

Local Impact Global Value

COP 30 as a Catalyst for Partnership:

Advancing Europe's Cooperation with Brazil to
Curb Land Conversion, Protect Crucial Habitats,
and Maximise Opportunities for Lasting
Sustainable Engagement



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Introduction

As the host of the 30th Conference of Parties (COP 30) in Belém, Brazil plays a pivotal role in addressing the global climate challenge. Home to the Amazon—the world’s largest tropical forest—and the Cerrado—the most biodiverse savanna—Brazil has significant potential for carbon sequestration through natural climate solutions. At the same time, it is one of the world’s leading agricultural producers, world’s largest exporter of beef and soy commodities, striving to meet rising global food demand. However, this expansion comes at a cost, as agricultural pressures drive deforestation and ecosystem conversion, threatening these critical landscapes.

To balance food production with environmental protection, Brazil must continue its transition to sustainable land-use practices—building on impressive recent progress. Between August 2023 and July 2024, deforestation in the Amazon dropped by 30.6%, reaching its lowest level in nine years, while the Cerrado biome saw a 25.7% reduction in the same period. Yet, achieving global climate and deforestation targets demands not only sustaining but accelerating these efforts to protect vital ecosystems and safeguard food security. This transition is no longer optional nor local—it is an urgent global priority.

In Europe, deforestation-free supply chains have long been central to its sustainability agenda, reflected in initiatives such as the Amsterdam Declaration Partnerships, the Forest & Climate Leaders’ Partnership (FCLP), and regulatory measures like the EU Deforestation Regulation (EUDR). Meanwhile, Brazil remains a top source of European deforestation risk exposure, particularly in the soy and beef sectors.

With eyes of the world on Belém later this year, COP 30 therefore presents a unique opportunity to enhance cooperation between Brazil and Europe on this critical challenge. It can act as a foundation of fruitful collaboration that can not only address the pressing need to end deforestation and conversion of some of the world’s vital ecosystems but strengthen geopolitical and trade ties between the two at a time of global uncertainty. A local impact can truly have global value.

The following paper will examine how European governments can engage with Brazil across three key areas of cooperation to accelerate this much needed transition and the strategic benefits this carries.

Addressing Deforestation at its Core

Shifting Agricultural Production to Degraded Lands

Global Significance

80%

of deforestation is caused by agriculture

22%

global emissions linked to forestry, land & agriculture sectors

74%

Brazil's carbon emissions came from deforestation, conversion & agriculture in 2024

Transforming Brazil's agricultural sector into a more sustainable model is crucial to reducing pressure on high-risk ecosystems like the Amazon and Cerrado. Sustainable land-use strategies focus on increasing agricultural efficiency, meeting domestic and global demand without the need for further natural ecosystem conversion. The greatest opportunity lies in restoring millions of hectares of degraded pastureland for productive use, alongside other measures such as sustainable intensification and integrated pastureland systems.

However, economic constraints remain a key barrier. For many producers, land conversion is a more financially viable expansion method than sustainable alternatives, which often require significant investment. To drive large-scale adoption of sustainable practices, incentives and business models that support profitability are essential. This challenge also presents an opportunity, as Brazil's agricultural transformation represents one of the world's largest green investment prospects.

Conversion in Brazil

949k

hectares deforestation & conversion from beef production in 2020

794k

hectares of deforestation & conversion linked to soy production in the Cerrado in 2022

16%

EU27 total global deforestation exposure linked to soy

#1

Brazilian beef ranked first for UK's global deforestation exposure risk

In recent years, the Brazilian government has introduced groundbreaking policies to enable this transition. The **National Programme for the Conversion of Degraded Pastures (PNCPPD)** aims to restore nearly 40 million hectares over a decade, enough to meet rising global food demand and sustain Brazil's export capacity. Additionally, non-government initiatives like **Catalytic Capital for the Agricultural Transition in Brazil (CCAT)** aims to mobilise catalytic finance to de-risk investments and leverage further capital to scale sustainable land use.

