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Brazil Strategy Network

**Resolution on the Memorandum of Understanding Between
the United States and Brazil to Advance Cooperation on Biofuels**

April 9, 2007

The recently signed Memorandum of Understanding Between the United States and Brazil to Advance Cooperation on Biofuels is a modest and partial response to the global challenge of shifting toward a clean, sustainable and equitable energy system. The MOU confirms the critical roles that both the United States and Brazil play in our global efforts to replace fossil fuels with renewable sources of energy that empower people and protect our environment.

The Brazil Strategy Network applauds the governments of both the U.S. and Brazil for their respective efforts to advance such an important cooperative initiative. Moreover, we encourage both parties to deepen this avenue of cooperation through extensive consultations with representatives from civil society in order to overcome the legacy of social exclusion and environmental devastation that threatens to undermine bilateral and global efforts to lessen greenhouse gases and move toward equitable and sustainable development.

For centuries, sugarcane cultivation in Brazil and throughout the Americas represented a social process of concentrating control over land and the wealth it created. Slaves, peasants and rural workers were subjected to political repression and economic coercion to preserve the sugarcane elite's dominance over the land and people. While some gains have been made under democracy, increased production of sugarcane based ethanol in Brazil, the Caribbean basin, and Africa could further impoverish rural workers, degrade arable land, and pollute fresh water supplies if strong policy measures are not taken to expand land reform and integrate family farm production into an equitable and sustainable model of biofuel production.

Cooperation between the United States and Brazil to advance the production of biofuels should not undermine efforts to empower family farmers and both agricultural and industrial workers. Rather, the importance of biofuels as a transformative force throughout the world is partly contingent upon bilateral cooperation that includes increasing the number of land-owning family farmers

and improving salaries and working conditions for agricultural and industrial workers in an equitable and sustainable chain of production that includes collectively-owned agro-industries rather than more corporate controlled agribusiness. Further consolidation of land ownership and control over agricultural production for food or fuel will risk the legitimacy and efficacy of this binational cooperation, thereby undermining global efforts to replace fossil fuels with clean, renewable sources of energy.

Recognizing the importance of the MOU as a possible step toward biofuel production within an equitable and democratic policy model, the Brazil Strategy Network resolves to encourage both the governments of the U.S. and Brazil to:

- 1) agree to establish and enforce rigorous environmental and labor standards for biofuel production and consumption that reflect the International Labor Organization's core rights that protect freedom of association and collective bargaining while prohibiting slave and child labor as well as discrimination in employment; in order to promote efficiency, energy conservation, environmental protection, local and small scale production wherever possible, worker safety, and the equitable distribution of productivity gains and profits to the workforce;
- 2) encourage the production and consumption of biofuels in developing countries by providing the necessary investment and technology for efficient, equitable and sustainable production and use of ethanol and biodiesel;
- 3) condition such investment and technology transfer on compliance with those environmental and labor standards that insure equitable and sustainable production and consumption through the establishment of a certification process;
- 4) mandate international financial institutions, including the Inter-American Development Bank, to apply such environmental and labor standards to guide lending and encourage private investors to do likewise;
- 5) The MOU between the U.S. and Brazil to Advance Cooperation on Biofuels includes the expressed intention to establish a Steering Group to oversee the work and coordination necessary to complete its objectives. The Brazil Strategy Network encourages the governments of the U.S. and Brazil, as well as their designated representatives, the U.S. Under Secretary of Economic, Energy, and Agricultural Affairs and Brazil's Under Secretary for Political Affairs, to strengthen the representative base of the Steering Group to include leading civil society representatives from the agrarian reform, consumer rights, environmental preservation, labor union, and scientific and technical communities of both countries.

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