



Rethink Tank

Dossier:

Brazil-US Strategic Partnership within the G20 for Global Challenges

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Introduction:

Brazil and the U.S. in the G20: A Partnership for Global Solutions

The complex relations between Brazil and the United States find new opportunities for collaboration and global relevance through the G20. As both countries seek to address global issues such as economic development, climate change, digital transformation, and the strengthening of multilateral governance, the Group of 20 emerges as an essential platform for fostering joint actions.

Acting as the creator of this dossier and as one of the members of the T20 Organizing Committee — the G20 think tank engagement group — the Brazilian Center for International Relations (CEBRI) aims to strengthen dialogue between Brazil and the United States and identify forms of strategic collaboration that can inspire concrete initiatives. This dossier brings together articles from prominent American think tanks, providing a comprehensive analysis of bilateral dynamics and opportunities to intensify Brazil-U.S. cooperation on globally relevant strategic topics. The think tanks contributing to this dossier include: Atlantic Council, Center for Strategic and International Studies (CSIS), Institute of the Americas, Inter-American Dialogue, Quincy Institute, and Wilson Center.

The dossier explores the relationship between the two countries with a focus on the G20, seeking pathways for deeper collaboration that leverages the central roles of Brazil and the United States in global discussions. As the largest economy in Latin America and the largest economy in the world, respectively, Brazil and the United States share responsibilities and common interests that present an opportunity to create innovative and impactful global solutions. In a world increasingly demanding collaborative efforts, the bilateral relationship within the G20 offers a unique opportunity for both countries to contribute to sustainable development and global security.

This dossier aims to serve as a tool for constructively influencing decision-makers, policymakers, civil society representatives, and private sector actors, underscoring the importance of joint actions and bilateral cooperation within the G20 framework. The ideas and proposals presented here are designed to foster discussions that inspire public policies and contribute to a more dynamic and mutually beneficial relationship between Brazil and the United States, with a positive impact on global issues.

Inter-American Dialogue:

Friends, not Allies: Brazil and the United States

Peter Hakim¹

On a visit to Sao Paulo in October 2014, I was interviewed by a small group of Brazilian journalists and politicians. In addition, a well-known humorist was sketching my portrait and listening intently to the discussion. He summed up the event in a single sentence. “Relations between Brazil and the United States remain a promise--more or less dramatic.” (“A relação entre Brasil x EUA continua sendo uma promessa, mais ou menos dramática.”) That comment captures my view of the generally amiable, sometimes bumpy, occasionally unfriendly, and only rarely very dramatic relationship of the two Western Hemisphere giants.

In recent years, Brazil and the US have largely maintained cordial, mostly friendly relations with one another, but they have failed to build the constructive ties that would enable them to identify common goals and jointly pursue their mutual interests. Both nations say they assign high priority to expanding commercial ties, but they have not negotiated a single major economic pact for 50 years. In this period the US has signed more than 20 trade agreements worldwide, eleven of them with Latin American nations. Brazil has mostly pursued its international interests and aspirations by standing apart from the US. On many occasions, Brazil has sought to curb US activities and influence in South America. For its part, the US often considers Brazil a poorly prepared intruder in critical issues of world affairs. While relations have tended to remain amiable, they have been marked by limited cooperation, considerable discord, and a few nasty clashes.

There have been several opportunities for the US and Brazil to develop robust, longer-term collaboration on issues of importance to both. The most significant was the prospect of a hemisphere-wide free trade agreement. With the endorsement of nearly every country of the Americas, negotiations for the FTAA were launched in 1994 at the first Summit of the Americas in Miami. Brazil and the US were designated co-chairs of the process, even as the Brazilian delegation expressed some distaste for the initiative and declared that it would focus its trade priorities foremost on Mercosur, its regional trade strategy. Six years later at a Summit in Canada, Brazilian president Fernando Henrique Cardoso expressed strong misgivings about the free trade arrangement, and four years later his successor, Lula da Silva, essentially pulled the plug on further negotiations.

In 2001, the US and Brazil, along with all the hemisphere’s elected governments, approved the Inter-American Democratic Charter—an impressive document calling for collective action to protect democratic governments and the rule of law. But Brazil and the US, along with many other nations, have rarely found enough common ground to cooperate in advancing these goals. Time and again, they have been at odds on how to interpret and implement the Charter’s

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mandate—making it difficult to pursue any action. More recently the Covid pandemic demonstrated the limited ability of the hemisphere's nations to collectively address a clear, high-risk danger, despite knowing precisely what had to be done.

Although President Obama was clearly an admirer of Lula, he traveled only once to Brazil, in March 2011—three months after Lula stepped down and Dilma Rousseff took office. The trip occurred at the time of an impressive economic expansion in Brazil and its successful exploitation of the massive pre-salt oil reserves in the country's ocean territory. Obama arrived in Brazil with some 50 prominent US CEOs, in addition to his wife and children, and met with some 400 of Brazil's top business leaders. In response to many questioners, he explained that the visit was a US quest for expanded trade and investment opportunities, and increased jobs and income for American workers. But virtually nothing came of it. Neither the US nor Brazil was ready to proceed. It was a marvelous day at the beach that left no footprints. A subsequent State visit to Washington, with all its special trappings, was canceled when Edward Snowden, a US intelligence contractor, revealed that the US had been conducting a large-scale surveillance scheme focused on the Brazilian president and key financial institutions.

The election of Bolsonaro in 2018, while Lula was imprisoned on charges of corruption and Donald Trump was the US president, led to a dramatic change in Brazil's domestic politics and its international conduct. Bolsonaro, widely called the "Tropical Trump," shared many of the US president's political views and ideological biases. In both Brazil and Washington, there were political leaders who saw an opportunity for a close relationship between the two right-wing presidents, which might evolve toward more vigorous ties between their nations. The two presidents, regularly and loudly, expressed their admiration for each other and declared they would "stand together." But not much, if any, progress toward serious cooperation was achieved. Agreement on a "mini-trade document" was little more than a call for further negotiations.

Brazil's expanding relations with China was another important obstacle to US/Brazil cooperation. Sometime around 2015, China emerged as Brazil's most important trade partner—and today it buys twice as much from Brazil as it does from the United States. With foodstuff and other agricultural produce far and away Brazil's most important export, the political backing of the country's agricultural sector, with its many ties to China, is critical for any Brazilian government.

Washington's most significant effort in support of Brazil occurred during the run-up to the 2022 election and lasted until Lula was safely in office with a clear majority of votes. From the outset of the Lula-Bolsonaro campaign, the US was intent on convincing the Brazilian military to avoid involving itself in the electoral process—and thereby stymie any plans Bolsonaro had for stealing the election.

At the time, Brazil was politically polarized to an extreme and many military leaders had accepted senior and mid-level positions in the Bolsonaro

government. The prospects of a military intervention in the election to keep Bolsonaro in power was taken seriously in both Brasilia and Washington. The US arranged visits to Brazil for US military officials, including the chief of the Pentagon; in addition, President Biden sent the US secretary of state and senior intelligence personnel. The US objective was clear: the Brazilian military could and should protect democracy by avoiding any involvement in the country's election. As it turned out, there were clearly efforts by a few military officials and many Bolsonaro supporters to try to influence and potentially upend the elections—but Lula was elected and installed in office with limited incidents. A year later, the US also succeeded in protecting the integrity of a Guatemala presidential election, although with a rather different set of actions.

The Lula government understood the significance of Biden's efforts to assure a fair election. Lula himself made an early trip to Washington on February 11, 2023 (42 days after his inauguration), where he insisted on the importance of US-Brazil cooperation. Although he presented an agenda of issues which the US and Brazil could agree on—including climate change, democracy, and economic growth—it did not take long to conclude that on many key questions, Brazilian views did not coincide with those of Washington. When the Brazilian election was over and Lula stood firmly in charge, it became clear that the US and Brazil once again had distinct agendas to pursue. Lula set his sights on building toward an international presence for Brazil, participating and sometimes leading global activities and addressing difficult international problems like the war in Gaza and Russian invasion of Ukraine. Lula wanted Brazil consistently viewed as an important international actor that could play a significant role in shaping global affairs.

In many respects, Lula's global policy preferences seemed to edge closer to those of Xi Jinping in China, which he visited two months later and received the fulsome welcome of a state dinner. Unlike his visit to Washington, he brought a large delegation of top officials including Brazil's entire cabinet. The Brazilian president made clear some of his key differences with Washington. He argued that it was crucial to promote peace talks between Ukraine and Russia and be prepared to find a middle ground, which could require that some Ukrainian territory be transferred to Russia. Similarly, he called for an immediate cessation of hostilities in Gaza, and subsequently announced that Israel should be charged with genocide. At the same time, early in his presidency, he resisted expressing any critical views of Venezuela, Cuba, or Nicaragua, which irritated many US officials.

In short, there are few indications that the US and Brazil are likely to emerge as partners or close allies on global affairs. The two countries tend to have different views on the world's most critical political, economic, and security interests. As noted above, Brazil has moved closer to the views and interests of China than to the US. In 2009, Brazil readily accepted China's invitation to become a founding member of the BRICS organization, jointly with Russia and India. Since then, the BRICS have expanded to 10 members—including some whose views are deeply hostile to the US such as Iran and Russia. Interestingly, US Secretary of State Anthony Blinken recently authored a lengthy Foreign Affairs article discussing

US global strategy, but that never mentioned Brazil or even neighboring Mexico. The only Latin American nation that did appear (once) was Venezuela.

All this does not mean that the US and Brazil have become adversaries or rivals. What it does suggest is that the US and Brazil start off with very different views on global affairs and many regional issues--and can rarely count on each other for support. And Brazil and the US today confront a high degree of domestic polarization, meaning that an election can quickly replace cooperation between the two nations with open political opposition. Partners, in short, can readily become rivals.

So, what issues can and should the US and Brazil consider for serious cooperation? The central question for both nations is whether they can rise above their differences and find ways to effectively coordinate their efforts. Building a genuinely productive relationship will not be a simple task for either country.

Both Brazil and the US, for example, have publicly committed themselves to seriously address the problems associated with climate change, and they should together be seeking to protect the Amazon region--an especially critical resource whose evolution in the coming period will affect the environment worldwide. Bolsonaro's four years in power was a period of enormous destruction in much of the Amazon. The Lula government has assigned far more attention to ecological concerns and is making some progress. But the Brazilian government lacks the financial and human resources needed to adequately protect and repair the Amazon territory. What the US and Brazil might consider together is how to raise needed financing and plan for its use. Such an effort, however, faces multiple problems. The Brazilian authorities are not ready to welcome a large US involvement in Amazonian affairs. Moreover, resources that might have been available to address environmental challenges are now being spent on the wars in Ukraine and the Middle East. Perhaps even more important, the upcoming US presidential elections (on November 5) could well decide whether the US will have any interest in protecting the Amazon. The Brazilian elections two years hence could similarly shift Brazil's priorities.

