

# EU MONITOR

## The Amazon Wildfires and Environmental Conservation: What Can the EU do?

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- **The surge of fires burning the Amazon region in August 2019 has, understandably, alarmed the world. Citizens, environmental organizations, activists and countries have united to discuss what can be done to preserve the biggest rainforest in the world.**
- **Yet they are faced with the quandary of how to effectively accomplish preservation half a world away and amidst muddled discussions surrounding the Brazilian government's claims of violation of national sovereignty.**



## What Is at Stake?

The Amazon Rainforest covers nine South American countries, and 60% is placed only in Brazilian territory. Representing more than half of the remaining tropical forests on the planet, it plays an important role for carbon sequestration, oxygen purification and the water cycle. It also houses about 30 million people, including isolated indigenous communities. On the other hand, the Amazon also represents a source of resources tempting criminal elements towards illicit actions. "Grileiros" ("wildcat land grabbers"), ranchers and illegal loggers, taking advantage of weak legislation on the demarcation of lands, often undertake deforestation followed by fire and cultivation of land for grazing, intending to acquire the full property of the land. In addition, the agricultural and mining industry, two major support forces of the Brazilian government, press forward for a looser and even weaker regulation, easing expansion of its activities in protected areas.

At stake there's a divergence of interests. On the one hand, the Brazilian government claims the sovereignty over the Amazon, sustains the expansion of the agricultural and mining industries in protected areas and facilitates the exploitation of natural resources to the detriment of environmental preservation. On the other hand, environmentalists and some world leaders call for preservation of the Amazon as it is vital to tackling global warming, promoting forest conservation, respecting the human rights of indigenous people and developing sustainable production practices.

Numerous protests against Amazonian deforestation has risen in the wake of the wildfires ravaging the forest, and the diplomatic dialogue have proved insufficient in strengthening the environmental commitments. Blocking the recent free trade Agreement between the EU and MERCOSUR might perform an important role, but perhaps cannot ensure compliance with environmental commitments by itself. New strategies are required.

It prompts the question of how the European Union could play a leading role in reconciling both interests. To find an answer, it is important to understand which changes emerged in the Brazilian politics, since the inauguration of the current President, Jair Bolsonaro, in January 2019. Subsequently, to discuss how to deal in environmental conservation, in a global scale, not threatening the sovereignty of any independent State. And, finally, to propose a set of practical actions able to circumvent diplomatic barriers in a non-cooperative scenario.

## Diplomacy on the Amazon: Hurdles and Obstacles for the EU

After the most recent surge of fires in Amazon forest, the manner how the affected countries responded to the appeal of civil society, environmental groups and State leaders, proved how strenuous the international efforts dealing with a global issue can be, when it is essentially interlinked with a national autonomy and sovereignty. The Brazilian government, after diplomatic spats with several European leaders, refused a US\$ 20 million package aid offered by the G7 countries, whilst taking a series of overdue and feeble actions fighting the wildfires, of which NASA's satellites detected 100,000 "fire spots" between January and late August 2019.<sup>1</sup>

Understanding the framework behind the government's behavior seems a crucial starting point for the betterment of the supportive agendas on the forest preservation and sustainable development. In this regard, it's possible to identify basically three main pillars on which the Brazilian Government supports its deeds, notably on the "management" of the Amazon forest: a.) Ideological pillar (disbelief in global warming, mistrust of foreign interests, opposition to independent entities and subnational organizations); b.) Diplomatic-ideational pillar (choice of trading partners directly interested in the exploration of the Amazon, according to ideological alignment); c.) Economic

<sup>1</sup> <https://www.sciencemag.org/news/2019/08/little-bit-everything-burning-nasa-scientist-dissects-amazon-fires>

České vize pro Evropu, evropské vize pro Česko  
 Czech Visions for Europe, European Visions for the Czechs

pillar (expanding the agribusiness and mining industries, to the detriment of the sustainable development).

In the latest post on his blog, published on August 09, 2019, Ernesto Araújo, the Minister of Foreign Affairs of Brazil, asserted: "There are scientific elements putting into question the theory of global warming. There are indications that this theory is false. And there's insufficient evidence that the theory is true<sup>2</sup>." However, scientific consensus endorses the evidences of the anthropogenic climate warming. Leading scientific agencies, such as NASA Goddard Institute for Space Studies and the Japanese Meteorological Agency, certifies a rapid increase of the global temperature in the past decades, continuing a long-term trend of rising warmth. Around 97 percent of the actively publishing climate scientist reinforce this concern<sup>3</sup>. Yet, although not proclaiming the withdrawal of Brazil from the Paris Agreement, as previously announced by Jair Bolsonaro when running for the presidency in the 2018 electoral campaign, one thing is evident: climate change caused by human action is not a subject that the Brazilian government puts much credence to. Rather, the so-labeled "climate alarmism", in the context of the "globalism" (meaning a joint maneuver from hidden foreigner interest) is a hoax often taken as a merely excuse to breach the country's sovereignty, through the so-qualified "internationalization of the Amazon".

