

RESILIENT TRADE BEYOND TRACEABILITY:

Strengthening the EU–Brazil Partnership for Nature and People

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Introduction

Working effectively with key trading partners will be a critical dimension of a resilient and competitive Europe. This includes Brazil, one of the European Union's (EU) largest agricultural trading partners, supplying nearly 40% of its agricultural imports in 2024.¹

Trade in soy, beef and other agricultural and forest commodities has long been linked to deforestation and wider biodiversity loss, as well as violations of human rights. Between 2010 and 2014, EU consumption of these commodities was linked to 26-29% of global deforestation-related carbon emissions embedded in international trade. A substantial share of this deforestation occurred in Brazil, driven largely by commodities such as cattle and oilseed production for EU markets.²

Ensuring that competitiveness and sustainability reinforce rather than undermine each other will be critical for long-term resilience in EU's trading partnerships. Reducing dependencies on environmentally harmful and socially inequitable supply chains is essential to achieving such resilience, and for the global transition to sustainable trade.

Policy Context and Political Dynamics

Recent regulatory efforts, notably the EU Regulation on Deforestation-free Products (EUDR), mark significant progress in efforts to address sustainability from the demand side. Governments and businesses have invested heavily in preparing for its implementation. Yet these efforts face mounting political headwinds: the EUDR has faced various criticisms both in the EU and elsewhere, while ongoing delays and uncertainty risk undermining confidence and momentum.

At the same time, structural risks persist. These include concentrated corporate power along supply chains, limited participation of affected peoples in trade decision-making, inconsistencies within and between EU and Brazilian policies, and insufficient attention to trade's direct impacts on biodiversity at the level of both ecosystems and species. Together, these challenges could blunt the effectiveness of regulatory measures and limit their ability to deliver lasting outcomes for people and nature.

EU trade-related policies reflect this complexity. They combine a strong commitment to open, rules-based markets with a growing prominence of unilateral regulations.³ This evolving policy mix is reshaping trade dynamics. While legal obligations under measures such as the EUDR fall primarily on EU operators and traders, compliance pressures and costs often cascade through supply chains, shifting responsibilities onto producers and suppliers in countries such as Brazil.

The political context in Brazil further compounds these dynamics. A new environmental licensing law could fast-track infrastructure for commodity exports, regardless of social or environmental impacts. If domestic safeguards are weakened, this could fuel unsustainable production, increase supply chain risks and widen the gap between EU sustainable trade objectives and realities on the ground.

Addressing these risks requires stronger and achievable alignment across trade, development and environmental policy. Because trade-related measures directly influence land use and food systems, unclear or inconsistent policies can create legal uncertainty for due diligence and send mixed signals to producers. This can undermine the credibility of the policies. Greater alignment and clear communication would help ensure that measures reinforce rather than contradict one another. In doing so, the EU can reduce strategic dependencies, promote fair and sustainable competition, and deliver more coherently on its global commitments, the EU Biodiversity Strategy for 2030 and broader human rights and sustainable development frameworks.

This brief outlines four challenges and associated policy options to guide more effective and integrated action.

Evidence and Analysis

This brief draws on the Horizon Europe PLANET4B project and wider literature. Together, they examined how EU policies shape land-use decisions and human rights risks across beef and soy supply chains.⁴⁻¹⁰ The analytical methodology included systems mapping, fieldwork, interviews, and validation workshops in Brazil and Europe. The findings confirmed the urgency of addressing structural risks in trade and the opportunity for the EU to make trade a force for the promotion of equity and the well-being of people and nature.

Challenges and Policy Options

EU–Brazil trade can deliver tangible benefits for people and nature. Based on the evidence and analysis summarized above, four challenges emerge. Each challenge sets out why it matters within international frameworks and outlines related policy options for consideration by EU institutions and Member States.



Challenge

Policy Option

1. Prioritizing well-being in trade for people and nature. Global markets continue to drive unsustainable growth, biodiversity loss and inequalities. They also risk undermining long-term food security and competitiveness in both the EU and Brazil. Trade-related policies have the potential to evolve beyond volume-driven growth and focus on conditions for resilience such as healthy ecosystems, equitable rural economies and sustainable livelihoods.