Another, broader approach, with potentially more benefits for both the US and Brazil, might focus on building a stronger, more compatible economic relationship across a wide range of issues. This is clearly not an easy or necessarily attractive alternative, however. Going back many years, neither the US nor Brazil has been strongly committed to any special economic arrangement with the other. Now that China has emerged as Brazil's largest trading partner, there seems to be far less attention to economic cooperation between Brazil and the US.

Developments in Venezuela over the past 25 years, since the election of Hugo Chavez, have been of deep concern to the United States. The problems have only worsened since Chavez's death in 2013 and his replacement by Nicolas Maduro. The economy has sharply deteriorated by some 60 percent or more. Humanitarian conditions, resulting in part from US sanctions, have led more

than seven million Venezuelans (nearly one quarter of the population) to flee the country.

In return for the removal of US-imposed economic sanctions, Maduro pledged to accept the results of presidential elections this past July. Despite a crystal-clear triumph for the opposition, however, Maduro declared himself the winner and insists on remaining in power. The US and many countries in Latin America and worldwide have demanded that Maduro leave the presidency, as had been agreed. For its part, Brazil has taken a slightly different position (1) demanding that Venezuela turn over the so-called "tally sheets" which record the votes of each electoral district, and (2) stating that it would not support Maduro's victory claim without them.

At this point, it is just not possible to know who is going to end up in charge in Venezuela, what next to expect from the US and Brazil, and how democracy might be affected regionwide. But a serious cooperative effort by Brazil and the United States could potentially produce a long-awaited "drama" for US-Brazil relations.

Atlantic Council:

How can Brazil and the United States Cooperate to Address Climate Change and Promote Sustainable Development within the G20?

Valentina Sader¹
Nidhi Upadhyaya²

Under the motto "Building a just world and a sustainable planet," Brazil approaches the conclusion of its Group of Twenty (G20) presidency with a commitment to sustainable development and climate solutions. The G20, comprising the twenty largest economies globally, represents over 85 percent of the world's gross domestic product, more than 75 percent of world trade, and around two-thirds of the world's population.

Its potential impact is undeniable, with the G20 serving as a crucial platform for discussions and action related to finance and economic policy; and now more than ever, on developmental issues critical to the future of the global economy. In anticipation of COP30 in 2025, which Brazil will also host, the country has laid the groundwork for collaborative efforts at the G20 level to be carried forward into COP30 and by other G20 presidencies.

As the largest economy in the world and the host of the G20 in 2026, the United States has the opportunity to build upon this momentum to double down on sustainable development efforts and further mobilize climate solutions globally. And the G20, through its many engagement groups, presents a unique framework for continuity and whole-of-society commitments beyond the public sector, and including other essential players, such as the private sector, research and development organizations, civil society, and financial institutions.

Cooperation between the United States and Brazil is strategic for both countries. But their partnership on climate and sustainability has the potential to unlock lasting environmental and economic benefits of rippling global consequences. As such, this bilateral cooperation is key despite who takes office in the United States in January 2025 and is strategic to ensure a stable economy and resilient communities.

Through the G20, the United States and Brazil have a unique opportunity to ensure continuity of the global climate agenda and mobilize more ambitious commitments towards sustainable development. But, most importantly, they can drive better cohesion and greater commitments of the climate finance architecture to foster these initiatives globally. In that, three areas stand out as particularly critical for US-Brazil cooperation within the G20: climate adaptation, energy transition, and innovation and technological exchanges.

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Introduction

The United States and Brazil have a longstanding diplomatic relationship of 200 years marked by a shared commitment to democratic values, economic collaboration, cultural exchange, and sustainability. On climate and energy, the United States and Brazil have engaged in a series of bilateral dialogues to foster cooperation, such as the US-Brazil Energy Forum, the Clean Energy Industry Dialogue, and the US-Brazil Climate Change Working Group. Most recently, the United States Department of Treasury and Brazil's Ministry of Finance announced the US-Brazil Climate Partnership at the G20 Finance Ministers and Central Bank Governors Meetings in July 2024.

The US-Brazil Climate Partnership is a bilateral initiative with global repercussions, as it aims to move the needle on public and private financing for climate, especially on clean energy technologies, resilience of value chains, high-integrity carbon markets, and forests and biodiversity. Leveraging their influence and own commitments to sustainable development and growth in global forums, within and beyond the G20, this joint initiative further underscores the United States' and Brazil's leadership when it comes to more ambitious and collaborative climate action.

At the domestic level, this commitment meets key initiatives that put sustainability at the core of the countries' development plans. As an example, in the United States, the Inflation Reduction Act and Bipartisan Infrastructure Law focus on improving infrastructure and clean energy, while reducing carbon emissions and creating climate resilience. Similarly in Brazil, the new Growth Acceleration Program (PAC) and Ecological Transformation Plan, aims to foster economic growth and social inclusion while also ensuring environmental sustainability and prevention of natural disasters.

Sustainability is central to the development agendas of both the United States and Brazil. As the world's second-largest carbon emitter, the United States plays a crucial role in combating climate change—not only in reducing its own emissions but also in leveraging its position as the largest global economy to drive investment and foster sustainable development and growth at a global scale. Brazil, on the other hand, has assumed a leading role in global climate action, championing sustainability on the world stage; home to the Amazon rainforest, holding 15 percent of the world's biodiversity, and an energy matrix that is over 80 percent renewable, the country has the potential to leverage its rich natural endowment toward sustainable development.

Given these advantage points, US-Brazil cooperation within the G20 should prioritize climate adaptation, energy transition, and innovation and technological exchanges.

Climate adaptation

Around the world, people have experienced firsthand the escalating consequences of climate change over the last few years. In the United States and Brazil, it is not any different. Just in the 2024 hurricane season, Florida has been hit by nine hurricanes with high intensity winds and heavy rainfall. In early May

2024, Brazil's southernmost state of Rio Grande do Sul fell victim of the worst climate disaster in its recent history, hit by torrential rain that put the state under water. And while some areas suffered from floods, others experienced intense drought. California has suffered with more extreme wildfires amid a warmer and more drought-prone climate. And in Brazil, human-set fires amid a severe and unprecedented dry season, led to fires across the country – from the Amazon region to São Paulo.

Extreme weather conditions and the exacerbating effects of climate change are being felt today, which makes climate adaptation and resilience essential to reduce future economic, social, and environmental losses. A recent estimate suggests that every dollar invested in resilience and adaptation can yield up to twelve dollars in economic returns, underscoring the long-term value of proactive climate action. To maximize these benefits, countries must prioritize strategic adaptation and resilience investment plans with a focus on engaging the private sector, creating an enabling policy environment for adaptation solutions to be internalized into existing systems, and ensuring that adaptation finance through insurers, banks, investors, development banks, and other sources is efficiently and equitably allocated to build resilient communities and economies.

On the international arena, the G20 is a significant platform to advance the climate adaptation agenda, securing commitment and financial support from the world's largest economies. And Brazil, South Africa, and the United States – the new G20 troika – can ensure continuity of the climate agenda for more ambitious commitments within the G20 framework, especially as Brazil hosts COP30 in 2025, to secure a new finance architecture for adaptation. The G20 has the opportunity to connect climate finance to climate adaptation by ensuring a clear and centralized financing structure to support it. The United States and Brazil – as important players within the G20 and COP frameworks, but also in organizations such as the World Bank, the IMF, and the InterAmerican Development Bank, can catalyze a collective commitment to adaptation that not only mitigates climate impacts but also drives sustainable growth and resilience globally.

Energy transition

Major clean energy producers, the United States and Brazil are well-positioned to lead the global energy transition, leveraging their unique strengths to advance renewable energy solutions. Cooperation between Brazil and the United States on energy includes established initiatives such as the US-Brazil Energy Forum and Critical Minerals Working Group, and a recently announced expansion on clean energy cooperation. The recent consensus reached by the G20 Energy Transition Working Group in Foz do Iguaçu highlights the potential for the US and Brazil to drive initiatives that prioritize clean energy financing, enhance policy alignment, and facilitate technological exchange.

Brazil plays a natural leadership role in the renewable energy sector, with more than 80 percent of its energy matrix already derived from renewables, mostly hydropower. The country is also a global leader in biofuel production, especially

sugarcane ethanol, which is widely used for transportation. The United States, on the other hand, leads the world's oil and gas production and has made significant strides toward clean energy sources. The United States contributes a wealth of technological capability in solar and wind energy, which complements Brazil's renewable strengths, allowing both countries to diversify their energy sources and improve energy security. Joint efforts between Brazil and the United States in these areas could accelerate the development of resilient, low-emission energy solutions that benefit both nations and contribute to global climate goals.

One potential area for cooperation is sustainable aviation fuels. Brazil's expertise and investment in biofuels, combined with the US capacity for innovation and infrastructure, positions both countries to scale up production and foster technological advancement of sustainable aviation fuels without disrupting food production—a major advantage given their roles as two of the world's largest agricultural producers.

On this front, cooperation within the G20 framework offers a significant platform for advancing these shared objectives. By working together within the G20, the two countries can foster an inclusive energy transition model that encourages private sector investment and mobilizes multilateral support for renewable energy infrastructure and innovation, such as biofuels. This collaboration not only addresses domestic energy needs but also sets a global standard for sustainable growth, aligning with broader climate goals and promoting a resilient, low-carbon future worldwide.

Innovation and Technological Exchanges for Curbing Deforestation

When it comes to the environment and Brazil, the Amazon is the center of international attention and concern. The largest rainforest in the world covers nine South American countries, it is home to 10 percent of global biodiversity. The region has seen high rates of deforestation, mostly due to illegal activities such as logging and mining. And although deforestation levels have decreased in the past couple years, they are far from Brazil's commitments of ending deforestation by 2030.

This is a key space for US-Brazil cooperation through technological exchange and nature-based solutions, particularly within the G20's focus on climate action and sustainable development financing. Critical for biodiversity and carbon sequestration, the Amazon requires innovative approaches for conservation and sustainable management. Joint efforts between the US and Brazil can enhance technologies for ecosystem monitoring, reforestation, and sustainable land use, providing a foundation for effective sustainable development of the region.

Brazil's recently launched platform designed to attract foreign investment for climate and ecological projects aims at facilitating foreign investments by connecting international financiers with projects in Brazil focused on carbon capture, biodiversity preservation, and reforestation. This initiative not only demonstrates Brazil's commitment to ecological sustainability but also provides

a replicable model for other countries seeking to channel private capital toward climate resilience and nature-based solutions.

At the G20 level, the US and Brazil can leverage such innovative mechanisms, combining public and private funding and encouraging multilateral development banks to support biodiversity-focused initiatives, such as the World Bank's Amazonia Viva. By promoting accessible, scalable financing platforms and sharing best practices, the US and Brazil can drive global climate action that preserves biodiversity, strengthens local economies, and builds a sustainable framework for countries worldwide.

Conclusion

The United States and Brazil have made sustainability a cornerstone of their development agendas, recognizing that addressing climate change and building resilience are essential for economic growth and require cooperative action. They have the potential to set the blueprint for how powerful partnerships can advance these goals and be the catalyst for greater impact.