European support in this process could play a decisive role in ensuring the success of these initiatives, as it would send a powerful signal to the industry in Brazil and abroad. Focusing on degraded pastureland provides a cost-effective way for Europe to address its deforestation exposure and meet environmental targets while also advancing key European strategic objectives.

Source: [Trase calculates soy deforestation and conversion over a five-year period](#) to account for the time it takes to prepare the land for production.

Options for European Cooperation with Brazil on Sustainable Land Use

Financial Support & Catalytic Investment

Provide direct funding, concessional loans, or blended finance to support Brazil's National Program for the Conversion of Degraded Pastures (PNCPPD) and/or sustainable agriculture transition funds (e.g., CCAT). These investments de-risk private capital, encouraging large-scale financing for deforestation-free soy and beef production.

Technical Assistance & Knowledge Sharing Platform

Offer targeted technical cooperation in soil regeneration, pasture restoration, agroecology, and climate-resilient agriculture. This can be facilitated through a knowledge sharing platform that can incorporate training programs, R&D partnerships and technology transfer, including data systems tools.

Political & Diplomatic Engagement at COP 30

Use COP 30 in Belém as a platform to formally endorse and announce EU support for initiatives like PNCPPD, demonstrating leadership and partnership with Brazil on climate and deforestation goals. A bilateral or multilateral declaration of support would send a clear signal to global markets, boosting confidence in Brazil's agricultural transition.

Take steps to mobilise European private sector

High level political commitment at COP 30 or in bilateral frameworks (like MoUs or EU's Global Gateway) can serve as a strong market signal, encouraging European corporates and financial institutions to invest in Brazilian agricultural transition. European governments can encourage corporate actors to redirect finance that would help de-couple their supply chains from deforestation. Existing mechanisms like EU's taxonomy regulation could be updated to facilitate this outcome.

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Strategic Benefits for Europe

Accelerates Large-Scale Restoration Sustainable Agriculture

Supports Brazil's goal to restore 40 million hectares of degraded pastureland, reducing pressure on native forests and promoting deforestation-free production.

Reduces Europe's Deforestation Footprint

Directly addresses the European soy and beef consumption impact, helping fulfill its international deforestation initiatives and regulatory measures.

Enhances Food Security & Sustainable Supply Chains

Improves agricultural productivity while ensuring long-term resilient food systems for both Brazil and Europe.

Leverages Private Investment

Catalytic capital can unlock large-scale private finance (1:4 leverage potential), reducing reliance on public funding while driving sustainable growth.

Strengthens Bilateral Ties Between Brazil & Europe

Positions European countries as a key partner in Brazil's sustainability transition, reinforcing diplomatic and trade ties.

Boosts Innovation & Knowledge Transfer

Facilitates technology exchange, technical cooperation, and R&D on sustainable land-use practices, benefiting producers and supply chains.

LAND RESTORATION & ECOSYSTEM PROTECTION IN PRACTICE

The IFACC Initiative

Launched at COP26 in 2021, the Innovative Finance for the Amazon, Cerrado, and Chaco (IFACC) initiative—co-led by TNC, the Tropical Forest Alliance, and the United Nations Environment Programme—has made significant strides in promoting sustainable, deforestation-free agriculture in Brazil by mobilizing private finance.

In just three years, IFACC has facilitated:

135k

Conversion of 135,000 hectares of already cleared pasture into soy production - an area equivalent to Greater London

200k

Sustainable intensification of nearly 200,000 hectares for beef and soy production

156k

Protection of 155,831 hectares of natural ecosystems under legal compliance, plus 27,164 hectares beyond legal requirements

While finance for the transition is beginning to flow to generate this impact, there is a critical need for "catalytic capital" to accelerate investment - capital that can take subordinated risk with below market risk-return requirements. IFACC, WWF and BCG estimate a need of \$2 billion in "catalytic capital" by 2030 to leverage a total of \$10 billion of investment to advance the much-needed agricultural transition in Brazil.

