

About the European Union's Deforestation Regulation: Sustainability Policy or Economic Protectionism?

Filipe Prado Macedo da Silva

Como citar: SILVA, Filipe Prado Macedo da. About the European Union's Deforestation Regulation: Sustainability Policy or Economic Protectionism? *In:* MAGALHÃES, Diego Trindade d'Ávila; THOMAZ, Laís Forti; OLIVEIRA, Marcelo Fernandes de (org.). **European Union and Brazil: innovative and sustainable strategies for cooperation.** Marília: Oficina Universitária; São Paulo: Cultura Acadêmica, 2025. p. 55-66. DOI: <https://doi.org/10.36311/2025.978-65-5954-580-3.p55-66>



All the contents of this work, except where otherwise noted, is licensed under a Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 (CC BY-NC-ND 4.0).

Todo o conteúdo deste trabalho, exceto quando houver ressalva, é publicado sob a licença Creative Commons Atribuição-NãoComercial-SemDerivações 4.0 (CC BY-NC-ND 4.0).

Todo el contenido de esta obra, excepto donde se indique lo contrario, está bajo licencia de la licencia Creative Commons Reconocimiento-No comercial-Sin derivados 4.0 (CC BY-NC-ND 4.0).

About the European Union's Deforestation Regulation: Sustainability Policy or Economic Protectionism?

Filipe Prado Macedo da Silva

Abstract: This chapter reflects on the European Union's Deforestation Regulation (EUDR - 2023/1115). Scheduled to come into force at the end of 2024, but recently postponed to December 2025, its objective is to ensure that seven agricultural products and their derivatives – beef, cocoa, coffee, palm oil, rubber, soybeans and timber – imported, processed and consumed by the European Union (EU) shall not contribute to deforestation and forest degradation worldwide. In practice, the EUDR will monitor the “most critical” agricultural products, originating from third countries with a “high risk” of deforestation and forest degradation, such as Brazil. Thus, this regulation is part of the new green paradigm of the EU's sustainable strategies, institutionalized in the European Green Deal. The problem is that the EUDR raises ambiguities about its role in protecting the international environment versus its role in geopolitical disputes involving economic protectionism. Using official documents from the EU and environmental studies from multilateral organizations and Brazilian entities, in addition to speeches by European authorities, this chapter demonstrates that the EUDR is in fact more focused on environmental and sustainability concerns than on protectionism. Therefore, in the case of Brazil, it may help transform the international relations agenda and improve national tools to monitor and protect the country's forests.

Keywords: European green deal; deforestation; forest degradation; European Union; forests.

INTRODUCTION - AN IMMINENT CLIMATE EMERGENCY

A large part of environmental legislation drafted in the 21st century points to the same problem: greenhouse gas emissions are producing an

<https://doi.org/10.36311/2025.978-65-5954-580-3.p55-66>

unprecedented international climate emergency. According to a report by the World Meteorological Organization (WMO), greenhouse gas concentrations in the atmosphere reached a new record in 2023 (WMO, 2024b). The consequence of this persistent accumulation of greenhouse gases in the atmosphere is rising temperatures now and, inevitably, in the future. Forecasts presented at COP29 have indicated that 2024 is on track to be – the data have yet to be consolidated – the hottest year on record, temporarily exceeding the 1.5°C limit of the Paris Climate Agreement (UNEP, 2024; WMO, 2024a, 2024b).

In this context of increasing average temperatures since 1980, a recent report by the Institute for Economics & Peace (IEP) revealed a tenfold increase in the frequency of natural disasters since the 1960s, rising from 39 global incidents in 1960 to 396 in 2019 (IEP, 2020; WMO, 2024a). Furthermore, the same IEP report (2020) noted an increase in the intensity of natural disasters between 1990 and 2019. During this period, 9,924 incidents were recorded worldwide, meaning that over the course of 29 years, an extreme weather event occurred every 25 hours. Around 71% of the climate emergencies between 1990 and 2019 were caused by floods and severe storms. According to the IEP (2020), such extreme climate threats expose around 80% of the world's population (in 141 countries) to economic and human losses.

In light of such a climate emergency, it is worth asking which economic sectors are responsible for global greenhouse gas emissions. Updated data from the United Nations Environment Programme (UNEP) show that four sectors are responsible for more than 60% of contamination, namely: the energy production sector (26%); transport (15%); industry (11%); and agriculture (11%) (UNEP, 2024). The first three sectors – energy, transport and industry – generate atmospheric contamination through the burning of fossil fuels. The agricultural sector, on the other hand, contributes to greenhouse gas emissions through deforestation and forest degradation, given that the burning of forest to submit areas to agricultural use intensifies the increase in atmospheric contamination.