Brazil and the United States should leverage their respective presidencies of COP30 in 2025 and G20 in 2026 toward global action toward climate adaptation, energy transition, and technological advancements for nature-based solutions.

With G20 countries accounting for 85 percent of global GDP, these nations are uniquely positioned to scale up climate financing; and the G20 inclusive nature with a wide range of engagement groups sets the stage for greater collaboration with the private sector and financial institutions. The momentum for the United States and Brazil to work together holds the present and future potential of climate investment, offering unparalleled resources to drive sustainable development for a resilient, low-carbon world.

Center for Strategic and International Studies (CSIS):

Calibrating Expectations for a Positive U.S.-Brazil Dialogue at the G20

Henry Ziemer¹
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A Fragmenting World

The international order that emerged from the ashes of the Second World War is currently facing an unprecedented challenge. Wars in Ukraine, Gaza, and now Lebanon have stretched global governance thin, while rising competition between the United States, Russia, and China, has the world hastening to draw battle lines that puncture and sunder global governance efforts. In response, some proposals have been raised calling on the United States to focus less on large and increasingly dysfunctional multilateral organizations such as the UN and G20, and turn more towards smaller, but like-minded groupings such as the Group of 7 (G7) as a means of sustaining the international order and reaching greater consensus on the world's current challenges.

In response, countries are increasingly turning inward towards closer groupings of like-minded allies. The United States, for its part, has championed minilateral, rather than multilateral institutions, championing the G7 or even smaller networks like the Quad in the Indo-Pacific, or the AUKUS defense pact between Australia, the United Kingdom, and the United States.

Washington's rivals in Moscow and Beijing have in turn uplifted the BRICS grouping, now known as BRICS+ since it incorporated five new members in 2023. Russia and China for their part have been clear that BRICS+ intends to serve as a counterweight to the United States' club of allies and partners (even if the other founding BRICS may have their reservations about such a play).

But the Balkanization of international institutions for the sake of efficiency risks becoming a self-fulfilling prophecy. If countries increasingly sideline forums where they are forced into contact with adversary nations, they will find fewer and fewer opportunities to engage in the kinds of difficult, but necessary, diplomacy to cool global tensions and reinforce key international norms around sovereignty, stability, and the peaceful resolution of disputes. The result of a fragmented world order is therefore not more efficiency, but more competition and conflict, as countries have little reason to try and curry favor or strike deals with governments not already in their corner.

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For the Global South as well this possibility paints a worrisome picture. A world of blocs creates pressure on countries to align with one side or another, and risks sidelining a majority of countries as great powers focus their attention on a handful of geopolitical swing states. This impulse runs counter to the popular Global South narrative that “active non-alignment” will allow smaller countries to get the best of both worlds by picking and choosing when and how they engage with the great powers.

Within this broader context, the November G20 summit, hosted in Rio de Janeiro presents opportunities and pitfalls. The G20 has a storied history, thrust into the limelight from a sleepy gathering of finance ministers to a lynchpin of international economic governance by the 2008 global financial crisis, its members comprise nearly two-thirds of the world population, and about 80 percent of global GDP. The previous G20 summit hosted by India saw modest, but significant gains given the atmosphere of global tension. Crucially, India's tenure saw the African Union brought into the G20, granting the continent, whose members are individually underrepresented, an important voice at the table. The challenge for Brazil will be to avoid grandstanding on hot-button issues which looks impressive but is unlikely to go anywhere and highly likely to expose underlying rifts within the G20's members and focus on the nuts and bolts of diplomacy. The challenge for the United States will be to think critically about where it might be able to rethink the architecture of current international institutions to give Brazil a greater sense of buy-in. As potential areas of work, Brazil appears keen to push a global billionaire's tax, a focus on climate change, adaptation, and disaster response, and a focus on inclusive development. Also likely to permeate the conversation is Brazil's long-held diplomatic north star of UN Security Council reform and a permanent seat for itself.

Brazil's Outlook

Brazil's outlook on global governance institutions is at once one of assiduous commitment to multilateralism, and a deep sense of exclusion. In 1942 Brazil formally joined World War II on the side of the Allied Powers, the first and only independent South American country to do so. Not only did Brazil lend diplomatic support to the Allied cause, but it also dispatched an expeditionary force of 25,000 to the Italian campaign. While the Brazilian forces arrived in the fall of 1944, long after the most intense combat had passed, Brazil's commitment was notable, and made the sting of the country's exclusion from postwar negotiations at Bretton Woods all the more painful. Notably, Brazil failed to secure a veto-holding permanent seat on the new United Nations Security Council.

More recently, the surging interest in the Global South as a political bloc has led to the gestation of two prominent threads in Brazil's international outlook. On the one hand, the country feels a strong attachment to the western world and western institutions, as a country which was “present at the founding” for these institutions but has nevertheless been left out in the cold for too long. On the other, Brazil is strongly committed to the idea of Global South solidarity. President Luis Inácio Lula da Silva's rhetoric on climate change belies this, where

in one 2023 address, he remarked that “It was not the African people who polluted the world. It was not the Latin American people who polluted the world” and that “those that made the industrial revolution...have to pay the historical debt.”

Both threads mean Brazil has strong internationalist ambitions, and it has often sought to make good on these through bold diplomatic maneuvers. This includes a push for UNSC reform, but also its 2010 effort to negotiate a deal with Iran to send its nuclear fissile material to Turkey, negotiated without the United States’ knowledge and subsequently rejected by Washington. Brazil has worked closely with China on devising a peace plan for the war in Ukraine, though Russia’s fingerprints on the proposed deal have led to that too being soundly rejected by both Kyiv and the Biden administration. Within the region, Brazil appears to have had some success in managing tensions between Venezuela and Guyana over the disputed Essequibo territory, though not without some notable setbacks and embarrassments. More recently, announcements from the Biden administration that the United States would pursue two permanent UNSC seats for African countries, and one for a Latin American state (without naming Brazil in particular), can hardly be taken as anything other than a snub towards Brasilia.

The G20 presents an opportunity for Brazil to reassert itself as a serious power on the global stage. There are some reasons to be optimistic about the country’s prospects for this. For one, while the United States may rankle at some of Brazil’s diplomatic moves, the fact remains that as the largest economy and democracy in South America, Brazil will be key to the future of any U.S. administration’s policy towards the continent. Furthermore, in spite of its refusal to call Brazil by name, the United States is more committed to the idea of Security Council reform than it has been at any point in the last decade. Washington is realizing that it will need to make a sustained, resourced-backed offer to keystone countries in the Global South like Brazil if it hopes to keep them from resisting the gravitational pull towards China’s orbit.

Importantly however, Brazil will reject the idea of “dessert” in any conversation of reform at the G20. It will argue that as a country that is continental in scope, one of the largest democracies, and a top economy, it deserves a seat at the table. Brazil may have a point; however, in a world where the institutions are already seen as underperforming, the question of greater inclusion in global institutions will likely hinge on the ability to furnish greater global public goods. “What will you bring to the table?” will be a natural question and point of departure.

Opportunities for Collaboration

Rather than striving for cooperation with Brazil on a host of small, but unconnected issues, the United States should take Brazil seriously in its bid for Security Council reform at the G20. The United States has already announced a desire to reform the Security Council by supporting the idea of representation for African nations. Washington’s message to Brasilia should be one of support, but also honesty, that such a campaign will require years of concerted diplomacy for

Brazil to prove to the world that it is what it claims to be in terms of a regional hegemon with global importance. While Brazil is likely to respond that it has no need to prove such *bona fides*, the fact remains that even among fellow Latin American countries, Brazil is not always viewed as a natural leader or voice for the region.

With UNSC reform as the ultimate aim, the United States and Brazil should work to sketch out an action plan for cooperation in key areas to help Brazil better realize its regional and global leadership ambitions. Climate change and adaptation is one such area with a clear demand and opportunity for Brazil to play a leadership role. Brazil and the United States are heading into the G20 bearing fresh scars from recent natural disasters, the disastrous Rio Grande do Sul floods in the former case, and the ravages of Hurricanes Helene and Milton in the latter. Brazil is also uniquely well-positioned to champion climate action, holding the G20 presidency this year and hosting the UN Climate Change Conference (COP30) in 2025. The United States could work with Brazil to make good on efforts towards reforming multilateral development banks with an eye towards reducing debt burden on developing countries and freeing up more resources for climate finance. Brazil already has the presidency of the Inter-American Development Bank, but the United States should seek to uplift Brazil's role within global institutions like the World Bank and International Monetary Fund. Some key reforms to these institutions could include developing rapid response mechanisms to allow debt-burdened countries access to capital in the wake of a disaster.

The EU-Mercosur agreement is another area for potential consensus-building. Stymied for years by a constantly evolving yet ever-present series of roadblocks, progress on the agreement currently challenges within the Mercosur bloc itself thanks to a contentious relationship between Lula and Argentine President Javier Milei, as well as externally from European farmers. Despite these challenges, getting to yes on such an agreement should be in both Brazil's and the United States' interest. In particular, establishing a free trade agreement with Europe, a market of nearly half a billion people, could serve as an important counterweight to China, currently Brazil's largest trading partner. Doing so would not only allow new growth opportunities for Brazilian companies, but grant Brazil a higher degree of independence in its foreign policy and international relations. The United States could use the G20 as an opportunity to bring together Brazil with the EU, and key holdouts like France, to reignite the dialogue and help assuage some of Europe's concerns about environmental standards and the role of Brazilian agroindustry in the deforestation crisis in the Amazon.

Finally, Brazil and the United States could cooperate on reform to the UN Peacekeeping system. Brazil has played an important role in peacekeeping missions over recent decades, leading the UN Stabilization Mission in the Democratic Republic of Congo (MONUSCO), as well as from 2004 to 2017 the UN Stabilization Mission in Haiti where it deployed over 37,000 troops in total. While these missions have suffered from human rights abuses perpetrated by peacekeepers, and been criticized by scholars for a lack of coordination in a

military-led humanitarian effort, Brazil's commitment to peacekeeping is an asset in its efforts to be seen as a serious contributor to international peace and stability. The United States should consider working with Brazil to lead a discussion on the future directions for UN Peacekeeping. In particular, the United States and Brazil could consider working together on strategies for peacekeeping operations in climate-vulnerable or disaster-affected contexts, bringing together their expertise on these issues to bolster the international climate resilience toolkit.

The United States and Brazil must not let the perfect become the enemy of the good in their efforts. While a permanent seat may be in sight, the United States is unlikely to back an expansion of the veto. Doing so may become a pain point between Washington and Brasilia, with the latter arguing that an expansion of permanent membership means less if it is only offered in the form of a second-tier status (a criticism shared by many African countries). This critique is valid, however a path towards an expansion of veto powers at the present moment risks undermining, rather than reinforcing, global governance norms by making the council even less likely to find consensus among its members.

A reform movement spearheaded by the United States and Brazil would have the added benefit of exposing Moscow and Beijing's hypocrisy on the issue. Neither China nor Russia is likely truly committed to the cause of UNSC expansion, which could risk diluting their say on matters and spotlight their bad faith behavior and blatant obstructionism on key issues like the war in Ukraine. Nevertheless, neither country can outright oppose UNSC expansion given their efforts to curry favor among Global South countries like Brazil who are strongly committed to securing a permanent seat at the table.