Source: [IFACC Market Report 2024](#)



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Towards Transparency in Supply Chains

Traceability in Key Value Chains

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Cattle and soy traceability in Brazil is essential for combatting deforestation, ensuring market access, supporting smallholders, increasing transparency, and attracting sustainable investment. With cattle ranching and soy farming as primary drivers of Amazon deforestation, robust traceability systems can prevent illegal land clearing and reduce carbon emissions. For a major agricultural producer like Brazil, robust traceability programs are essential to eliminate deforestation and conversion from its domestic and international bound production.

A good example of the progress already made in Brazil is the Pará Cattle Integrity and Development Programme. Launched at COP28, the State Government of Pará, this groundbreaking initiative aims to track all cattle from 295,000 farms, ensuring conversion-free ranching through enhanced traceability. Given that Pará has historically been Brazil's largest deforestation frontier—accounting for 40% of Amazon deforestation since 2001—this program is pivotal in addressing deforestation-driven carbon emissions and securing sustainable agricultural investment. However, the programme's effectiveness hinges on technical support and financial investment, particularly for smallholders who require resources such as training, equipment, and ear tags to comply with traceability requirements.

The success of this initiative will have far reaching implications on the rest of the country, further encouraging broader transparency measures across crucial agricultural commodity exports. With traceability being the central component of the EUDR and the upcoming UK Forest Risk Commodities (UKFRC) legislation, transparency in Brazilian supply chains can ensure the effectiveness of these regulations. Cooperation between Brazil and Europe in this space would not only help with regulatory compliance but bring additional strategic benefits, enhancing food safety and sanitary standards, secure stable supply of sustainable commodities, and reduce environmental risk.

Options for European Cooperation with Brazil on Traceability Initiatives

Technical and Financial Assistance

Support initiatives like the Pará Cattle Integrity and Development Programme by funding training programs for traceability operators, strengthening technical capacity, and allocating targeted financial aid to help small producers afford technicians, equipment, and compliance measures.

Leverage Existing European Initiatives

For example, the EU can utilise existing #TeamEurope initiative on deforestation by incorporating the Para cattle program into its technical facility project, or expanding the SAFE project to support existing or emerging traceability programmes.

Regulatory Engagement

Establish a Bilateral Working Group to create a regular engagement channel between the EU and Brazilian authorities, involving cattle associations, smallholders, and other stakeholders, focusing on alignment with European deforestation-free regulatory requirements.

Facilitate Market Access

Establish dialogue between European and Brazilian authorities to assess and improve sanitary standards, enabling beef exports from Pará to Europe, thus incentivising Brazilian state authorities to accelerate implementation of traceability programs.

Investment & Private Sector Mobilization

Encourage Private Investment by Deploy catalytic capital or using existing domestic programmes to attract private sector funding for sustainable agriculture and traceability infrastructure.

Strategic Benefits for Europe

Regulatory Compliance & Market Stability

Ensures compliance with European deforestation-free value chain initiatives while reducing the risk of supply chain disruptions due to non-compliance penalties, ensuring stable agricultural imports while strengthening due-diligence mechanisms for European businesses sourcing from Brazil.

Empowering Smallholders & Strengthening Rural Economies

Supports European objectives to support smallholders and small-scale farmers, increasing the likelihood of access to global markets and preventing exclusion due to high compliance costs.

Supports Climate Resilience

Supports essential tools in curbing illegal deforestation and carbon emissions linked to commodity production and encourages sustainable land use practices, preventing ecosystem degradation and loss of biodiversity.

Promotes better Food Safety & Sanitary Standards

Can help support higher food safety and sanitary compliance through better tracking of beef and soy production.

Economic & Trade Advantages

Contributes to stable, deforestation-free supply of key commodities (soy, beef) for European markets whilst strengthening trade relations with Brazil.

Private Sector & Investment Opportunities

Opens new avenues for European investors in sustainable agriculture, traceability infrastructure, and rural development, encouraging public-private partnerships that promotes responsible agricultural investment while supporting smallholders.