This chapter will focus on deforestation and forest degradation. It is important to remember that forests are natural carbon reservoirs and

that, therefore, deforestation and degradation release the carbon stored in forest biomass into the atmosphere in the form of CO₂. According to the Food and Agriculture Organization (FAO), the world loses around 10 million hectares of forest per year. Between 1990 and 2020, around 420 million hectares were deforested and degraded worldwide (FAO, 2021). This corresponds to 10% of the remaining forests in the world – an area equivalent to more than 100% of the EU's territorial extent and around 50% of Brazil's territory (FAO, 2021; Silva, 2024a).

Another serious problem resulting from deforestation and forest degradation is the loss of biodiversity, especially in so-called “primary” or “pristine” forests, that is, those that have never been deforested and have developed through natural processes, including natural regeneration. Therefore, primary forests are unique, heterogeneous and irreplaceable, housing around 80% of the Earth's biodiversity. In this case, Brazil is one of the three countries – along with Canada and Russia – that are home to the largest area of primary forests in the world (FAO, 2021). In the Brazilian case, the Amazon rainforest represents the largest primary forest area in the world (FAO, 2021; Silva, 2024b). Planted forests, on the other hand, have a different development in terms of biodiversity and have ecosystems different from primary forests. It is in this context of imminent climate emergency that the EU has stepped up its environmental concerns, implementing a new sustainability paradigm: the ambitious European Green Deal. Launched in December 2019, the European Green Deal aims to make Europe the first climate-neutral continent by 2050. As such, it acts as an institutional umbrella for the EU's various green public policy strategies and regulations. This includes the new EU Regulation 2023/1115 on “Products Not Associated with Deforestation” (EUDR). Thus, the EU does not hide its interest in being a protagonist in the preservation of forests worldwide and in being the “normative” leader in the international system for promoting the global ecological transition.

In the next section, we consider the purpose and functioning of the EUDR. We will assess whether it is likely to function as a new sustainability policy or as a tool for economic protectionism. Finally, we will suggest

some sustainable strategies that may improve Brazil's relations with the EU, while benefiting the economy and the environment on both sides.

THE EUROPEAN GREEN DEAL: EU REGULATION 2023/1115

Several green policy strategies and regulations have already been approved, and others are in the legislative debate stage in the European Parliament, all of which can change the EU's environmental regulations in the coming years. These include EU Regulation 2023/1115 on "Products Not Associated" with Deforestation (EUDR), approved by the European Parliament in April 2023. It was initially expected to come into force at the end of 2024, but the European Parliament recently approved an extension to December 2025. This extension was due to requests from several global partners, including Brazil under the Lula government (Brazil, 2024). Additionally, some EU member states expressed concerns about their preparedness to comply with the new environmental legislation (European Union, 2024).

Although the EUDR is more recent, the first EU document with the intention of protecting forests worldwide dates back to 2019. A document titled "Stepping up EU action to protect forests worldwide" by the European Commission initiated the debate and formulation of the environmental regulation in all EU governance bodies, in addition to including European civil society in the discussions. In November 2021 the European Parliament published the first legislative proposal. The following year, in 2022, the proposal gained traction in the European legislature, being promptly approved by all legislative committees it passed through. It was at this point that environmentalists began to praise the European initiative, whereas international agribusinesses pointed to it as a protectionist attack.

In this scenario, how will the EUDR work? First, it is worth noting that its objective is to ensure that agricultural products imported and consumed by EU citizens do not contribute to deforestation and forest

degradation worldwide, thereby reducing greenhouse gas emissions and biodiversity loss (European Union, 2023). In practice, European operators and traders will have to carry out due diligence in traceability and geolocation, assessing the risk levels of their suppliers before placing fresh agricultural products on the EU market or exporting processed (agro-industrial) products. All 27 EU member states are to have authorities designated to monitor products entering (fresh) and leaving (processed) the EU.

However, will the EU monitor all products originating from agribusiness? According to the European Union (2023), in Annex I, only the “most critical” agricultural products shall be monitored, that is, those that are responsible for the largest share of deforestation and forest degradation driven by EU consumption. This decision was underpinned by a scientific study, which concluded that in particular seven products and their derivatives needed to be monitored in terms of production and consumption, being beef, cocoa, coffee, palm oil, rubber, soy and timber (see Table 1). It is important to highlight that the monitoring of these seven products and their derivatives includes those produced and processed within the EU, such as Irish cattle and Finnish timber.

