

Media Briefing

Mercosur - EU Trade Agreement

What can the EU do to end its complicity in the Amazon fires?

Key facts:

The scale of the problem

- There has been a **34% increase in deforestation alerts in the Brazilian Amazon** in the past 12 months (Aug 2019 – Jul 2020) compared to the same period in 2018/19. Source: [Brazil's National Space Research Institute INPE](#).
- 9,205 square kilometres of the Amazon rainforest in Brazil alone (i.e. not counting Amazon deforestation in other countries) were cleared in this period. (Source: [INPE](#)) This means that a **forest area equivalent in size to one third of Belgium has been lost in only one year.**
- The **fire season (June-November) is set to become even worse than last year:** There were 6,803 fires in the Amazon in July 2020, 28% more than in July 2019. 10,136 fires were reported in the first 10 days of August alone. (Source: [Unearthed](#))
- Most of this **deforestation is illegal** but the Brazilian government is allowing it to continue, has cut back on environmental regulations and their enforcement, and its rhetoric is encouraging illegal loggers, land grabbers and project developers. According to Human Rights Watch, the situation is very dire. In a report on the "Rainforest Mafia", they state that **violence and impunity fuels deforestation.** (Source: [HRW Report](#))



Causes and complicity of the EU

- The fires are not an accident or the result of a natural disaster; they are manmade. The forest is intentionally cleared for the **expansion of agricultural land** and in some cases for mineral extraction or infrastructure projects.
- **Cattle ranching is the cause of 80 % of deforestation in the Amazon**, with cattle pastures occupying 450,000 square kilometres of deforested Amazon in Brazil. (Source: [Yale School of the Environment](#)) That's equivalent to the size of Sweden, larger than Germany and almost twice the size of the United Kingdom. (Source: [Wikipedia](#)). The land is inefficiently used with 65% of those pastures supporting less than one head of cattle per hectare (Source: [Embrapa/Inpe, TerraClass Project](#))

- Brazil is the single biggest exporter of agricultural goods to the EU. (Source: [European Commission](#)) **The EU imports 100,000 tonnes of Brazilian beef every year**, which accounts for a quarter of EU beef imports. (Source: European Commission, [Trade Statistics](#))
- Brazil is by far the largest importer of soybeans to the EU, which is mainly used as animal feed in meat production. In the 2019/20 trading year, the EU imported 6.7 million tons of soybeans from Brazil (Source: [EU Trade Data](#)), more than half of total EU imports. Due to its dependency on imported soya, meat production in Europe exerts pressure to expand agricultural land in Brazil.
- Despite the significance of beef and soy imports from Brazil and their connection with deforestation, the EU has so far failed to oblige importers to prove that the beef and soya entering the EU market did not contribute to deforestation.
- A study from July 2020, published in [Science magazine](#), shows that about **a fifth of beef and soy exports from the Brazilian Amazon and the adjacent Cerrado region to the EU has contributed to deforestation.**



Impact of deforestation

- **We are dangerously close to losing the Amazon rainforest forever:** 17% of the forest in the Amazon basin has already been destroyed. Scientists say that at 20-25% deforestation, the rainforest will reach a tipping point at which it can no longer generate enough rain to sustain itself and will develop into a dry savannah. (Source: Thomas E. Lovejoy and Carlos Nobre. [Amazon Tipping Point](#). Science Advances, 21 Feb 2018, Vol. 4, no. 2, DOI: 10.1126/sciadv.aat2340.)
- **Impact on climate change:** The Amazon is currently a carbon sink, containing 90-140 billion metric tons of carbon. (Source: [WWE](#)) If it turns into a savannah, it will start to emit this carbon, which would accelerate dangerous climate change.