Supporting Compliance with the Brazilian Forest Code

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Ensuring compliance with the Brazilian Forest Code is critical for achieving sustainable land use and deforestation-free supply chains. It serves as the country's primary legal framework for environmental governance, establishing mechanisms to regulate land use, preserve native vegetation, and promote responsible agricultural practices.

While a significant portion of Brazil's soy production is deforestation-free, approximately 16% of production in the Amazon and Cerrado remains non-compliant with the Forest Code. In 2020 alone, Trase estimates indicate that 7.7 million tonnes of soy destined for the EU market did not meet Forest Code requirements.

This poses significant challenges for European deforestation-free supply chain regulatory efforts. For the EU, lack of alignment with national legal requirements in Brazil raises the risk of unauthorized land clearing or insufficient native vegetation retention, which would impact EUDR's compliance requirements under Article 3 of the regulation which mandates both deforestation-free and legally complaint sourcing. Meanwhile, the upcoming UKFRC legislation which is likely to focus specifically on illegal deforestation in producer countries makes compliance with the Brazilian Forest Code particularly relevant for UK-bound soy exports, as non-compliant production could be excluded from UK markets under the new framework.

Options for European Cooperation with Brazil on Traceability Initiatives

Technical Assistance Agreement to Enhance Regulatory Implementation & Enforcement

Support for the development and operationalization of national systems to enforce Forest Code provisions, increasing participation in the Rural Environmental Registry (CAR), and improving the use of environmental compliance tools. Strategies to increase traceability amongst farmers and promotion of compliance with the Forest Code will be crucial to increasing transparency and mitigate the exclusion of non-compliant farmers.

Incentivizing Voluntary Conservation Initiatives

Establish mechanisms that reward farmers for compliance with the Forest Code, including financial incentives for those preserving surplus legal reserves beyond their mandatory conservation requirements. One such initiative, Conserv, targets 7 million hectares of forests in Mato Grosso—an important source of European soy imports—offering payments to farmers through short-to medium-term contracts to maintain native vegetation. TNC also supports the Responsible Commodities Facility, which offers subsidised credit to soy farmers in the Cerrado willing to sign zero deforestation agreements. Expanding such programs with catalytic financing could unlock further private sector investment. A catalytic finance model could leverage private investment at ratios of 4:1 or 6:1, ensuring that public funds are effectively multiplied to support large-scale implementation.



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Strategic Benefits for Europe

Streamlined Regulatory Implementation & Compliance

By supporting Brazil's Forest Code enforcement, European countries can facilitate smoother implementation of respective regulatory requirements such as EUDR or FRC. This ensures that Brazilian soy and other commodities entering the EU market meet the necessary deforestation-free and legally compliant criteria, reducing administrative and verification burdens on competent authorities.

Fulfilling Environmental Objectives

Can directly target European deforestation exposure areas, particularly relating soy production, and promote 'Forest-Positive' Practices, with emphasis on forest and native vegetation conservation, essential in sequestering carbon and fulfilling its international obligations.

Strengthen Tied with Brazil

Supporting Brazil's environmental efforts strengthens the political and diplomatic ties between Europe and Brazil signalling commitment to work constructively on shared environmental priorities.

Leveraging Catalytic Capital

By backing initiatives such as voluntary conservation programs and compliance incentives, European countries can unlock significant private investment in Brazil's agricultural and environmental sectors. This creates new avenues for European investors in sustainable land-use, traceability systems, and conservation programs.

TNC believes that the upcoming COP 30 milestone presents Brazil and European countries with a unique opportunity to turn shared climate goals into concrete action. By deepening cooperation on sustainable land-use, advancing traceability in key supply chains, and supporting full compliance with the Brazilian Forest Code, both sides can make meaningful progress toward ending deforestation while strengthening trade, food security, and geopolitical ties. These efforts are not only critical for preserving vital ecosystems like the Amazon and Cerrado—they also unlock strategic, economic, and environmental benefits that extend far beyond national borders. A strong Brazil-Europe partnership can demonstrate that local impact truly holds global value.

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