Table 1 – Estimated Impact of EU Production and Consumption on Global Deforestation and Forest Degradation, for Selected Products, 2019-2030

Agricultural Products and their Derivatives	Participation of Annual Impact (%)	Estimative of Annual Impact (hectares)
Beef	5,0	12.400
Cocoa	7,5	18.600
Coffee	7,0	17.360
Palm oil	34,0	84.320
Rubber	3,4	8.432
Soy	32,8	81.344
Timber	8,6	21.328

Source: Pendrill, Persson, Godar and Kastner (2019); European Union (2023).

The EU's production and consumption of these seven agricultural products translates into an annual forest impact of 248,000 hectares between 2019 and 2030 (European Union, 2023). In the same sense, data from the World Wide Fund for Nature (WWF) indicate that EU imports are responsible for 16% of global deforestation (Deutsche Welle, 2024). Table 1 shows the high impact on deforestation and forest degradation of the production and consumption of, for example, palm oil (34%) and soy (33%). Meanwhile, the lowest environmental impact is that of rubber and its derivatives (3%). It is in fact based on these data that the EU will regulate the intensity of inspections per product and producing country. Most third countries will be classified as low risk or “no risk”, meaning that they will be subject to little inspection.

Regarding the intensity of inspections in high-risk cases, the level of inspections and audits will reach up to 9% of European operators/traders who purchase selected agricultural products from countries at high risk of deforestation and forest degradation. It is important to highlight that the attention of EU authorities will focus on five high-risk countries – Brazil, Argentina, Paraguay (in South America), Indonesia (in Asia) and Congo (in Africa) – i.e. the countries responsible for more than half of the deforestation attributed to agricultural and pastoral expansion worldwide. Moreover, in the Brazilian case there is an additional risk related to products produced or extracted from indigenous lands (Silva, 2024a, 2024b).

With reference to sanctions for European operators/traders in cases of violations, EU member states can apply different penalties, such as fines, confiscation of products and revenues obtained from irregular sales, and even the temporary prohibition of economic activities in EU territory. It is important to remember that the EUDR established a deadline for products not to be associated with deforestation: December 31, 2020. From that date onwards, forests cannot be cleared or degraded, especially for the production of the aforementioned seven critical agricultural products. This includes deforestation and natural degradation unrelated to human activities. Such areas should not be used for agricultural production, and steps are to be taken to restore and manage them sustainably.

SUSTAINABILITY POLICY OR ECONOMIC PROTECTIONISM?

Faced with the imminent international climate emergency, we can rest assured that the EUDR has a strong environmental focus, representing a new sustainability policy aligned with the most diverse scientific studies and ecological data about the impact of agricultural production on the world's forests. In this context, the EU has been praised for its unprecedented initiative in combating deforestation and forest degradation by environmentalists and international non-governmental organizations, including in Brazil. However, the appraisal came with critical observations that the regulations should reach beyond the Amazon, covering Brazilian ecosystems like the Cerrado, the Caatinga, the Pantanal and the Pampa (Deutsche Welle, 2024; Silva, 2024a).

In general, the harshest criticism of the EUDR originated from the productive sectors and governments of the producing countries. In practice, what is at stake are the extra costs of traceability and geolocation of selected agricultural products, in addition to the limits indirectly imposed on agricultural expansion into new lands (for example, those previously covered by forests). Furthermore, they have claimed that the EUDR violates free trade agreements and create new non-tariff barriers to agricultural products from third countries, thus confirming its protectionist bias. In Brazil, rural associations, cooperatives and producers have said that the EU's environmental regulations will result in an average annual loss of US\$ 15 billion in agricultural exports (Faverin, 2024).

However, the following four points affirm that the EUDR does not have a protectionist bias and will not block agricultural produce from third countries:

1. The argument that the EU will exceed its legal territorial limits and impose its new environmental legislation on other territories is mistaken (Silva, 2024a). In reality, the EU is legislating – with environmental improvements – what enters the borders of its 27 member countries (article 1) (European Union, 2023). This already occurs with products that are illegal or prohibited as

per European legislation. Furthermore, the EU's strictness in agricultural imports has been known since the 1990s mad cow disease. This means that the Brazilian cattle market, for instance, already has expertise in the traceability of exported herds and is able to adopt more sustainable practices;