Confronting the Elephants in the Room

The greatest challenge to closer Brazil-U.S. collaboration at the G20 is undoubtedly going to be the presence of Russia and China, and the Lula administration seeks to wrangle the competing visions of world order that will come on display. The presence alone of Russian and Chinese diplomats at the G20 summit should be enough to prove Brazil's credibility as a "non-aligned country." Any other grand maneuvers aimed at currying favor with Moscow and Beijing should be avoided for risk of exacerbating existing tensions.

Two scenarios in particular stand out as being critical threats to the success of the G20 as a platform for shoring up the legitimacy of international institutions. First, Brazil should resist the temptation to use the summit as another chance to promote its Ukraine peace plan. The proposal, jointly sponsored by China, proposes "no expansion of the battlefield, no escalation of fighting and no provocation by any party" and has been condemned by Ukrainian officials as constituting a *de facto* recognition of Russian gains. While the United States should not expect Brazil to reverse course entirely on its Ukraine policy, Brazil should recognize that any effort to address the conflict in a substantive way at the G20 will unquestionably lead to a breakdown into factional camps and stymie whatever chances for progress on other issues there may be.

The second risk is that Brazil uses the G20 as a platform to announce its anticipated decision to join China's Belt and Road Initiative (BRI). Brazil is one of a minority of Latin American countries to have not acceded to the BRI, in part simply for lack of need, as Brazil and China already enjoy a close economic relationship without the need for such an agreement. While the United States may be unable to dissuade Brazil from joining the BRI entirely, Brazil should avoid making this the centerpiece of its G20 presidency.

Just as the United States and Brazil must go into the G20 together with reasonable expectations, so too should they make room for optimism. An ambitious, but practical agenda for Security Council reform can help bring Brazil within reach of one of its most dearly held foreign policy ambitions, while addressing some of the most pressing environmental, economic, and security challenges in the process. The stakes are high, and the risk of falling short great, but so too are the rewards if the United States and Brazil manage to successfully reset their relationship at this year's G20 summit.

Institute of the Americas:

How can Brazil and the United States Cooperate to Promote Energy Transitions within the G20?

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Stephanie Orosz²

Document Outline

- 1. Introduction:** Brazil-United States Domestic Policy Context
- 2. Renewables and Grid Modernization:** Cooperation on renewable energy and energy efficiency, particularly in strategic sectors such as clean hydrogen, offshore wind, sustainable fuels, and grid modernization and storage.
- 3. Mobilizing Private Sector and Funding:** Share strategies that enhance private sector financing and deepen community engagement, particularly in relation to publicly funded energy projects.
- 4. Energy Access and Just Transition:** Refine efforts to support countries in planning their unique energy pathways to meet rising demand without leaving anyone behind, ensuring equitable access to energy.
- 5. Advanced and Alternative Biofuels:** Foster collaborative efforts to innovate in sustainable fuels by advancing next-generation biofuels and improving the sustainability of traditional biofuels through better land-use management and carbon accounting.
- 6. Conclusion:** Leveraging the experience, lessons learned and leadership of Brazil and the United States

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1. Introduction – Brazil-United States Domestic Policy Context

Brazil, the largest economy in South America (ECLAC, 2024), derives nearly half of its energy supply from renewable sources (World Bank, 2023). In comparison, the United States, the largest economy in the world (IMF, 2024), has more than 20% of all its electricity coming from renewable energy sources, and this share is steadily increasing (DOE, 2024). Both countries have the potential to lead the energy transition, but they cannot do it alone, considering supply chain challenges, the global integration of energy systems, and the need for more effective regulatory frameworks to support a just energy transition. As major players in clean energy, they hold a unique position in the G20, showcasing how collaboration and cooperation are essential for securing a clean energy future.

A deep understanding of how both governments have implemented frameworks for energy transition is a crucial first step to identifying areas for cooperation and recognizing the gaps within their systems that present significant learning opportunities. For instance, the United States has passed key legislation to facilitate the energy transition, such as the Inflation Reduction Act, which provides funding, programs, and incentives to accelerate the shift toward a clean energy economy; the Bipartisan Infrastructure Law, which allocates funds to modernize infrastructure, thereby supporting the expansion of clean energy systems, enhancing grid resilience, and developing electric vehicle networks; and the CHIPS Act, which allocates substantial funding for domestic manufacturing of semiconductors essential to the clean energy industry.

In Brazil, important legislative measures include the Research and Development Clause, which mandates oil and natural gas companies to allocate 1% of their gross revenue from production toward research and development projects; the National Biofuels Policy (RenovaBio), which promotes the production and consumption of biofuels through a system of emissions reduction targets and carbon credits; the Fuel of the Future Law, which implements programs to support the research, production, distribution, and use of biofuels, aiming to reduce carbon emissions within transportation and mobility systems; and the New Distributed Generation Law, which establishes a regulatory framework that incentivizes small-scale renewable energy generation, thus decentralizing the energy supply. This revised legal framework has been extremely successful in terms of rapidly deploying more than 26 GW of distributed generation as of early 2024 (REVE, 2024).

In the recent U.S.-Brazil Energy Forum (USBEP), Secretary of Energy Jennifer Granholm and Minister of Mines and Energy Alexandre Silveira emphasized the ongoing collaboration between the two nations to promote clean energy initiatives. They acknowledged each country's commitment to achieving net-zero emissions by 2050 and celebrated significant legislative milestones, such as the U.S. Bipartisan Infrastructure Law and Brazil's Low Emission Hydrogen laws. Both nations are pursuing joint initiatives, including the development of clean hydrogen technologies and efforts to expand renewable energy access to remote communities in the Amazon.

Brazil and the U.S. are also collaborating on Clean Energy Hubs and hosting events like the Latin America and Caribbean Solar Decathlon. Recent activities include establishing the Clean Energy Industry Dialogue, conducting studies on clean hydrogen production, and modernizing power grid infrastructure, demonstrating tangible progress in their bilateral partnership. While this marks an important initial step in U.S.-Brazil cooperation on clean energy initiatives, it is essential to recognize that much work lies ahead in effectively promoting diverse energy transition strategies within the G20 framework, acknowledging the varying levels of transition and unique contexts of each member country.

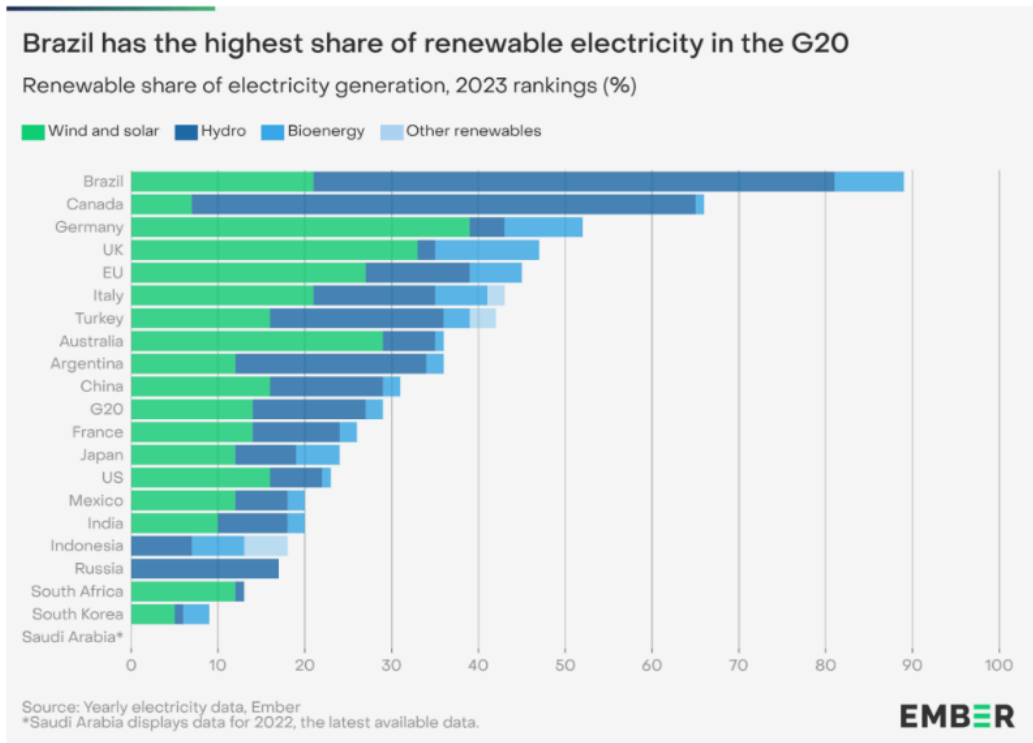
By leveraging the important advances in each country's domestic energy policy, regulatory, legal and investment frameworks, as well as bilateral efforts, this paper highlights four areas that could be the most impactful for furthering energy transition in the multipolar setting of the G-20. We believe these aspects offer a unique opportunity for Brazil and the United States to not only deepen their cooperation but to further engage other nations during the G-20 summit in Rio in November.

2. Renewable Energy and Grid Modernization

In 2023, G20 member countries accounted for about 80% of global emissions (United Nations, 2023), underscoring the urgent need to decarbonize these economies through the adoption of renewables and energy efficiency practices. According to IRENA, to limit warming to 1.5°C above pre-industrial levels as outlined in the Paris Agreement, countries must triple renewable power capacity and double energy efficiency by 2030 (IRENA, 2024).

Strategic cooperation in sectors such as clean hydrogen, offshore wind, sustainable fuels, grid modernization, and storage is essential for the global transition to low-carbon economies, as these sectors directly address the urgent need to reduce greenhouse gas emissions. Clean hydrogen serves as a versatile energy carrier capable of decarbonizing hard-to-abate industries, while offshore wind and sustainable fuels enhance energy diversification and security. Grid modernization is critical for integrating renewable energy, improving reliability, and facilitating the transition to smart grids. Energy storage technologies are vital for managing the intermittent nature of renewables, ensuring a stable energy supply, and enabling a flexible energy system.

Figure 1. Renewable Share of Electricity Generation in the G20 (EMBER, 2024)



As illustrated in Figure 1, Brazil had the highest share of renewable electricity among the G20 in 2023. The country has much to contribute in terms of knowledge sharing for renewable energy adoption, though it faces challenges due to its heavy reliance on hydropower, which can be unreliable during droughts and has significant negative externalities during construction. The United States, with less than 25% renewable energy generation for electricity, can also benefit from collaboration as it also struggles with grid modernization and interconnection just like Brazil and other countries in the G20.

To bridge the investment gap in renewables, increased dialogue between the Global North and South is essential, particularly through cooperation between the U.S. and Brazil. This entails sharing success stories related to legislation, policies, investments, and planning. Establishing a reliable network for knowledge and information is critical. Investment in international markets and infrastructure, particularly for clean hydrogen, is crucial, as seen with emerging hydrogen hubs. Further assessment of mobilizing finance and capital follows in the next section.

