

May 18<sup>th</sup>, 2021

Dear Ministers,

We cordially greet your Excellencies. We, the Brazilian Climate Observatory, are actively following with keen interest, the ongoing discussions around the EU Mercosur Association Agreement. To assure these negotiations are in line with the Green Deal proposed by Europe and the urgent action toward climate solutions, it is necessary to fulfill minimum environmental and human rights conditions. Thus, we would respectfully like to share our view on the trade deal negotiations, and specifically about the current Brazilian government.

Almost two years after the political signature of the agreement, it is no longer possible to believe that President Bolsonaro can improve his approach to the environment. Mr. Bolsonaro has consistently dismantled environmental governance, seriously compromising Brazil's ability to meet both its domestic and international climate commitments. Since June 2019, the Brazilian regime has stepped up its anti-environmental policy, rolling back enforcement, harassing civil servants, cutting environmental agencies' budgets, halting the collection of environmental fines. Now, more than halfway through Mr. Bolsonaro's term, Brazil still has no deforestation control policy. The result could not be different: since the political signature of the agreement, more than 17.000 km<sup>2</sup> of Amazon rainforest has been razed, according to the Brazilian deforestation alert system - DETER.

The last two years have been characterized by an increase in violence, forest fires, the expansion of irregular mining, the growth of public land grabbing and other illegal activities, especially invasions of indigenous lands and protected areas. The current Brazilian government has proposed to open up indigenous lands for commercial exploitation and legalize land grabbing. Also, the legislation that would mortally wound the environmental licensing system passed through the Congress earlier this month. The weakening of social and environmental rules in Brazil hampers compliance with legal requirements such as the due diligence proposed by the European Union to halt imports of products related to deforestation. These bills also violate the terms of the EU-Mercosur trade agreement itself, given that Parties agreed not to weaken environmental and labor laws. Recently, threats to indigenous rights have also increased, including intimidation attempts promoted by the federal government which has been started legal cases over indigenous leaders.



Another key issue that must be brought to your attention is Brazil's updated NDC, submitted to the UNFCCC last December. The revised NDC maintains the percentual targets of the 2015 pledge, but an update on the methodology changed the total emissions of the baseline year. Because the NDC did not have a proportional adjustment of the targets, the newly submitted commitment allows Brazil to emit between 200 and 400 million tons of CO<sub>2</sub> more in 2030 than previously agreed. This represents not only a setback in the country's NDC but also a clear violation of the Paris Agreement, and so, of the EU Mercosur agreement as well. Also, makes it clear what is the real concern of Mr. Bolsonaro with the climate emergency.

Brazil knows the recipe to tackle deforestation, as it proved when deforestation dropped down 83% between 2004-2012. It isn't technology, capacity or funding that's lacking to promote forest governance. Currently, the problem is political will. To ratify the EU-Mercosur agreement and intensify trade with Brazil now would make it clear that the environmental and human rights setbacks underway in the country will be gladly accepted by the international community. The only acceptable way to continue negotiations is after Brazil adopts policy change which results in decreasing deforestation, as well as the full respect for the rights of indigenous and traditional populations. Otherwise, Europe might not be able to call the recovery of its foreign trade "green".

Thank you very much for your attention,

Best Regards,

Marcio Astrini  
Executive Secretary - Brazilian Climate Observatory

***\* Born nineteen years ago, the Brazilian Climate Observatory (Observatório do Clima) is a network of 68 civil society organizations working on climate policy.***

