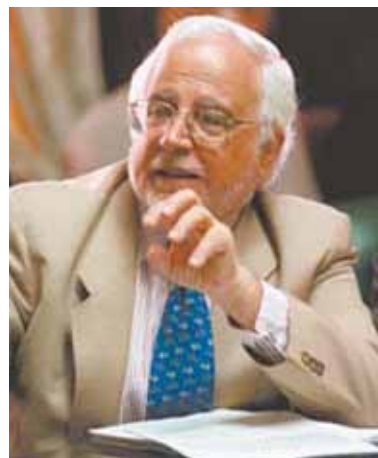


INTERVIEW TO ALIETO ALDO GUADAGNI

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1. Which are the most visible aspects and characteristics of climate change in your country? What are the prospects for the upcoming decades?

Should current polluting emissions continue at the current pace worldwide, there will be an ever growing impact on climate. Within this scenario it can be expected that at least half the areas under greater flooding risk in our country will be exposed to even greater rainfall in the future. At the same time a gradual warming and potential deterioration of the mountain ecosystems of the Andes is foreseen as well as the regression of forests in subtropical areas. The Andean areas started having trouble with water availability which could even compromise the amount of water resources for the full operation of the installed capacity at important hydroelectric plants in the Cuyo area and Comahue Basin in Argentina. In other Andean countries there may be water supply problems as in Quito, Lima and La Paz. These forecasts based on climate change evidences also lead to predicting that farming activities may drop in the next few years in many (although not all) regions of our planet. Climate change will affect farming because of an increase in temperature, greater rainfall variability and extreme climate events such as drought and floods. However, this will favour regions located in extreme latitudes such as Canada, Scandinavia, Poland, Russia and Ukraine. The negative impact will be fully felt in developing countries (DGCs), thus affecting the yield of wheat in Southern Asia, rice in Southeast Asia and corn in the South of Africa. Negative impacts (of over 20%) are also foreseen in farming yields in most of Brazil and a reduction, although more moderate, is also predicted in our country. Furthermore, climate change will also have a negative impact on the spreading of dengue throughout bigger areas in the subtropical region of Argentina, in Paraguay, and in the East of Bolivia.

2. Which are the most relevant concerns of climate change negotiations in your country? Who are the most relevant actors in this debate?

The main Argentine concern with regard to the climate change agenda refers to the necessary modifications that cannot be postponed any further and that should be introduced in the energy production and consumption matrix since gas and oil account for over 90%, with a strong share of gas which represents half of total consumption. We must not forget that Argentina follows Russia as the country that most depends on gas worldwide. This decade we have been making an intensive and indiscriminate use of subsidies provided to fossil fuel energy which pollutes the environment. But when significant fiscal resources are allocated to consumption subsidies instead of to investments looking into an environmentally friendly future, the restructuring of the current energy matrix based on hydrocarbons is hindered. In order to further promote new clean energies and energy conservation it is essential to gradually phase out subsidies to fossil fuels in a sustainable manner since they are not only costly at a fiscal level but, furthermore, contribute to degrading the environment, and disproportionately benefit the wealthiest. The gradual phasing out of current subsidies to polluting fossil fuels will foster energy efficiency and conservation and will moreover be the best way to favour and promote new clean energies that must be urgently encouraged. We must recall that energy subsidies in Argentina are the highest in the whole of the Americas, after Ecuador and Venezuela that are oil producing countries and members of the Organization of the Petroleum Exporting Countries (OPEP). The price of fossil-based energy must cover all costs, including negative environmental externalities as was mentioned in the Pope's last encyclical. This can be one of our contributions to collective efforts meant to preserve the global environment. There are several Non-Governmental Organizations (NGOs) that stand out in the debate meant to clarify public opinion on climate change, particularly Greenpeace that has set forth important proposals as well as *Fundación Bariloche* and the *Instituto General Mosconi* in the sense of building a new energy use matrix that is more respectful of our planet. San Luis Province has also demonstrated leadership in the matter, promoting the creation of a Climate Change Commission in the Federal Environment Council which is preparing a final climate diagnosis. The global climate issue is so far not on the Parliamentary agenda but it is important to place it there so as to define constructive proposals for the forthcoming COP 16 meeting in Mexico.