For example, Brazil's New Distributed Generation Law establishes a regulatory framework that incentivizes small-scale renewable energy generation, resulting in over 26 GW of distributed generation deployed by early 2024 (REVE, 2024). In the United States, California is making strides in energy storage, with over 6,600 megawatts (MW) of battery energy storage systems installed (California Energy Commission, 2023).

Enhancing cooperation in renewable energy adoption and energy efficiency can be achieved through knowledge sharing, collaborative research and development between universities and research institutions, capacity building, and the establishment of investment-attracting policies. Bilateral cooperation between the United States and Brazil can be fostered through various pathways, such as mobilizing the private sector, engaging communities, developing energy plans, and collaborating to innovate sustainable fuels and reform energy subsidies. These strategies are effective ways for both countries to promote a just energy transition within G20 nations, providing essential building blocks for renewable energy adoption and energy efficiency.

3. Mobilizing Private Sector and Funding

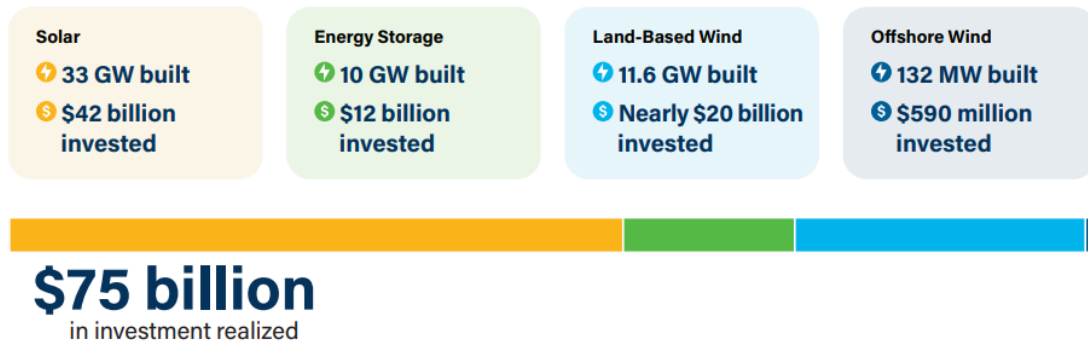
The United States and Brazil represent two important case studies for private sector investment in clean and renewable energy sources. As noted in the introduction, both nations have set in place and advanced crucial policy and regulatory frameworks to incentivize investment, particularly from the private sector.

The Brazilian government has implemented various initiatives to attract private investments, including auctions for renewable energy projects, which have successfully drawn substantial capital from both domestic and international investors. These auctions are designed to promote competition, drive down costs, and secure long-term contracts for electricity generation from renewable sources. The success of these auctions has not only increased the share of renewables in Brazil's energy matrix but also showcased the viability of private sector investment in the energy transition.

According to Bloomberg New Energy Finance, Brazil's energy enabling environment helped drive over \$93 billion in investment in the country over 2012-2022. BNEF also noted that the Brazilian National Development Bank (BNDES) "was pivotal to the development of the sector and ensuring low cost of debt for clean energy projects, while the country's independent Central Bank has been key to maintaining macroeconomic stability." (BNEF 2023)

In the United States, over the last two years there have been \$500 billion in new investments announced according to the American Clean Power Association. In their latest report, released in August, they point to what they call a "domestic manufacturing renaissance" that has seen over 160 domestic manufacturing facilities and announcements of more than 100,000 new manufacturing jobs. The report also notes that in the last two years \$75 billion in clean power projects - comprising wind, solar and storage - have been developed. See Figure 2.

Figure 2: Clean Energy Investing in America (ACP 2024)



In the G-20 setting it could be particularly useful to leverage the lessons from the scale up in the last several years for private sector investment in Brazil's energy landscape. Too often, investors had to overcome bureaucratic hurdles, regulatory uncertainty, and risks related to economic volatility. To address these concerns, streamlined regulatory processes and improvements to the overall business environment have been essential. It may sound cliché, but there is ample evidence of the need for clear, competitive, and stable regulatory environments. Included are the need for existing regulations to keep pace with the evolving energy transition and frameworks for emerging low-carbon technologies. The important use of auctions in Brazil demonstrated that cost-effective decarbonization strategies through market mechanisms can facilitate the integration of renewable resources.

The experience from Brazil, and to a lesser extent the United States, has shown that in order to amplify and de-risk energy transition investments, a multifaceted approach is essential. This involves innovative financial mechanisms designed to mobilize private capital effectively. Moreover, establishing clear certifications, standards, and a taxonomy compatible with international best practices will enhance investor certainty and reduce perceived risks.

Developing a robust pipeline of projects that offer an attractive risk-return profile is essential for attracting investment from institutional investors and energy transition-focused funds. Encouraging major corporations to leverage their balance sheets for direct project financing can reduce reliance on external funding and bolster project credibility. To attract institutional investors with a long-term investment horizon, it is essential to demonstrate the stability and potential returns of well-structured projects. Moreover, innovative financial instruments such as green bonds, sustainability-linked loans, and blended finance models should be explored to expand funding avenues. These instruments not only provide capital but also promote accountability and transparency in achieving sustainability targets. Additionally, promoting the use of local currencies in project financing can help mitigate currency risks, making investments more appealing to local institutional investors.

For energy transition projects to thrive, strengthening domestic capital markets is critical. Investing in the development of local financial institutions that understand the energy transition landscape is vital. This could involve training

programs aimed at enhancing skills in risk assessment and project evaluation. As both nations have demonstrated, regulatory support plays a key role as well; working with regulators to create frameworks that facilitate energy transition financing—such as tax incentives for green investments—can attract more local capital.

Emphasis at the G-20 should also be made on the importance of redirection of funds from advanced economies and institutional investors, typically focused on investment-grade or OECD countries, towards emerging economies. Utilizing blended finance strategies can diversify investment portfolios and address country-specific and innovation risks, ultimately increasing investment opportunities and resilience. Furthermore, innovative tools must be implemented to attract private capital. This includes providing extended guarantees and mechanisms to reduce the cost of exchange rate hedging, which would lower capital costs. Financing instruments such as sovereign green debt, hybrid financial debt at lower interest rates should also be encouraged to most effectively and efficiently direct finance into energy transition projects and development.

Finally, as with all major segments of economic development, effective stakeholder engagement is essential for the success of energy transition projects. Public-private partnerships (PPPs) can enhance project viability and support through collaboration between government entities, the private sector, and civil society. Engaging local communities in project planning ensures alignment with their needs and secures a social license to operate. Moreover, establishing platforms for knowledge sharing among stakeholders fosters a culture of collaboration and continuous improvement.

4. Energy Access and Just Transition

As discussed previously, standardized regulatory frameworks and market rules create an economic environment that attracts foreign investment toward energy transition. However, diverse, customized approaches are essential to ensure fair and inclusive solutions across Latin America. Bilateral collaboration between nations — including those that underwent carbon-intensive industrialization and those just beginning with recent oil discoveries — can help refine efforts to support countries in planning unique energy pathways. This approach aims to meet rising energy demand equitably, ensuring no one is left behind.

Brazil's role as G20 host highlights its unique focus on social inclusion within the energy transition, emphasizing energy access and poverty—crucial Global South issues often sidelined in global discussions. According to the International Renewable Energy Agency (IRENA), of the USD 2 trillion invested globally in energy transition in 2023, most funding went to advanced economies and major emerging markets like China, India, and Brazil, leaving only 10% for the rest of the world. Despite challenges with social inclusion and energy access, Brazil has crafted a comprehensive energy plan in partnership with the Brazilian Development Bank, drawing private investments. This showcases how clear

national energy plans can enable effective collaboration with international financial institutions (IRENA, 2024).

The question, then, is how the United States can collaborate with Brazil to drive an inclusive energy transition within the G20. A just transition demands fair investment in all countries, especially those still developing, which need clear, actionable energy plans to attract capital.

Brazil can share its successful planning framework and strategies for investment attraction, while the United States can offer training programs and technical support to assist other G20 nations in shaping their energy plans. For instance, the U.S. is already a supporter of the Just Energy Transition Partnerships (JETPs)—a financing model for helping coal-dependent emerging economies transition away from coal. JETPs address the social impact of the transition, providing training and alternative jobs for displaced workers and supporting new economic opportunities, as seen in Indonesia and South Africa (International Institute for Sustainable Development, 2022). A U.S.-Brazil partnership could help expand JETPs to other regions and broaden the scope beyond coal to support various aspects of energy transition.

Investment attraction through energy planning is only part of the solution. Countries with inclusive energy access, like the United States, should work with nations like Brazil, where access disparities persist, to create policies prioritizing rural electrification, community-based renewable projects, and clean energy job creation. This ensures that all demographics and regions share in the benefits of the transition. Together, the United States and Brazil can advocate for G20 policies that address the unique needs of developing countries, including expanding access to clean cooking solutions. This cooperative approach empowers countries to implement and sustain energy transitions tailored to their specific contexts.

5. Advanced and Alternative Biofuels

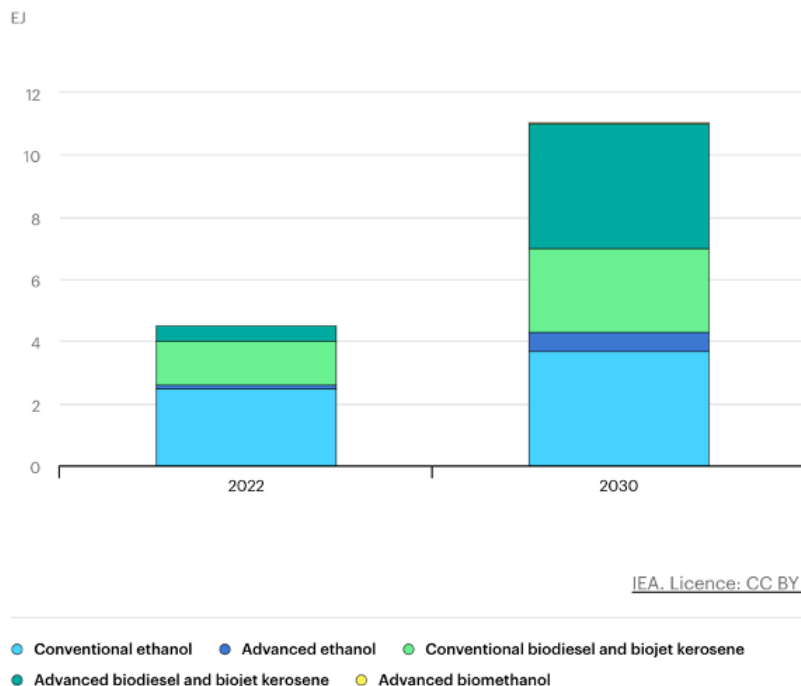
In their efforts to comply with greenhouse gas (GHG) reduction targets under the Paris Agreement, countries are turning to biofuels as a solution for decarbonizing the hard-to-abate transportation sector, particularly in areas like shipping, aviation, and trucking. Biofuels offer a viable way to cut carbon emissions, with the United States and Brazil emerging as global leaders in this field. The U.S. is currently the largest ethanol market, with Brazil close behind, consuming over 30 billion liters. Brazil also ranks third in biodiesel production, following the U.S. and Indonesia (USDA, 2024). With established expertise, both countries are well-positioned to drive research and development in sustainable biofuels.