- **Threat to biodiversity:** Biodiversity in the Amazon's forest and rivers is amongst the highest on Earth. The region is home to one in ten known species, many of them are unique to Amazonia and endangered. (Sources: [Wikipedia](#) and [WWF](#))
- **Threat to indigenous peoples:** The Brazilian Amazon provides land and livelihood for several hundreds of distinct indigenous peoples. Subsequent Brazilian governments have actively limited their rights and protection, but the situation has never been as worse and violent as under the current Bolsonaro government. For instance, Bolsonaro substantially slashed the funding for the agency responsible for protecting indigenous interests. In February, Bolsonaro proposed legislation to legalise mining operations and extraction of oil and gas on indigenous territories. (Source: [New York Times](#)) APIB, the largest indigenous peoples' organisation of Brazil has declared a state of Indigenous Emergency in the light of the COVID-19 pandemic. They blame government negligence and agro business for spreading the disease. (Source: [APIB](#))



Solutions:

In Brazil

- 63 Brazilian NGOs, including the Articulation of Indigenous Peoples of Brazil (APIB), demand a stop to deforestation in the Amazon and call on the government to better enforce rules, increase penalties and secure the land rights of indigenous people. (Source: [Statement here](#))

In Europe - proposals for a trade policy that helps to save the Amazon

- **Stop the EU-Mercosur trade agreement:** A trade agreement between the EU and the Mercosur region, which comprises Brazil, Argentina, Paraguay and Uruguay, has been finalised in July 2020 and the German Council presidency has declared its ratification a priority. (Source: [Programme of the German Council Presidency](#))

The agreement would liberalise trade for forest-risk commodities, including beef, poultry, soy and ethanol (derived from sugar cane and soy). This means that increased EU demand for these products could accelerate deforestation.

In spite of this, the agreement does not contain sufficient safeguards to prevent deforestation. It merely stipulates that parties shall “implement measures to combat illegal logging and related trade” without detailing what these measures should comprise or how their success shall be monitored.

Moreover, the article on deforestation is part of the agreement’s “Trade and Sustainable Development” chapter, which is excluded from the enforcement mechanism that applies to the rest of the trade deal. (Source: [Text of the TSD Chapter of the EU-Mercosur deal, Article 8 and Article 15.5](#)). Consequently, the vague terms and weak enforcement mechanism would make it hard for the EU to hold Brazil accountable for breaches of its commitment to fight illegal deforestation.

Europe should first of all make ratification of any free-trade agreement conditional to measurable and verifiable actions by the Brazilian government to solve the environmental and human rights crisis, including a five-year moratorium on deforestation, demarcation of indigenous lands, the resumption of Brazil's national deforestation control plan and the rehabilitation of federal agencies that have been dismantled by the Bolsonaro administration.

Secondly, the EU and Mercosur should reopen negotiations for an agreement that contributes to solving the climate crisis, not accelerates it. A new agreement would aid the transition to a climate neutral economy for instance by facilitating trade and investment into agroecology, renewable energy and clean transport. It would also encourage technology and knowledge transfer. This would stimulate a green recovery, create new future-proof jobs and conserve natural assets.

- **Tackle deforestation in EU consumption:** The EU causes 72,900 square kilometres of forests to be lost per year due to consuming timber products or products grown on deforested land (Source: [European Commission](#)) – an area larger than Ireland (Source: [Wikipedia](#)). Destruction is also driven by our consumption of commodities such as soy (mostly used to feed farm animals), palm oil, beef, rubber and cocoa as well as by industrial logging and other extractive industries. The EU should take immediate steps to phase-out deforestation in the commodities we consume:
 - Adopt a regulation on the placing on the internal market of “forest and ecosystem risk commodities”, i.e. the commodities whose extraction, harvesting or production has, or risks having, a detrimental impact on forests, other ecosystems and related human rights. This [Greenpeace briefing](#) describes the main building blocks on which such regulation could be built.
 - Adopt mandatory human rights and environmental due diligence obligations for EU companies. This would oblige companies to take concrete steps to avoid human rights abuses and environmental crimes along their supply chains and give victims of corporate abuse access to legal remedies. The [European Coalition for Corporate Justice](#) has set out the key principles for such legislation.

This media briefing is published by Climate Action Network (CAN) Europe in August 2020.

Climate Action Network (CAN) Europe is Europe's leading NGO coalition fighting dangerous climate change. With over 170 member organisations from 38 European countries, representing over 1.500 NGOs and more than 47 million citizens, CAN Europe promotes sustainable climate, energy and development policies throughout Europe.

Contact:

Cornelia Maarfield, Trade and Climate Project Manager, cornelia@caneurope.org