3. From the point of view of the interests in your country and of the Latin America and the Caribbean agenda, how do you evaluate the Copenhagen results?

The recent Climate Change Summit concluded by merely "taking note" of the so-called "Copenhagen Agreement" since it was not adopted by consensus. This means that so far it is simply a "political" agreement that lacks binding legal efficacy. With regard to the mitigation efforts it is interesting to point out that Bruno Rodríguez, Cuban Minister of Foreign Affairs deemed that *"the goal of two degrees centigrade is unacceptable and would have countless catastrophic consequences, particularly for small island states"*. This position was permanently held at the Summit by the 42 members of the "Small Island Alliance", which fear they may disappear from our planet. The time has come to understand that global problems call for effective global solutions and global institutions to implement them. The Copenhagen Agreement, with all its limitations, could be considered from a more optimistic view as the "first" step towards building a globally efficient response to the climate threat. Let's hope that at the forthcoming meeting in Mexico we can make up for lost time. But before that the world will be on the look out to see the attitude of the US Senate that must consider in the next few months whether it adopts the environmental legislation proposed by Obama. If such

legislation is not passed before the Cancun meeting it will be much more difficult to move forward in having legally binding international commitments among nations.

4. Considering the Copenhagen results and conclusions, will it be necessary to review the national strategy in your country in relation with the international negotiations? In which areas and how? Do you see elements for the articulation of regional strategies?

A national strategy that furthermore aims at a greater regional scope must include measures that will only be effective if they are framed within public policies agreed upon by consensus among the country's political forces, taking into account that their effectiveness will depend mostly on their application beyond one presidential term in office. Indeed it is possible to have a "green" economic development which requires a long-term strategy including policies, investment and technological changes which aim at continued growth but without pollution. All this goes beyond a four-year presidential term. It is important for Argentina to go to COP 16 in Mexico with a proposal that has been duly coordinated and agreed upon by consensus at the national level at least by the Southern Common Market (MERCOSUR) member countries. An example in this regard is the European Union (EU) that a few years ago decided that a "common market" necessarily calls for a "joint environmental policy" to avoid artificial dislocations of productive investments attracted by more permissive rules. In this regard, MERCOSUR has a lot to learn from the European Environment Agency (EEA) and from the EU Environment Committee. If environmental rules affect investments and productive technologies are not common to all as is the case nowadays in the EU, it is impossible to aim at having optimum resource allocation within a region. Let us also say that the conflict between Argentina and Uruguay with regard to the location and technology of the Botnia pulp mill is a good example of what happens when there are no common technological regulations between nations that are a part of the same geographical space and that, furthermore, intend to build a common productive space. The EU has common environmental regulations applicable in any part of the common territory.

5. Are there chances for regional cooperation in the efforts for mitigation and adaptation? In which areas?

There is broad margin for regional cooperation in mitigation and adaptation for which it is important to have an agenda on environmental initiatives reflecting cooperation demands. In the case of Argentina, we must point out the following ten environmental policy initiatives which must be a part of a cooperation effort. These lines of work of course do not disregard other possibilities.

1. Investments in hydroelectric and nuclear plants. We must not insist on thermoelectric plants that use coal and do not foresee the capturing and storing of polluting gases, such as the plant that is currently being built in Santa Cruz.
2. Investments in new clean energies (wind, solar and tidal power). Promotion of "second generation" bio-fuel based on waste.
3. Technological streamlining of public transport in big urban centres: Greater Buenos Aires, Rosario, Córdoba, Mendoza and Tucumán, tapping the valuable experience of Curitiba (Ligeirinho), Bogotá (TransMilenio) and Santiago de Chile (TranSantiago).

4. Rehabilitation and streamlining of the cargo railway and urban and inter-urban passenger system. Expansion of river transport.
5. New harmonized technical standards in MERCOSUR for improving efficiency in the use of fuel in the automotive industry.
6. Energy efficient processes in the manufacturing industry, regulated by MERCOSUR.
7. Energy-efficient electric devices.
8. New construction codes to ensure energy conservation and efficiency.
9. Preservation of forestry resources.
10. Design of a fiscal policy (public spending plus taxes) targeted to energy efficiency and conservation in all sectors. This fiscal policy should include all negative environmental externalities in the taxes.