While Brazil has achieved significant progress as the world's second-largest ethanol and third-largest biodiesel producer, it has yet to introduce renewable diesel or sustainable aviation fuel as of 2024 (USDA, 2024). The country relies on sugarcane and vegetable oils, primarily soybeans, whereas U.S. biofuel

production focuses on corn and soybeans. However, both feedstock choices can exacerbate environmental issues such as deforestation, soil degradation, and reduced natural carbon sinks, all of which contribute to higher GHG emissions.

To accelerate the shift to sustainable biofuels, the Global Biofuel Alliance was launched at the G20 Summit in India in 2023, bringing together 19 countries and 12 international organizations. The Alliance aims to scale up the use of biofuels by supporting advanced biofuel technologies and promoting sustainable practices that address indirect land use change (ILUC). Establishing robust standards and certification processes will be key to assuring the quality and sustainability of biofuels, building greater confidence and encouraging investment in the renewable energy sector (World Economic Forum, 2023). According to the International Energy Agency (IEA), achieving a net-zero emissions scenario will require biofuels produced from non-food feedstocks, such as waste materials and crops grown on marginal land, to make up 40% of biofuel consumption by 2030, up from 9% in 2021 as can be seen in Figure 3 (IEA, 2023)

Figure 3: Liquid biofuel production by feedstock and technology in the Net Zero Scenario, 2021 and 2030 (IEA)



Brazil's longstanding commitment to biofuels, dating back to the 1970s, continues today with policies like RenovaBio and the Fuel of the Future law, which establish frameworks to accelerate biofuels adoption and promote sustainable biofuels research. Similarly, the United States is advancing its biofuel industry through the Inflation Reduction Act, allocating \$9.4 billion for biofuels development. Given their leadership in the biofuels market, the U.S. and Brazil

should partner to guide the G20 towards sustainable biofuel adoption, leveraging their funding, technology, and influence to drive global standards.

Both countries have already established frameworks to ensure biofuel sustainability governance —such as the U.S. Renewable Fuel Standard Program with its minimum GHG thresholds and California’s Low Carbon Fuel Standard, which incorporates ILUC considerations, and Brazil’s RenovaBio program which incorporates a few aspects of sustainable biofuels production. However, for meaningful progress, other G20 countries must also adopt rigorous sustainability governance in their biofuel policies (IEA, 2023). A collaborative approach between the U.S. and Brazil could further develop sustainable land management practices and support investments in innovative biofuel sources like algae-based biofuels.

Most importantly, the U.S. and Brazil should lead efforts to standardize carbon accounting across the G20, aligning measurement, reporting, and verification (MRV) frameworks. Currently, inconsistent carbon intensity calculations complicate the economic viability of low-carbon projects and impede final investment decisions. By harmonizing their own carbon accounting methods, the U.S. and Brazil can serve as benchmarks for other G20 countries, paving the way for broader adoption of advanced biofuels, better land-use management, and more effective carbon reduction strategies.

6. Conclusion

By leveraging the experience, lessons learned and leadership of Brazil and the United States, the G-20 summit is the perfect occasion to underscore that the path to a sustainable energy future demands a multifaceted approach that engages various stakeholders, particularly the private sector, and emphasizes community involvement.

A just transition must be at the forefront of our efforts to ensure equitable energy access as demand continues to rise. Supporting countries in developing tailored energy pathways will prevent marginalized communities from being left behind. This commitment to inclusivity will create a more resilient and equitable energy landscape. By mobilizing private financing and fostering deeper community engagement, we can enhance the effectiveness of publicly funded energy projects, ensuring they reflect local needs and priorities.

Moreover, advancing sustainable fuels through innovative collaborations on next-generation biofuels and improving the sustainability of traditional biofuels will play a critical role in reducing our carbon footprint. Enhanced land-use management and accurate carbon accounting will further strengthen these efforts.

Finally, fostering cooperation in renewable energy and grid modernization, particularly in sectors like clean hydrogen, offshore wind, and sustainable fuels, will enhance energy efficiency and reliability. By prioritizing these collaborative

efforts, we can create a more sustainable and resilient energy system that meets the demands of the future while promoting environmental stewardship.

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Quincy Institute:

How can Brazil and the United States Cooperate to Promote the Reform of Global Governance Institutions within the G20?

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Sarang Shidore²

Introduction

The United States and Brazil share a history of active engagement in hemispheric and global issues. Both are economic powerhouses in different measures. During the last century—the American Century, in media magnate Henry Luce’s famous formulation (Baughman 2004)—the United States became a global superpower and the world’s largest economy. It was the central architect of the global system we live under today. Brazil contributed considerably to the emergence and success of that system. Its soldiers were the only Latin American troops to fight in World War II and its diplomats played a vital role in demonstrating the feasibility of the United Nations. Indeed, it is partly in appreciation of its early initiative that Brazil earned the honor of always speaking first at the annual meeting of the General Assembly (Garcia 2017). For much of the 20th century, Brazil was among the fastest-developing countries in the world, growing at an average of almost five percent per year, demonstrating clearly that market forces, robust state action, and international cooperation could work in tandem to deliver prosperity for millions of people.

Now, for various reasons, both countries share an interest in reimagining the institutions of global governance created some eighty years ago. The G-20 is a key forum for global dialogue and problem-solving, with its 2024 summit to be held in Brazil. As Leonardo Ramos and Ana Garcia have noted, the emergence of the G-20 itself reflects the recognition of world leaders of various stripes that new forums and mechanisms for joint action prove necessary from time to time (Ramos & Garcia 2024). Contrary to the occasional alarmist outburst, in other words, there is nothing unusual about timely reassessments of the effectiveness of multilateral institutions. The United States and Brazil should embrace this tumultuous transnational moment as one of renewed possibility for their respective populations and the G-20 as a whole. Opportunities abound in uncertain times for bold, creative proposals that speak to the noblest impulses of all G-20 nations. As Brazil and the United States celebrate the bicentennial of their bilateral relationship in 2024, they should welcome opportunities to deepen collaborative ties through the G-20 and beyond.

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The G20 Agenda at the Rio Summit

The need to reform global governance institutions is driven today by geopolitical, economic and environmental issues that transcend national borders. The T20 (think-tank and civil society coalition that issued its recommendations to the G20 summit) Taskforce 6, focused on “strengthening multilateralism and global governance,” has put forward a rich set of suggestions for moving the agenda forward during the summit (T20, 2024). It has identified the “triple planetary crises of climate change, biodiversity loss, and pollution,” while also citing the “rising risk of pandemics; deepening economic inequalities and poverty; persistently high debt, shrinking fiscal space, and financial instability; and the growing incidence of international and internal armed conflict.” (T20, 2024)

As influential members of the G-20, Brazil and the United States are uniquely positioned to spearhead initiatives aimed at making existing institutions more dynamic, inclusive, and effective in combating the malignant effects of astronomical income inequality, climate change, and a growing disillusionment with the very idea of effective governance.

The grave challenges of the twenty-first century are many. At the top of the list are economic fragmentation, rising inequality, climate change, and unresponsive institutions incapable of meeting broad public demand for tangible solutions. Cooperation between Brazil and the United States—two large, multiracial democracies—is pivotal to the pursuit of a more equitable and responsive global governance framework.

Multilateral Institutions

One of the primary challenges facing multilateral institutions is the lack of adequate representation for developing countries. President Luiz Inácio Lula da Silva stressed this point, as he has consistently in the past, during the opening of the Summit of the Future ahead of the UN General Assembly in September 2024, asserting that “the Global South is not represented in a way that is consistent with its current political, economic, and demographic significance.” He also cited specific bodies within the UN that have grown sclerotic: “The General Assembly has lost its vitality, and the Economic and Social Council has been undermined. The Security Council’s legitimacy diminishes every time it applies double standards or turns a blind eye to atrocities. The Bretton Woods institutions disregard the priorities and needs of the developing world” (“President Lula’s speech”).

Washington would do well to recognize that President Lula is voicing the complaints of many world leaders in developing nations who feel that they are often held to a different set of rules on the world stage than the one Americans set for themselves. Together, the U.S. and Brazil could push to restructure voting systems within institutions like the International Monetary Fund (IMF) and the World Bank to better reflect the current global economic landscape. By promoting a more equitable distribution of voting power, both countries can

help ensure that the concerns of developing nations are addressed, leading to more comprehensive and sustainable solutions to global challenges.

The T20 cited as a key priority the “expansion of the UN Security Council to account for underrepresented regions and developing countries, guided by principles of equity, legitimacy, and modernization.” To that end, the Quincy Institute has issued a new report containing several innovative proposals for reforming the global order (Quincy Institute, 2024). The report is a result of the Better Order Project (BOP), an initiative that brought together more than 130 leading scholars, experts, and former officials from more than 40 countries — including all P5 countries and states from the Global North and South. The proposals are detailed and specific and recommend expanding the UNSC to 23 members, including three new permanent members (one each from Africa, Asia, and Latin America) and five semi-permanent members. The latter will be drawn from a pool of 20 countries elected by the General Assembly, increasing the ease with which smaller countries can be elected to existing non-permanent seats while simultaneously compensating middle powers that fall short of becoming new permanent members. Specific reforms are also suggested for the veto and a UN charter review is advocated every 24 years (Quincy Institute 2024).

The United States is the leader of the Global North, and Brazil is among the key powers in the Global South and has put forward its candidacy for UNSC permanent membership as a part of the G4 group (also including Germany, India, and Japan.) Washington has recently recognized that the UN Security Council needs to be expanded, and recently suggested two new permanent seats for Africa and one for Small Island Developing States (Linda Thomas-Greenfield 2024). There are signs now of the beginning of a convergence between the Global North and South on this long-standing issue.

Against the common refrain that a dilution of U.S. power in international affairs would lead to worse human rights outcomes around the world, President Lula has argued that greater influence for a broader array of nations in existing multilateral institutions (most importantly in the United Nations) would actually strengthen democratic commitments around the world. In other words, one need not fear a post-unipolar world. Like U.S. leaders broadly, Brazil is interested not in undermining fundamental freedoms, but rather in expanding them.

Both countries are well positioned to work together to do just that, within the G-20 and beyond. Indeed, both should push the G-20 to act more consistently as an incubator of innovative policy ideas that can be acted upon more directly than, say, the UN usually can. Unlike some other countries, the U.S. and Brazil want to see multilateral institutions work. They should embrace a reform that increases the influence of the many. Doing so will strengthen global governance in an era of novel challenges.

