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TROPICAL FOREST CONSERVATION IN THE BOLSONARO ERA

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By Daniel Nepstad, PhD, Executive Director & Senior Scientist, and João Shimada, Research Associate Jair Bolsonaro, Brazil's President-elect, represents a globally significant threat to the world's biggest tropical forest conservation legacy and the biggest tropical forest. If he does what he says he will do, our chances of avoiding extremely dangerous climate change will be considerably smaller. But even under this radically different government, Brazil's historical gains in forest conservation can be secured and new wins achieved. The key is to demonstrate to farmers and Brazilian society more broadly that Brazil's achievements in slowing deforestation benefit them and that they will be worse off if environmental policies and protected areas are weakened. Forest conservation in Brazil has reached the limits of a strategy that has been very successful, but that has depended on command-and-control measures that are supported and implemented by a sympathetic national government. It is a strategy that is strong on sticks and weak on carrots. And when the political will to wield sticks vanishes—as it just did—they are relatively easy to shelve, a point that advocates of an even greater focus on command-and-control approaches miss. Fortunately, there are some good opportunities to expand support for forest conservation, as I explain below. Jair Bolsonaro won 54% of the popular vote nationwide in the run-off election against Fernando Haddad, the candidate of the Workers' Party (PT) that has controlled the presidency for 14 of the last 16 years. He was elected on a wave of frustration, anger and fear that grew out of the rise in crime and associated violence, economic stagnation and the "lava jato" (car wash) corruption scandal that snared dozens of the political elite. He was elected on strong anti-environmental positions, promising to free the farm sector from environmental regulations, open up indigenous lands to development, and defund environmental groups. The geography of voter choices suggests that Brazil's powerful agribusiness sector was a particularly strong Bolsonaro supporter (map). We don't know how much of his support among farmers can be attributed to his anti-environmental positions, but numerous conversations with farmers and farm leaders suggest that these positions were seen as a plus by the sector.

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Brazil is now moving into uncharted territory. Its Presidents have been remarkably pro-environment since free elections resumed after the military era ended in 1985. Basic assumptions about how to advance the forest and broader socio-environmental agenda must now be re-examined. A populist forest conservation movement is needed to supplement the lofty goals of solving climate change and protecting biodiversity and bring the forest agenda into the homes and lives of everyday Brazilian

citizens—to compete with Bolsonaro's right-wing, nationalist and divisive brand of populism. The main challenge ahead is to build a stronger, broader environmental coalition in Brazil to replace the lost support in the national government, containing Bolsonaro's excesses and building the base for deeper pro-environment leadership in the future. The Brazilian farm sector is the most important target for this expanded coalition. It represents roughly one fourth of the Brazilian economy and is the biggest and most powerful political block in Brazil today. As described previously, many farmers farm because they love the land, wildlife, and nature. They are natural allies of forest conservation. But they have grown frustrated and bewildered over the years by the uncertainty and excessive bureaucracy of environmental regulations, unmet promises of positive incentives to reward their transition to more sustainable, forest-friendly production systems, and by their vilification as enemies of the forest. This is not to say that the Brazilian farm sector is primarily law-abiding and nature-loving farmers and businesses. It is not. Rather, the point I make is that the forest conservation agenda has lost the support of many of those farmers and businesses that are law-abiding and conservation-minded, and we need to win them back. The best way to build a broader forest coalition in Brazil is to do a better job making the case for conservation to the Brazilian electorate, with a special focus on the farm sector. Here are some ideas for how to make that happen.

- **Connect with Brazil's medium- and large-scale farmers, don't vilify them:** Small-scale, family farmers have long been on the radar of the forest conservation agenda in Brazil, and that engagement and outreach needs to continue and expand. The forest conservation community and large-scale farmers have become polarized, however, and Bolsonaro appears to have exploited that polarization by speaking to their core issues. The stage is set for escalating antagonism that could further strengthen farm sector support for Bolsonaro. Instead, the forest conservation community should be reaching out to listen and demonstrate solidarity with farmers on issues where common ground is within reach, such as regulatory efficiency, important infrastructure projects, and market access. There are several forums where this outreach is already happening and could be expanded, such as the Mato Grosso Produce, Conserve, Include Strategy.

- **Develop positive farm-level incentives for forest conservation:** There is an urgent need to build the systems that will deliver positive incentives to farmers for forgoing their legal right to clear forests on their lands. This means implementing Article 41 of the Forest Code, which provides the legal framework for incentivizing on-farm forest conservation. The big low-hanging fruit here is to begin translating the nearly 7 billion tons of verified CO_2 emissions reductions that the national and Amazon state governments of Brazil hold and that expands every year into

a major flow of benefits to Brazilian society and to farmers in particular. Rapid progress could be made in building emissions reductions into commercial transactions, offering carbon-neutral agricultural commodities to the growing market demand for food GHG labelling, while continuing to seek performance-based investments for the Amazon Fund and additional results-based deals such as those recently completed between Acre and Mato Grosso States with Germany and the UK.

- **Modify current "zero deforestation" agreements to value legal compliance:** The Brazilian Soy Moratorium and Beef Agreement of the Amazon, and the Cerrado agreement that is under development, should be modified to explicitly exempt farmers who have forests on their land that they can legally clear until mechanisms are created to compensate them for forgoing this right. In the absence of this caveat, farmers are actually being penalized for complying with the law, since their properties are worth less than those that have been cleared beyond the legal mandate. These zero deforestation agreements are reviewed in forthcoming World Bank reports (Nepstad & Shimada, The Brazilian Soy Moratorium; Shimada & Nepstad, The Brazilian Cattle Agreement).

- **Companies should establish strategic partnerships with state governments and farm sectors; campaigning NGOs should help:** States encompassing the entire Amazon region of Brazil and 1/3 of the tropical forests of the world (members of the Governors' Climate and Forests Task Force) pledged in 2014 to reduce deforestation 80% by 2020 if the right partnerships and finance were in place, through the Rio Branco Declaration. Four years later, only 5 of 35 jurisdictions globally and 2 of 9 Brazilian states in the Legal Amazon have established formal partnerships with companies to achieve this pledge (see our "State of Jurisdictional Sustainability" report). One of the impediments to partnering that companies cite is the risk that they will be attacked by Greenpeace, Mighty Earth and other campaigning NGOs because of the black-listed actors that operate in these jurisdictions. An adjustment to NGO strategies is urgently needed that favors company-jurisdiction partnerships instead of inhibiting them.

- **Postpone for six months new initiatives for expanding protected areas or issuing new regulations on farmers:** Such initiatives would be lightning rods for Bolsonaro's rural base, potentially strengthening support for dismantling environmental legislation and protected areas.

- **Document and communicate more effectively the benefits of forest conservation:** Less deforestation means less air pollution and fewer illnesses and deaths. Crop fields in close proximity to forests experience less severe temperature extremes. More forests regionally

means more rainfall, securing long-term energy generation from Amazon hydropower plants.

If we succeed in making a more compelling case that forest conservation is good for the economy, good for the farm sector, and good for Brazilian society as a whole, the anti-environmental plank in Bolsonaro’s platform can be weakened, if not removed altogether.