Nonetheless, while expressing concerns about the national sovereignty, the government has clearly signaled to partners selected based on ideological alignment, namely the US and Israel, that the Amazon is available for economic exploitation. The Brazilian government, while expressing close affinity with Donald Trump's interests, proves quite resistant to dialogue with European leaders. On his first international visit after having taken office – to the United States – Bolsonaro announced: "In different areas, minerals, agriculture, biodiversity – we have immense biodiversity in the Amazon – we would very much like to have a partnership with this country that I admire". As a result,

Brazil has been increasing the import quota of the American ethanol free of tariff and the allowance to U.S. companies launch satellites from the Alcântara Base. Both with no benefit in return. European nations, on the other hand, have found steep hindrances trying to establish a friendly cooperation. Failure in negotiations on the management of the Amazon Fund resulted in the blockage of the resources by Norway and Germany, together responsible for 99,5% of the donations. After the blazes in the Amazon in August 2019, Brazil refused the USD20 million package aid offered by the G7 at the Biarritz Summit – an offer that was not contingent on Trump's personal support. Bolsonaro's baffling indignation at the offer of help yielded a series of ungraceful attacks against the leaders of France, Norway and Germany, but also extended to non-European countries, such as the potential next president of Argentina and the former president of Chile, currently chairing the Office of the United Nations High Commissioner for Human Rights. Evidently, the Brazilian government considers neither the European Union nor international organizations – not even non-far-rightwing counterparts – as viable partners on the environmental concerns, nor will dialogue alone prove fruitful given the inherent antagonism of the far-right Brazilian governmental agenda.

The Brazilian economy has been historically centered on agriculture, focused mainly on soybean production, corn, sugarcane, cotton and coffee. Brazil also stands as the third biggest livestock producer in the world (eggs, beef, poultry, goat and pork), only exceeded by the United States and China. Soybean, livestock and forestry products (timber, papers and wood pulp) represents roughly 70% of all exports from the agribusiness industry<sup>4</sup>. Notwithstanding, the farmers – who surely figures as one of the strongest bases of the government support – still aspire for a larger land space devoted to their business. The main argument is the share of land for agricultural uses in Brazil, which is much lower in comparison to the others largest countries in the world. According to the FAOSTAT, Brazil holds roughly

<sup>2</sup> <https://www.metapoliticabrasil.com/blog/falsas-aspas-falsos-modelos>

<sup>3</sup> <https://climate.nasa.gov/faq/17/do-scientists-agree-on-climate-change/>

<sup>4</sup> Source: AGROSTAT, provided by the Brazilian Ministry of Agriculture. Last update: July 2019. Available at: <http://indicadores.agricultura.gov.br/agrostat/index.htm>

28% of its land area for agricultural uses (croplands and lands under permanent meadows and pastures), much less than India (60% of its land territory), China (56%), Australia (51%), United States (44%) and the European Union (43%)<sup>5</sup>. Amongst these countries, Brazil has the second-smallest area of arable lands<sup>6</sup> available for expansion towards permanent agri-business uses, counting around 55 million hectares. It represents roughly 7% of its land territory (excluded inland waters and coastal waters), whereas the European Union holds 105 million and India 156 million. Thus, from an economic growth perspective, Brazil evidently either needs alternative ways of facilitating growth, or sacrifice conservation. Unfortunately, Brazil has chosen the latter. About 60% of the land territory in Brazil is forested area, with 50% covered only by the Amazon rainforest. According to the agribusiness industry, conservation and environmental regulation is strangling its growth potential. In short, one of the strongest economical groups supporting the Bolsonaro's government, the one responsible for the largest productive matrix, urges for a larger and more extensive use of land by the agricultural industry, in areas that are currently covered by the Amazon forest, half of which is under environmental protection and indigenous boundaries.

In addition, the "capitalist solution for the Amazon" (in the words of the Minister of Environment, Ricardo Salles) embraces the development of another contingent degrading activity: industrial mining. Despite the scarcity of studies on the richness of the Amazon underground, geology programs carried out on the last decades have revealed a thriving variety of geological environments, with potential for intensive extraction of high valuable minerals, such as gold, copper, bauxite, iron, niobium and others.