Economic Fairness and Dynamism

The global economy may be back on the path of growth, but exacerbated by economic disparities, geopolitical tensions, and the COVID-19 pandemic, global

inequality is not only an impediment to sustainable development but also a major factor undermining public faith in government. To reverse inequality effectively, Brazil and the U.S. can collaborate on several fronts. First, they can advocate for the establishment of a global tax framework to ensure the highest earners in the world contribute fairly to the shared prosperity that the G-20 seeks to inculcate. Such action would build off the Global Minimum Tax (GMT) regime, designed to reduce the incentives for profit shifting to tax havens, that went into effect in 2024 (“The future of Global Minimum Tax”).

This has been a major Brazilian priority during its time leading the G-20, one shared by Germany, South Africa, and Spain, among others (Schulze et al 2024). As Finance Minister Fernando Haddad noted, “without cooperation, those who are on the top will continue to evade our tax systems” (“Taxation”). In supporting the initiative to levy a minimum two percent tax on the world’s 3000 billionaires, France’s finance minister observed in February that “currently the richest people can avoid paying the same level of tax as other people who are less rich. We want to avoid such tax optimization” (Partington 2024). For her part, U.S. Treasury Secretary Janet Yellen supports the global minimum tax on corporations but said her country cannot back a similar measure applied to the ultra-rich (Rainey 2024). In the name of signaling a shared G-20 commitment to tackling rising global inequality, Washington should reconsider that opposition.

The United States and Brazil should also vigorously embrace global debt relief as a shared priority. An expansion of so-called “Debt to Health” (D2H) programs that allow countries to reduce their international financial obligations in exchange for commitments to invest in healthcare services and infrastructure could be the centerpiece of such an undertaking. Expanding these programs as part of G-20 efforts to combat inequality would directly address pressing health challenges faced by developing nations while alleviating their debt burdens. As one study of D2H programs put it, “the most important element influencing D2H’s effectiveness is the political will of both the creditor and debtor nations” (Hu et al 2024).

By enabling countries to redirect a portion of their debt payments towards healthcare funding, these initiatives can enhance access to essential services, improve public health infrastructure, and strengthen pandemic preparedness. This collaborative approach not only benefits individual nations by fostering healthier populations but also contributes to global stability and economic resilience, creating the more equitable global playing field that Brazil and the United States aim to support. It would also signal that the world’s largest economies are attuned to the demands of the Global South. Rebuilding trust is a necessary step in strengthening institutions of global governance and making them more effective in the face of both new and enduring challenges.

While the T20’s recommendation for “evolving new metrics of wellbeing that move beyond Gross Domestic Product (GDP)” are compelling, we must also deal with the world today in which many Global South states are impatient to move up the GDP ladder and increase their influence. From their perspective, the

abandonment of the idea of openness as exemplified by the paralysis at the World Trade Organization (WTO) is a key barrier for a world economic order that is genuinely based on rules. Brazil and the United States may have differing perspectives on this issue, but as countries that are wedded both to economic growth and a fairer trading system, they have an opportunity to cooperate to revive the WTO's Appellate Body.

Climate Change

International institutions must demonstrate their relevance in an era of increasingly common climate catastrophes. The United States and Brazil can play a pivotal role in the fight against climate change as part of their G-20 efforts to combat inequality by promoting sustainable development initiatives that prioritize vulnerable populations.

The lowest-hanging fruit that both countries should embrace is a dramatic expansion of the Green Climate Fund (GCF), a UN initiative launched in 2010 to assist developing countries in combating climate change by mobilizing financial resources from developed nations. The GCF supports projects related to renewable energy, sustainable agriculture, and climate adaptation and resilience—precisely the types of projects that will become more critical in years to come—while promoting poverty alleviation and social equity.

Along the same lines, Brazil and the United States could push for the creation of a Climate Adaptation and Resilience Program within the G-20, supporting projects to mitigate damage from climate change for frontline communities. They should also support mechanisms that allow for further debt relief if countries agree to spend more resources on green energy investments.

When adaptation and resilience fail, negative security outcomes may be the result. There is not a one-to-one relationship between the two, several intervening factors also play a major role. Nevertheless, the linkages between climate change and security can exist under the right conditions. The global conversation on climate security has been polarized, with a UNSC resolution aiming to forge a consensus failing to pass in 2021 (Shidore, 2021). However, as a 1.5 C world becomes more likely, it is necessary to find a resolution to these divides.

The Quincy Institute's Better Order Project will shortly issue a set of policy proposals aimed at achieving an international consensus on the topic of climate security. These proposals call for a framing that acknowledges links between climate change and security under certain conditions, but also enshrines national sovereignty in any conversations on climate security, rules out interventionism, is inclusive of affected states, and stresses the need for prevention through much greater action on mitigation, adaptation, and resilience. It also includes specific suggestions for strengthening smaller regional organizations in the Global South and dedicated funding for SIDS (Quincy Institute B. 2024). The G-20 can play a role in the wide consultations that will be necessary to get to a consensus on climate security. In so doing, with U.S. and

Brazilian leadership, the G-20 can demonstrate beyond any doubt its relevance to international efforts to address the thorniest issues facing humanity.

Conclusion

There is much the United States and Brazil, the two largest countries in the Americas, can work together on when it comes to the global governance agenda. Indeed, they have a responsibility to do so, in order to meet the growing planetary and systemic challenges of the 21st century.

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Wilson Center:

How can Brazil and the United States Cooperate to Promote Digital Inclusion within the G20?

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1. Introduction: Context of the digital debate in the G20

Brazil and the United States both possess significant digital economies, influencing global digital policy and infrastructure development. Despite a 2.2% contraction in the U.S. economy in 2020, the digital economy expanded by 6.5%. By 2023, the U.S. digital economy contributed \$2.6 trillion to GDP. Similarly, Brazil's digital economy, covering sectors such as digital advertising, e-commerce, software, IT services, and cloud services, reached R\$ 981.3 billion in 2022. A 2021 study revealed that Brazil's "digital supply" accounted for 8.6% of its total economic value.

However, the true scale of the digital economy remains under-measured, and addressing the disparities in digital access is crucial to unlocking its full potential. Digital divides persist both between and within countries, driven by disparities in access, connection quality, cost, and digital literacy.

Emerging technologies such as Artificial Intelligence (AI) further complicate this strategic debate, as Brazil and the U.S. find themselves in different positions but connected by shared goals. Global power dynamics are shaped by who controls technologies and the infrastructures that sustain the digital ecosystem, from data centers to undersea cables.

Brazil has actively promoted digital inclusion and sovereignty in global forums like the G20. Both Brazil and India have shaped the G20's digital agenda to reflect a broader vision for the Global South—one that seeks to forge new pathways that diversify digital power, today dominated by major players like the U.S., China, and Europe, the latter exerting significant regulatory influence.

The United States has a substantial impact on global digital infrastructure, controlling critical assets like data centers and undersea cables, giving it a strategic geopolitical advantage in managing the flow of information and resources. However, this dominance also exposes significant vulnerabilities in the interconnected digital ecosystem. Brazil, meanwhile, is advocating for an equitable and inclusive digital framework, seeking to shift power away from the concentrated control of a few global players.

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This tension is not a barrier to cooperation; on the contrary, it offers valuable insight into how to navigate these challenges and foster consensus around agreements.

Under the 2024 G20 presidency, Brazil has declared a three-point agenda centered on combating hunger, poverty, and inequality; promoting sustainable development across its economic, social, and environmental dimensions; and reforming global governance. This year's G20 digital debate focuses on closing digital divides and advancing the Sustainable Development Goals (SDGs). It also emphasizes the need for safety, transparency, and Global South inclusion in developing regulatory frameworks for AI.

For the first time, G20 debates include the African Union as a full member, marking a pivotal moment as, for three consecutive years, the presidency will be held by BRICS founding members—India in 2023, Brazil in 2024, and South Africa in 2025. This context is seen as a special opportunity for those countries to collaborate in shaping the G20 agenda, ensuring continuity in discussions, and highlighting proposals from developing countries.

Looking ahead, the American presidency of the G20 in 2026 will carry the responsibility of building on this work, fostering meaningful engagement, and defending the relevance of multilateral forums. A digital transformation is underway, necessitating a global approach. The G20 has the mission to address the effects of the accelerating development of AI, which is generating significant concentrations of power and wealth, along with important geopolitical and geoeconomic implications. AI regulation should be approached with the same urgency as climate change.

2. The Digital Agenda within the G-20 Framework

G20 representatives have pledged to foster cooperation on digital inclusion, universal and meaningful connectivity; on digital government and inclusive digital public infrastructure; on integrity of information online and trust in the digital economy; and on artificial intelligence for inclusive sustainable development and inequalities reduction. These commitments build on the work of previous presidencies. Notably, last year, G20 leaders agreed to halve the gender digital divide by 2030, introduced a toolkit for “Cyber Education and Cyber Awareness of Children and Youth” and a roadmap to “Facilitate Cross Country Comparison of Digital Skills”.

This year, the Brazilian presidency introduced the 'G20 Guidelines on Indicators and Metrics for Universal and Meaningful Connectivity' and the 'General Principles on the Governance of Digital Identity,' along with two additional documents focusing on social media regulation and AI governance: 'Promoting Information Integrity and Trust in the Digital Environment' and 'Enabling Resources for the Development, Deployment, and Use of AI for Good and for All.'

In collaboration with the OECD, the Brazilian G20 presidency prepared the 'G20 Compendium on Data Access and Data Sharing Across Public Institutions and with the Private Sector for Public Interest,' which showcases ongoing initiatives among member countries and serves as a reference for future initiatives. Furthermore, the presidency, with support from UNESCO, produced the 'Toolkit for Artificial Intelligence Readiness and Capacity Assessment' and reaffirmed the G20 AI Principles adopted in 2019.

Those commitments reinforce the defense of a human-centric and development-oriented digital transformation. A social-justice-oriented approach to digital policy, aimed at reducing asymmetries, that aligns with the recently approved recommendations of the Global Digital Compact presented during the Summit of the Future in the United States, last September.

Furthermore, Brazilian foreign policy under President Lula da Silva's third mandate has been actively engaged in environmental diplomacy. The country is positioning itself as a relevant player in the climate action agenda, which shapes its views on international cooperation, including in the digital sector. The 2024 G20 presidency views both the digital revolution and climate change as interconnected transitions that can only be addressed through international cooperation.

It recognizes the potential of new technologies to mitigate climate change, facilitate climate finance, support energy transition, reduce disaster risks, implement early warning systems for extreme events, and promote climate change awareness and adaptation. In May, the Brazilian government launched the 'Global Initiative for Information Integrity on Climate Change' during a G20 meeting, in partnership with the UN and UNESCO.

When India passed the baton of the G20 presidency to Brazil, after achieving the first-ever multilateral consensus on Digital Public Infrastructure (DPI), the priorities of the Global South's digital agenda gained greater clarity for analysts.

In the early days of India's G20 presidency, few anticipated that DPI would achieve such broad consensus. Yet, the G20 Digital Economy Working Group (DEWG) successfully developed a framework defining DPI as a secure, interoperable system supporting both public and private services, fostering inclusion, innovation, and trust. The G20 outcome document emphasized DPI's importance in areas like digital services, direct cash transfers, and emergency responses. As a result, countries began to recognize the potential of DPI to drive economic inclusion, particularly in low- and middle-income nations.