2. The criticism that the EUDR violates the environmental laws of third countries – in the Brazilian case, the Forest Code – is incorrect, since Article 3 of the EUDR states that agricultural products inspected by the EU must have “been produced in accordance with the applicable legislation of the country of production” (European Union, 2023). In Brazil, the problem is that much of the deforestation in the Amazon, for example, is illegal (above the 20% threshold set by the Forest Code) and for the purpose of clearing pasture (90% for cattle). A similar example is soy farming, which has been systematically advancing towards the fringes of the Amazon rainforest in southern Pará. Hence, it is products that already violate the environmental law of the producing country which will be prevented from entering the EU consumer market;
3. It is incorrect to state that the new EU regulation will hinder or harm small agricultural producers. This is especially true because, in general, small farmers do not export directly to Europe, especially those of the seven mentioned products subject to scrutiny. For example, in the case of Brazilian coffee, small and medium-sized coffee growers are organized in cooperatives, such as Cooxupé (from Minas Gerais), to carry out international commercial operations. In this situation, the cooperatives have the technical and financial conditions to prepare the path for their members. Meanwhile, European micro-, small and medium-sized (SME) traders who sell the inspected products will have a longer preparation period (Article 38), as well as simplified due diligence and verifications (Article 19);
4. Finally, according to economic literature, protectionism occurs when a country, in order to protect its national production,

creates barriers for foreign imports or blocks them altogether (Krugman; Obstfeld; Melitz, 2015). This is not the case with the EU's environmental regulations, because with the exception of cattle and timber, all other agricultural products subject to inspection are not commercially produced by European agribusiness.

CONCLUSION: SUSTAINABLE STRATEGIES

The EUDR appears to be an appropriate and necessary measure in current times. Third countries and producers like Brazil can take advantage of European legislation to push for changes in the international relations agenda (external strategy), and to improve internal command and control tools regarding forest management and sustainability (internal strategy). The fact is that forest destruction, at the current rate, is harmful to both exporting countries (e.g. Brazil, Indonesia and Ivory Coast) and importers (the 27 EU member states) of the seven agricultural products covered by the EUDR. Against this background, the short-term costs of a new sustainability policy are always lower than the long-term costs of an unprecedented climate emergency.

As for Brazilian foreign policy, a diplomatic strategy could be to negotiate with the EU a financial counterpart to compensate for any possible barriers to agricultural products associated with deforestation and forest degradation. For example, the EU could return the value of barred products by investing an equivalent sum in the protection of Brazilian forests. This may be done through donations to the Amazon Fund, for example. In addition, the Brazilian government and rural producers should invest more in international missions to raise awareness and ensure that goods produced legally are not confused with illegal produce. On the national scale, improvements in public agricultural funding should favor producers who 1) adopt more sustainable practices in accordance with the Forest Code; 2) recover degraded lands, reducing the pressure on new

agricultural frontiers; and 3) incorporate new agroecological technologies like tracking mechanisms.

REFERENCES

BRASIL. Ministério do Desenvolvimento, Indústria, Comércio e Serviços. *Proposta de adiar lei antidesmatamento reconhece pleito do governo por maior clareza na lei*. Brasília, DF: MDIC, 2024. Disponível em: <https://www.gov.br/mdic/pt-br/assuntos/noticias/2024/outubro/proposta-de-adiamento-da-eudr-reconhece-pleito-do-governo-por-maior-clareza-na-lei>. Acesso em: 10 jan. 2025.

DEUTSCHE WELLE. *Comissão Europeia propõe adiamento de lei antidesmatamento*. Berlim: DW.COM, 2024. Disponível em: <https://p.dw.com/p/4lLxI>. Acesso em: 11 jan. 2025.

FAVERIN, V. Lei europeia pode impactar 60% das exportações do agro brasileiro ao bloco, diz FGV. *Canal Rural*, São Paulo, 25 set. 2024. Disponível em: <https://www.canalrural.com.br/agricultura/agronegocio/lei-europeia-pode-impactar-60-das-exportacoes-do-agro-brasileiro-ao-bloco-diz-fgv/>. Acesso em: 11 jan. 2025.

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS (FAO). *Evaluación de los recursos forestales mundiales 2020* – Informe principal. Roma: FAO, 2021. Disponível em: <https://openknowledge.fao.org/handle/20.500.14283/ca9825es>. Acesso em: 6 jan. 2025.

INSTITUTE FOR ECONOMICS & PEACE (IEP). *Ecological Threat Register 2020: Understanding Ecological Threats, Resilience and Peace*. Sydney: IEP, 2020. Disponível em: <http://visionofhumanity.org/reports>. Acesso em: 6 jan. 2025.

KRUGMAN, P. R.; OBSTFELD, M.; MELITZ, M. *Economia internacional*. 10. ed. São Paulo: Pearson Education do Brasil, 2015.