Thus, based on these three pillars – ideological, diplomatic-ideational and economic – the European Union must be cognizant about the roots of the challenges and its causes, in order to get the policies right tackling the climate change, deforestation and promoting the environmental

conservation. Diplomatic commitments and funding investments – as have been the main proposals in the global fora so far – evidently cannot ensure conservation and sustainable use of forests by itself on the scale required vis-à-vis tackling climate change and global warming. In a moment of seismic geopolitical changes, with key countries tending to perform protective policies on economic and environmental affairs, it is necessary to achieve a comprehensive breakthrough and, perhaps, a bold set of new actions, guaranteeing the effectiveness of the aims of preservation and conservation while simultaneously respecting national sovereignty.

## Strengthening the EU's Role: Revising Existing Strategies and Defining New Actions

In July 2019, the Juncker's European Commission released the communication "Stepping up EU Action to Protect and Restore the World's Forests", suggesting priority actions on environmental conservations, in special afforestation and primary forests, to be taken by the next Commission, which takes office on November this year. Although the proposal addresses a wide variety of actions, the majority of them are based on cooperation between producer and consumer countries, relying their effectiveness on the engagement of the parties to comply with joint commitments. The Brazilian government has shown little interest in both financial partnerships and diplomatic compromises. Besides belittling the Amazon Fund donations and refusing the G7 aid package, the government has signaled that it will hardly pursue any compromise in COP25 – to be held in Chile on December 2019, after Brazil's withdrawal as the original host country.

Thus, to play a leadership role regarding the protection of the Amazon, the EU must reinforce a series of

<sup>5</sup> Source: FAOSTAT - <http://www.fao.org/faostat/en>. Covered year: 2017. Last update: September 10, 2019.

<sup>6</sup> According to the FAO definition: "Arable land: the total of areas under temporary crops, temporary meadows and pastures,

and land with temporary fallow. Arable land does not include land that is potentially cultivable but is not normally cultivated".

practical, coordinated and complementary actions, capable of overcoming the obstacles outlined.

## 1) Circumventing the National Curbs: Finding New Partners at Inter-regional or Transnational Levels

The Brazilian national government is not the only body for whom the partnerships can be addressed. Brazil is a federalized state, consisting of 26 states and a federal district, endowed with legal personality and formal capacity to establish agreements and elaborate laws within its territorial boundaries. Governors of the nine Amazon states – grouped in a subnational coalition titled “Interstate Consortium of the Legal Amazon” – publicized their regrets for the Brazilian government position, which had led to a freezing of the Amazon Fund, hoping to preside directly over the funds themselves. Due its weak performance since founded (2017) and the lack of close relations with the international authorities, the Consortium was not able to develop any projects at inter-regional level on forest conservations, as the Amazon Fund itself. Still, the “Consortiums” bring up a great potential to lead public policies, regardless of the federal government’s acts. In this regard, the EU can find alternative actors to cooperate other than the National State, drawing new projects apart from the Amazon Fund. For instance, the newly formed “Northeastern Interstate for Sustainable Development Consortium”, which comprises other nine States (including one covered by the Amazon forest) and a population of 55 million inhabitants – approximately ¼ of the entire Brazilian population – has formalized partnerships with Chinese companies in the technology and infrastructure fields.

However, subnational states are still under the national authority, with no autonomy to establish major regulations on the Amazon forest. Therefore, the rapprochement between the EU and multinational organizations, such as ACTO (Amazon Cooperation Treaty Organization), can strengthen the dialogue and lead to stricter compliance with joint commitments. The ACTO is the only socio-environmental block exclusively dedicated to the Amazon, composed by the eight South American

countries covered by the Amazon forest (excepting the French Guiana): Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru, Suriname and Venezuela. Addressing the partnerships through multilateral relations are more prone to ensure interregional governance, with stronger commitment on human rights and environmental issues. Multilateralism legitimizes actions by signaling broad support for the actor’s goals. It enhances that any sanction in case of non-compliance is not merely self-serving and particularistic, but is joined in some way to community interests that other states share. Special relationships must be created, deepening and consolidating the cooperation with traditional and new partners, although insufficient by themselves to curb adverse governmental policies.

## 2) Reconsidering Free Trade Agreements: Making Free Trade Contingent on Fulfillment of Sustainable Criteria

In the late June 2019, after 20 years of negotiation, the EU and MERCOSUR announced a free trade agreement. Through tariff cuts and removal of duties, European countries would have easier access to the South American market, especially in the export of automobile and pharmaceutical goods, and in return, MERCOSUR could enlarge its exports to the European market, mainly agricultural and livestock products. However, the agreement is still under the approval process by the Parliament of the member countries on both sides. Failure to comply with provisions related to environmental preservation and sustainable development can ultimately undermine the effectiveness of the Agreement and its entry into force.

