ba3, noting the outlook remains negative. Finding the company's increased leverage, cash consumption, and credit metrics are "no longer commensurate with a Ba1 rating." Moody's said Oi's business will face further margin deterioration from "an unfavorable product mix shift to pay TV and broadband and the price pressure inherent in its targeted value segment, especially during the ongoing economic slowdown in Brazil."

## Guyana Moves Closer to Approval of 26 MW Wind Farm

Guyana's government has moved closer to approving a proposal by Guyana Wind Farm Incorporated for a 26-megawatt wind energy plant at Hope Beach, Stabroek News reported Tuesday. The company has submitted documents indicating that it has secured the necessary financing to carry out the project, with a proposal outlining a 12 cents per kilowatt hour fee, Caribbean Journal reported. Media reports last year said Guyana Wind Farms is partnering on the project with Avic International, a Chinese aerospace company.

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for climate action may also build momentum for the process already underway in the UN climate change negotiations of replacing the obsolete, rigid division of countries into 'developed' and 'developing', with and without emissions reductions targets respectively, with more substantive efforts from all major emitters. Brazil's adoption of an absolute emissions reductions target for 2030, rather than proposing to increase less than might have been the case under a 'business-as-usual' scenario, in part probably reflects the Pope's skillful projection of soft power on climate change."

**A** Ray Walser, retired foreign service officer and co-chair of the Latin American Working Group in Mitt Romney's 2012 presidential campaign: "During his visit to the United States, Pope Francis built on the encyclical *Laudato Si'*, adding a powerful voice to those

demanding international action to curb the emission of greenhouse gasses and to mitigate the effects of accelerating climate change. The pope has clearly elected to insert the Catholic Church into one of the gravest, most complex transnational issues of the day. Pope Francis appealed to the conscience of the United States, the world's foremost power, urging it to employ its enormous resources for effective environmental change and to assume a moral responsibility for helping save the planet. The pope clearly sides with the poor and future generations, both underrepresented in Washington's partisan battles. While strong and forceful, the pope's influence has its limits. Conservative critics like editorialist George Will detect in the Argentine pope's pronouncements a hint of Peronist populism and 'sterile redistributionism.' At times, the pope's views on consumption, the market's shortcomings and even the causal agents of poverty recall

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ford (R-Ark.) on Tuesday introduced the Cuba Agricultural Exports Act, a measure that would repeal restrictions on export financing and give U.S. crop producers access to Department of Agriculture marketing programs. According to a press release, Crawford's bill would also enable limited American investment in Cuban agribusinesses as long as U.S. regulators certify the entity is privately-owned and not controlled by the government of Cuba. "While the Administration has called on Congress to repeal the embargo entirely, I think the correct approach is to make cautious and incremental changes to current Cuba policies in ways that benefit the United States," Crawford said.

#### ECONOMIC NEWS

## Venezuelan Economy to Shrink Most in World This Year: IMF

New data from the International Monetary Fund suggest Venezuela will see its economy shrink more than any other country in the world this year, Bloomberg News reported Tuesday. Lower oil prices have drained government coffers and are likely to bring the country's real gross domestic product down 10 percent this year and 6 percent in 2016. "Venezuela is projected to experience a deep recession in 2015 and 2016," the IMF said in its World Economic Outlook report, released in Lima where the World Bank and IMF are holding annual meetings. Along with economic contraction, Venezuela is running extraordinarily high inflation rates, ameliorating the real incomes of many Venezuelans living in a country with some of the highest proven oil reserves in the world. Ukraine, Russia and Belarus also have economies forecast to shrink 3 percent or more this year. Overall, Latin America and the Caribbean will shrink by 0.3 percent this year before growing 0.8 percent in 2016, according to the report. The biggest economy in the region, Brazil will shrink by 3.0 percent this year, while Mexico will grow 2.3 percent. The IMF warned of the rising threat of economic stagnation among the G7 economies, as well. "Six years after

the world economy emerged from its broadest and deepest postwar recession, the holy grail of robust and synchronized global expansion remains elusive," wrote Maurice Obstfeld, director of the IMF's research department. Even in countries where economies have been doing relatively better, a drop in labor force

participation is causing families to feel the pinch, according to Augusto de la Torre, the World Bank's chief economist for Latin America and the Caribbean. "We are seeing employment quality deteriorate, as salaried workers become self-employed, and workers shift from larger to smaller companies," said in a report Tuesday.

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past elements of dependency theory and Liberation Theology. Critics also feel that Pope Francis is losing sight of the enormous reductions in poverty and the rise of a global middle class in a globalized, market economy. Powerful voices in Congress and American society at large are unprepared to accept the pope's views on 'man-caused' cli-

“**Powerful voices in Congress and American society at large are unprepared to accept the pope's views on 'man-caused' climate change on faith alone.**”

— Ray Walser

mate change on faith alone. Without doubt, the Vatican's new environmentalism adds salience to the Paris conference. Brazil's apparent readiness to discuss serious emissions reductions and massive efforts to prevent and even reverse deforestation strike a bold tone. Greater coordination between the United States, Brazil and Mexico, each among the top 10 emitters of greenhouse gases, would send a powerful signal of New World partners working together.”

**A** **Guy Edwards, research fellow at Brown University:** “The May release of Pope Francis' encyclical *Laudato Si'* was especially well-timed prior to his South American tour in July and latest trip to Cuba, the United States and the United Nations. The pope's intervention illustrates forcibly that climate change is a real threat today. He is explicit about the need to switch from fossil fuels to renewable energy—the most important way to tackle global warming due to the energy sector's colossal carbon footprint. The pope's message also reinforces Latin American citizens' concern about climate

change and environmental issues. Latin American leaders have responded positively to the pope's interventions, and his contribution has given the global climate debate a novel boost before the Paris climate talks. A central part of a new climate agreement beginning in 2020 will be countries' national climate plans, or Intended Nationally Determined Contributions (INDCs), which are being submitted to the United Nations. These pledges indicate how countries will reduce their emissions and adapt to climate impacts. A new agreement can catalyze climate action in Latin America, and the INDCs are a key way to support country efforts to forge a path toward low-carbon and resilient sustainable development. Brazil announced that it will reduce its emissions by 37 percent by 2025 and by 43 percent by 2030, with a base year of 2005. Other countries, including Mexico and Costa Rica, are making important offers. It is unclear whether the ALBA countries will submit their INDCs; not doing so would be a huge missed opportunity for their national climate policies and would risk undermining their negotiating positions in Paris. CELAC is more active than before on climate change, but whether

“**It is unclear whether the ALBA countries will submit their INDCs.**”

— Guy Edwards

it can move beyond lofty statements and delve deeper into formulating common positions on climate change by Latin American countries is a tall order, given some of the very real differences between countries.”

*The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta at [gene.kuleta@thedialogue.org](mailto:gene.kuleta@thedialogue.org).*

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