MANNERS, I. Normative Power Europe: A Contradiction in Terms? *JCMS: Journal of Common Market Studies*, v. 40, n. 2, p. 235-258, Dec. 2002. Disponível em: <https://doi.org/10.1111/1468-5965.00353>. Acesso em: 10 jan. 2025.

PENDRILL, F.; PERSSON, U. M.; GODAR, J.; KASTNER, T. Deforestation displaced: trade in forest-risk commodities and the prospects for a global forest transition. *Environmental Research Letters*, Bristol, v. 14, n. 5, May 2019. Disponível em: <https://doi.org/10.1088/1748-9326/ab0d41>. Acesso em: 11 jan. 2025.

SILVA, F. P. M. da. *Sobre el Reglamento Europeo de Deforestación: ¿protección del medioambiente o proteccionismo económico encubierto?* Madrid: Plataforma Tierra Cajamar: Actualidad, 2024a. Disponível em: [https://www.plataformatierra.es/actualidad/reglamento-europeo-deforestacion-proteccion-medioambiente-proteccionismo-economi co-encubierto](https://www.plataformatierra.es/actualidad/reglamento-europeo-deforestacion-proteccion-medioambiente-proteccionismo-economi-co-encubierto). Acesso em: 8 jan. 2025.

SILVA, F. P. M. da. *Como a lei de desmatamento europeia pode ajudar à Amazônia*. The Observatory on European Studies. Florianópolis: Latin American Center of European Studies, 2024b. Disponível em: <https://eurolatinstu.dies.com/en/como-a-lei-de-desmatamento-europeia-pode-ajudar-a-amazonia/>. Acesso em: 8 jan. 2025.

UNIÃO EUROPEIA. Comissão Europeia. A intensificação da ação da UE para proteger as florestas a nível mundial. COM/2019/352 final: Bruxelas: Jornal Oficial da União Europeia, 2019. Disponível em: <https://eur-lex.europa.eu/legal-content/PT/TXT/PDF/?uri=CELEX:52019DC0352>. Acesso em: 8 jan. 2025.

UNIÃO EUROPEIA. Comissão Europeia. Regulation of the European Parliament and of the Council, on making available on the Union market as well as export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) 995/2010. COM/2021/706 final: Brussels: The Official Journal of the European Union, 2021. Disponível em: [https://www.europarl.europa.eu/RegData/docs_autres_institutions/com_mission_europeenne/com/2021/0706/COM_COM\(2021\)0706_EN.pdf](https://www.europarl.europa.eu/RegData/docs_autres_institutions/com_mission_europeenne/com/2021/0706/COM_COM(2021)0706_EN.pdf). Acesso em: 10 jan. 2025.

UNIÃO EUROPEIA. Regulamento (UE) 2023/1115 do Parlamento Europeu e Conselho da União Europeia, de 31 de maio de 2023. *Jornal Oficial da União Europeia*, Luxemburgo, JO L 150 de 9.6.2023, p. 206-247. Disponível em: <https://eur-lex.europa.eu/legal-content/PT/TXT/?uri=CELEX:32023R1115>. Acesso em: 3 jan. 2025.

UNIÃO EUROPEIA. Comissão Europeia. *A Comissão reforça o seu apoio à aplicação do Regulamento Desflorestação da UE, em resposta aos apelos dos parceiros mundiais, propondo uma prorrogação, por mais 12 meses, do período de introdução progressiva.* Comunicado de Imprensa. Bruxelas, 2024. Disponível em: https://ec.europa.eu/commission/presscorner/detail/pt/ip_24_5009. Acesso em: 10 jan. 2025.

UNITED NATIONS ENVIRONMENT PROGRAMME (UNEP). *Emissions Gap Report 2024: No more hot air ... please! With a massive gap between rhetoric and reality, countries draft new climate commitments.* Nairobi: UNEP, 2024. Disponível em: <https://doi.org/10.59117/20.500.11822/46404>. Acesso em: 6 jan. 2025.

WORLD METEOROLOGICAL ORGANIZATION (WMO). *State of the Climate 2024: Update for COP29*, Geneva: WMO, 2024a. Disponível em: <https://library.wmo.int/idurl/4/69075>. Acesso em: 6 jan. 2025.

WORLD METEOROLOGICAL ORGANIZATION (WMO). *WMO Greenhouse Gas Bulletin: The State of Greenhouse Gases in the Atmosphere Based on Global Observations through 202*. Geneva: WMO, 2024b. Disponível em: <https://library.wmo.int/idurl/4/69057>. Acesso em: 3 jan. 2025.