Notably, this agreement presents benefits for both parties, and, at the South American side, especially for the agribusiness industry. At this crucial stage during which agricultural expansion into protected forest and conservation areas is fueled by business interests, the threat of blockade in the agreement with the European Union would be detrimental to exports. Three of the four

MERCOSUR countries (Brazil, Uruguay and Argentina, with Paraguay excluded) represent approximately 78% of all beef and veal imported by the European Union<sup>7</sup>. Blocking the definitive signature in the agreement implies, not only for the Brazilian agricultural industry, but also of other Mercosur countries, a backsliding in the prospects of expansion into the European market, hindering the competitive potential of Brazilian companies and, ultimately, being detrimental to the average citizens.

Still, global environmental safeguards may be achieved by expanding the EU free trade agreements with key countries by making it contingent on adherence to sustainable criteria. Establishing a wide network of trading partners with mutual benefits and responsibilities on environmental conservation might provide, even indirectly, certain influence on potential agreements between the counterparts and the countries covered by the Amazon rainforest. In this regard, the recent agreements between EU and Vietnam, New Zealand, Australia, Singapore, Mexico, Japan and Canada must play a significant role, whether some of these countries are up to deal with contingent degrading countries. In a case of further agreements between any of these counterparts, sustainable provisions should be included. Otherwise, either the previous agreement with EU will be affected by the negligence of the sustainable commitments, or a loss of competitiveness if sustainable practices are pursued unilaterally.

### 3) Boycott of Brazilian Ambitions to Get into International Organs: NATO and OECD

Aside from strengthening the agricultural production and commodities exports, the Brazilian economic agenda is based on massive privatizations and opening to the financial markets – through the process of the social security reform, for instance. The economic policies are led by Paulo Guedes, Minister of Economy, and the so-dubbed "Chicago Boys", in reference to the Chicago School of Economics – widely

known as the bastion of free markets and minimal government intervention. Besides, nine of the twenty-two Ministers belong to military forces, in addition to the own President and the vice chairman. The neoliberal policy oriented to private investments, coupled with the bulky military composition at the highest level of officials, has driven Brazil to pursue two goals in regards with international bodies: a permanent seat in the OECD (Organization for Economic Co-operation and Development) and the status of major non-NATO ally.

The status of major non-NATO ally was announced by Donald Trump in May 2019, but the association as a full member of the OECD is still under negotiations. A member seat in the OECD has been often deemed as a "quality seal", formally joining the country into the "first league" of the global economy, easing the business environment to investors and boosting the essential tax and labor reforms in the country.

Aside from the Brazilian application, the OECD Council is also considering membership requests by Argentina, Bulgaria, Croatia, Peru and Romania. However, new accessions require unanimity acceptance by the full members. The European Union, through the Commission, participates in the OECD works, but it does not have the right to vote nor takes official part in the adoption of standards submitted to the its Council. Even so, twenty-three of the 36 OECD full members belong to the EU, including France and Ireland, two countries that have publicized the intention to block the EU-MERCOSUR Free Trade Agreement, due the minimal effort of the Brazilian government on the environmental issues. In this regard, having the application threatened certainly represents exactly the opposite of what the Brazilian Government intends.

<sup>7</sup> Source: Eurostat – Comext. Last update: September 12, 2019. Available at:

[https://agridata.ec.europa.eu/extensions/DataPortal/agricultural\\_markets.html](https://agridata.ec.europa.eu/extensions/DataPortal/agricultural_markets.html) (Beef Dashboard).

#### 4) Strengthening the Supply Chain and Stimulating Sustainable Consumption

Internal regulations ensuring higher transparency in the supply chain can play a decisive role in fighting the environmental degradation and climate change. The consumption of food, feed non-biofuel and other agricultural originated goods are among the main drivers of environmental impacts, creating high pressure on forests in non-EU countries and accelerating deforestation. Populous countries such as India, China and USA increase the demand for agricultural commodities. The EU, as a bloc comprising the third biggest population in the world and the second largest commodities importer<sup>8</sup>, must make it easier for suppliers, manufacturers, retailers, consumers and public authorities to identify products from deforestation-free supply chains.

Existing regulatory actions in EU already tries to promote a higher transparency on the supply chains management, but these initiatives are still not focused on the fight against deforestation and forest degradation specifically. The Regulation (EU) No 1169/2011, for instance, provides information on food, which allows the consumers to distinguish the various vegetable oils contained in products, helping them to make an informed choice. The EU Ecolabel awards a “label of excellence” to products and services meeting high environmental standards, either in the extraction, production, distribution or disposal, pulling producer countries towards certification. Transparency on the output conditions encourages the consumption of products originated from sustainable means and reduced environmental impact.