India's experience with its own DPI, the India Stack, heavily shaped these discussions, leading to international cooperation with the U.S., France, and the European Union. Although the One Future Alliance proposed by India to coordinate global DPI efforts is still in development, Brazil's presidency continues to push the agenda forward with sustained momentum. Brazil's digital infrastructure success with Bolsa Familia and Pix - the country's revolutionary instant payment system - has strengthened its G20 leadership in the digital realm.

Building on its role as a champion of digital inclusion within the G20, Brazil continued to focus on advancing data sharing, financing digital infrastructure, ensuring diverse voices are represented, and building consensus on global data safeguards. After all, the G20 is where the world's economic heavyweights—the nations that dominate digital technology—and the leading economies of the Global South come together to build consensus and commitment. It's the forum where global digital powerhouses and emerging markets align their interests, influencing the trajectory of technology governance and infrastructure.

In parallel, international cooperation on digital policy within the G20 has, for the first time in its history, incorporated a commitment to combat online **disinformation**.

In September, G20 ministers gathered in Maceió, Brazil, agreed to unite efforts against disinformation and to create a common agenda for artificial intelligence. The rapid spread and widespread impact of misinformation and hate speech online have emerged as significant challenges for the leading rich and developing nations. Disinformation gains the status of an international security threat that necessitates coordinated responses from both governments and civil society.

The inclusion of fight disinformation as a new topic of concern for international cooperation comes in a record-breaking year for elections. In 2024, more voters than ever in history will head to the polls in at least 64 countries, including in major democracies and G20 members such as the United States, India and Mexico.

Election disinformation and hate speech are fostering polarization and political violence, directly affecting electoral outcomes. The declaration approved by the G20 Digital Economy Working Group (DEWG) affirmed that digital platforms have reshaped the digital ecosystem beyond geographical boundaries, indicating the need for a shared global understanding to address new challenges and opportunities.

For the Lula administration, defending democracy and ensuring information integrity has become a central commitment, informed by past experiences from the pandemic response and the invasion of the Brazilian Congress and Senate on January 8, 2023. Brazil reported one of the highest COVID-19 death tolls in the world, and disinformation is widely seen as responsible for disrupting efforts for vaccination and lockdowns. The spread of disinformation on social media also fueled a coup attempt against the current government and challenged the strength of Brazilian democratic institutions.

2.1 AI in the Global South

The São Luís Declaration on Artificial Intelligence, a joint statement from the G20 engagement groups—Civil Society Organizations (C20), Labour Unions (L20), Think Tanks (T20), and Women (W20)—proposes an inclusive governance framework. It recommends establishing an international scientific panel on AI, mirroring the model of the Intergovernmental Panel on Climate Change (IPCC).

This panel would be supported by the UN's AI Advisory Body and based in a Global South country, reflecting a commitment to a global vision, an intersectional approach, and the reduction of asymmetries.

This G20-promoted intergovernmental panel on AI draws clear inspiration from the UN body established in 1988 to address climate change. Its goal is to foster regulatory interoperability by providing governments at all levels with scientific information to support the development of their AI policies.

During the G7 2024 summit in Italy, President Lula emphasized the need for international and intergovernmental governance of artificial intelligence, advocating for a framework where all states have a seat at the table. His administration views a centralized global mechanism as a way to reaffirm trust in global governance and to overcome the patchwork of norms and nascent institutions that lead to issues of representation, coordination, and implementation. This stance rejects leaving AI development to the private sector and market forces alone.

The G20's position aligns with the final recommendations presented in September by the UN High-Level Advisory Body on Artificial Intelligence. Mobilizing all G20 members will be crucial to translating these recommendations into actionable mechanisms. The upcoming G20 presidencies, including the U.S., will play a key role in guiding and supporting the implementation phase. Furthermore, the G20's 18-point declaration on AI calls for a shift from a risk-based to a rights-based approach and emphasizes the need for collaborative positions on data governance and representative datasets.

3. Areas for Brazil-U.S. Cooperation in Promoting Digital Inclusion

3.1 Fighting Disinformation and AI best practices

The U.S. and Brazil, both with large online populations, have a significant opportunity to collaborate in the fight against disinformation and to establish an agenda for best practices in artificial intelligence. Both governments are grappling with the pace, magnitude, and impact of misinformation and hate speech in a rapidly evolving digital landscape. Fact-checking, digital literacy initiatives, and labeling AI-generated content have the potential to mitigate the effects of false narratives in the information ecosystem.

Furthermore, both countries can foster a shared understanding of the need for transparency and accountability in policies and legal frameworks that regulate platforms and relevant stakeholders.

A partnership to promote information integrity can strengthen democracy by protecting institutions, the electoral process, and access to voting. It can also

promote meaningful connectivity², a free press, freedom of expression, and reducing inequalities.

There is an opportunity to dedicate funds and develop programs focused on digital safety, resilience, security, and trust, as well as the protection of rights for vulnerable individuals and the fight against extremism.

According to a study published by the Brazilian Network Information Center (Nic.br), in the past year, “84% of Brazilians aged ten and above are internet users, with nearly all of them (95%) using the internet daily.” The same study showed that only 22% of Brazilians were considered meaningfully connected, highlighting economic, gender, and racial gaps. In the U.S., more effort is needed to expand rural broadband deployment and reduce inequity in the digital space, including through educational programs focused on digital skills. Together, Brazil and the U.S. can work to reduce the digital divide and promote capacity building in the digital sector through investments, innovation, and academic cooperation.

In the G20, the U.S. can help ensure developing nations have a voice in shaping global tech governance. Lula's administration recognizes that digital cooperation should also be addressed as a means to reduce inequality and strengthen democracy. Through this lens, acknowledging power asymmetries and promoting accountability is imperative to build a citizen-based approach.

In 2026, the United States will host the G20 and will be well-positioned to accelerate progress on digital inclusion, data governance, and cybersecurity. Brazil's leadership in DPI, exemplified by systems like Pix and Open Finance, can offer valuable insights for G20 discussions. By working together, the U.S. and Brazil can work together to build a future where digital systems are accessible, equitable, and resilient against emerging threats.

3.2 U.S.-Brazil Cooperation in Digital Public Infrastructure and Global Data Governance

Since India's presidency, Digital Public Infrastructure in advancing digital payments has been an important matter within the G20's digital agenda, especially in the link between economic progress and digital inclusion. Brazil and India's use of DPI to drive innovation and inclusion offers valuable lessons for G20 nations.

Brazil's DPI is anchored on three pillars: Open Finance (standardized data sharing among financial institutions), PIX, and DREX (a Central Bank Digital Currency). These systems work together to create an interoperable, inclusive ecosystem that enhances innovation and financial inclusion, making Brazil a leader in DPI implementation. On the other hand, India's Unified Payments

² The digital transformation indicator goes beyond merely guaranteeing access to the internet; it aims to analyze meaningful connectivity criteria, such as affordability, access to equipment, quality of connections, and the connectivity environment.

Interface (UPI) has revolutionized digital payments, becoming a global model for real-time, public-private collaboration. G20 nations can look to UPI as a model for adopting standardized digital payment systems, guided by key principles: robust metrics for measuring success, assessing competitive impacts, fostering collaborative governance, focusing on user-centric data management, and ensuring accountability through independent regulation.

The United States, as a key democracy within the G20, could play a crucial role in supporting these efforts by providing technical assistance, financial aid, and political backing. By fostering dialogue between the G20 and G7, the U.S. could help align global standards and push for a cohesive digital payments framework.

While the potential for DPI is vast, the lack of a universal standard presents challenges for international governance. However, this diversity also provides an opportunity for countries to adapt and learn from different DPI models. As this agenda progresses, we can expect varied approaches to the development and implementation of these technologies, with nations navigating the risks and opportunities of state-led versus private sector-led initiatives.

The G20 agenda's commitment to 'universal and meaningful connectivity'³ highlights cooperation opportunities. Considering the size of both U.S. and Brazilian digital markets, the opportunity is economic as well.

Increasing broadband penetration has a direct and well-established correlation with GDP, and Brazil has been advancing on that. Two initiatives illustrate the scale of Brazil's connectivity efforts, their focus on inclusion, and the use of innovative financing mechanisms. One is the Connected North program, partially funded by proceeds from Brazil's 5G Spectrum Auction in 2021. It is a major infrastructure project aimed at deploying 12,000 kilometers of optical fiber along the Amazon River, looking to provide sustainable connectivity to millions of citizens by 2026. The second is the Connected Schools strategy, which seeks to connect all 140,000 public schools across Brazil, in both rural and urban areas, fostering the digital transformation of education. A key part of this effort is the ITU-UNICEF Giga initiative, which has mapped schools to facilitate the expansion of meaningful connectivity.

In the G20, it is in both Brazil's and the United States' interest to ensure the group keeps pushing forward on enhancing digital trust and protecting individuals and organizations. This means accelerating innovation, harmonizing cybersecurity and data protection standards, and coordinating international efforts to strengthen cybersecurity. But a key step in this is building broader consensus on the Free Flow of Data with Trust (DFFT).

DFFT, an initiative introduced by former Japanese Prime Minister Abe Shinzo, seeks to balance privacy and security with the need for smoother cross-border data exchanges—one of the most valuable commodities in today's global

³ Universal and meaningful connectivity, understood as the possibility for everyone to enjoy a safe, satisfying, enriching, productive online experience at an affordable cost, has become a new policy priority to fully leverage the potential of connectivity for economic progress.

economy. First introduced at the 2019 G20 Osaka Summit and further developed at the 2023 G7 Hiroshima Summit with the establishment of the Institutional Arrangement for Partnership (IAP), the concept has significant potential but has struggled to gain practical momentum.

Since Japan launched DFFT, global competition over digital governance has only heated up. Despite being led by major digital players, the G7 has yet to clearly demonstrate what DFFT looks like in action. And while the world wrestles with how to manage global data flows, the real decision-making power lies with over 100 developing countries that haven't yet settled on their approach to data governance.

This is where coordination between the U.S., a G7 member, and Brazil, a G20 leader and observer, becomes crucial. Together, they could help shape a more inclusive global dialogue, bringing developing nations into the fold and building a practical roadmap for digital trust and data governance.

Conclusion

Brazil and the United States have a critical role in advancing digital inclusion within the G20 by focusing on key areas of cooperation. Brazil's leadership in DPI provides a model for expanding financial inclusion and fostering innovation in the Global South. The U.S. can support these efforts by offering technical assistance and aligning global standards for digital payments and data governance. Jointly, both nations can strengthen efforts to combat disinformation through fact-checking initiatives, AI transparency, and regulatory frameworks that safeguard democratic processes. As they prepare for the U.S.'s G20 presidency in 2026, Brazil and the U.S. have the potential to drive forward policies that close the digital divide, promote meaningful connectivity, and ensure that developing nations have a strong voice in shaping the future of global tech governance.

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