However, sometimes extreme contexts require tougher approaches. The U.S Senate, for instance, expressed the intention to amend the Lacey Act – that

currently bans the import of illegally trafficked wildlife, plants and timber – to include prohibitions on beef and leather from areas illegally deforested. Similarly, the European Union must strengthen sanctions on imports from countries with predatory practices.

#### 5) Addressing Financial Resources to Local Communities and Increasing Support to Independent Entities Tackling Deforestation and Wildfires

Despite the importance of the Amazon and the concerns of several environmental organizations, leaders and civil society in general, actions of management, supervision and production is deeply dependent on the Brazilian government. Encouraging the expansion of independent entities can be a way to increase the European Union's presence supporting the environmental protection mechanisms, while simultaneously respecting national sovereignty. Currently, the amount of non-State entities focused on the Brazilian Amazon conservation is still quite meagre. Of the 103 projects financed by the Amazon Fund – managed by the State-owned bank BNDES (National Bank for Economic and Social development) – only 6 are directly related to the firefighting. Whereas environmental inspections are being progressively reduced by blockage on governmental budget, a larger number of independent entities might help monitoring, informing, reporting and working to higher transparency. Official data indicate that less than 1% of civil organizations and NGOs working in Brazil are strictly focused on animal protection and the environment<sup>9</sup>, and only 0.01% of civil society organizations based in the Amazon are exclusively focused on protection,

<sup>8</sup> According to the UN COMTRADE (United Nations International Trade Statistics Database), the EU-28 imports worth \$ 2.335,30 billion of all HS (Harmonized System) commodities trade with the World. It stands as the second largest commodities importer, after the USA only, who worth \$ 2.611,14 bn. Period covered: 2018. Source: <https://comtrade.un.org/labs/dit-trade->

[vis/?reporter=97&partner=0&type=C&commodity=TOTAL&year=2018&flow=2](https://comtrade.un.org/labs/dit-trade-)

<sup>9</sup> Source IBGE (Instituto Brasileiro de Geografia e Estatística). Available at: <https://www.ibge.gov.br/estatisticas/economicas/outras-estatisticas-economicas/9023-as-fundacoes-privadas-e-associacoes-sem-fins-lucrativos-no-brasil.html?=&t=destaques>

recovery and promotion of the sustainable use of terrestrial ecosystems and halting desertification<sup>10</sup>.

Furthermore, investments should not be directed solely for combatting and monitoring activities, but also on the production base itself, through local communities. Supporting an alternative to the model of industrial production, re-targeting part of the subsidies, incentives and development aid toward agro-ecological and small-scale solutions, may ensure higher compliance to human rights, social and environmental safeguards. In this sense, the expansion of programs such as "SWITCH To Green", which is currently applied by EU mostly in Africa and Asia, supporting eco-entrepreneurship projects for green business development, can represent an attractive solution for the communities focused on sustainable production.

## Concluding Remarks

Internal turmoil can change a country's performance in the international context. Sometimes such changes can affect the global order or specific issues, depending on the importance or influence that this country occupies geopolitically. Brazil, after more than 20 years under military dictatorship, has been undergoing a gradual process of democratic consolidation since 1989, the year of its first popular elections after the opening of the regime. However,

recent political crises have caused instability in the country, resulting in a large internal political polarization and an uncertain future.

The European Union is arguably the global power most devoted to the environmental conservation and combating climate change. However, isolated actions tend to prove ineffective in achieving these objectives, requiring a set of comprehensive joint practices, sufficiently coordinated to circumvent simultaneously the ideological, diplomatic and economic obstacles.

The majority of the Amazon rainforest belongs to the Brazilian people, and regardless of eventual malpractices from the government, they will not accept any deprivation of their sovereignty. Therefore, austerity is necessary, but also tactfulness. Approximation process can be stymied by radical maneuvers led by the European Union or other powers, strengthening the protective measures of the Brazilian Government through mutually beneficial agreements with coercive contingency measures in case of failure of compliance.

It is up to European leaders, at this crucial moment, to show leadership in the absence of other global leaders, regardless of whether this is fair or not. The planet's health, which, above all, is a world heritage, depends on it, as does humanity.



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<sup>10</sup> Source: INPE-Instituto de Pesquisa Econômica Aplicada.  
Available at: <https://mapaosc.ipea.gov.br/resultado-consulta.html>