Aligning trade policies and practices with international frameworks such as the Kunming-Montreal Global Biodiversity Framework (GBF), the 2030 Agenda for Sustainable Development, the Paris Agreement and related commitments is key to delivering positive outcomes for people and nature.

- Embedding **binding provisions** on well-being, biodiversity and human rights in EU **trade agreements** could strengthen the link between market access and sustainability outcomes. For example, this could include restrictions on harmful pesticides or requirements to apply standards consistently across different biomes. Such measures would also help protect EU producers from being undercut by unsustainable competitors and reinforce Europe's position in green markets.
- Further leveraging existing mechanisms under the EU **Common Agricultural Policy** to enable **sustainable transitions** in farming and rural livelihoods, supporting long-term food security and competitiveness. This could include expanding advisory services and eco-schemes for agrobiodiversity, strengthening agri-environment-climate measures to support diversification and agroecology, and promoting community-led local development approaches.

2. Placing equity and rights at the centre of trade.

Indigenous Peoples, local communities, peasants and other people working in rural areas should be able to decide if and how they participate in trade. When existing rights to land, resources, adequate living standards, participation and self-determination are undermined, biodiversity and social stability can suffer. Trade that respects international human rights and other rights supports both equity and effectiveness. Such rights include those under the UN Declaration on the Rights of Indigenous Peoples, the UN Declaration on the Rights of Peasants and other people working in rural areas, International Labour Organization Convention 169, and other human rights instruments.

- Strengthening **rights protections** in EUDR **implementation**, for example through delegated acts, clarifying relevant risk criteria and due-diligence requirements, to help reduce rights-related risks in supply chains.
- Requiring companies to establish effective **grievance and remedy mechanisms** that are accessible to affected peoples and communities to improve **accountability** for rights abuses.
- Rebalancing the role of **traceability** systems to help prevent the exclusion or penalization of smallholders, peasants and other people working in rural areas.
- Linking EU market access to **Free, Prior and Informed Consent** and **fair benefit-sharing** in high-risk supply chains to help ensure that Indigenous Peoples and traditional communities can decide if and how they engage in trade.



3. Supporting agroecology and territorial economies.

Alternatives to monocultures and extractive value chains already exist but remain poorly supported and rarely scaled, lacking the incentives and investment needed for wider implementation. Promoting socio-bioeconomies, understood as inclusive and biodiversity-based economies that enhance the social, environmental and cultural value of nature-derived products while expanding market access and income for Indigenous Peoples, traditional communities and smallholders, can help shift trade toward sustainability.

- Channelling EU **investment** into **agroecology and socio-bioeconomy** value chains to accelerate their uptake, for example through instruments such as the Neighbourhood, Development and International Cooperation Instrument of the Global Europe, Global Gateway and the European Fund for Sustainable Development Plus.
- Applying rights-based and social **justice** approaches consistently across EU **funding and cooperation** programmes to strengthen results beyond environmental safeguards.
- Leveraging public **procurement** and sustainable sourcing policies to help scale biodiversity-positive and community-led products.
- Linking EU-Brazil **cooperation** to long-term, **place-based** socio-bioeconomy support to build resilience, strengthen equity and conserve biodiversity, aligning with the G20 Global Bioeconomy Initiative.
- Strengthening territorial value chains, built on short, diverse and locally rooted market systems that connect producers, consumers and local institutions while supporting smallholder-led agroecology.

4. Increasing transparency and accountability.

Trade-related policies can shape land use and livelihoods across borders. Embedding participation and transparency throughout trade processes can strengthen democratic legitimacy, build trust and support alignment with international commitments for nature and human rights.

- Strengthening **participation channels**, such as the Civil Society Dialogue on Trade and national advisory committees, involve civil society and affected communities early in policy processes would help ensure trade reflects **public values** and support more **inclusive goal-setting** and accountability.
- Transparency in trade requires clear communication of objectives and rules. Strong **regulation** should define the baseline for accountability, while voluntary **certification** can complement it by making supply chains more traceable and accessible to stakeholders.
- Improving **coordination across EU institutions**, notably the European Commission Directorates-General for Trade, Agriculture and Rural Development, Environment and International Partnerships, would promote better alignment between trade, biodiversity and development objectives.

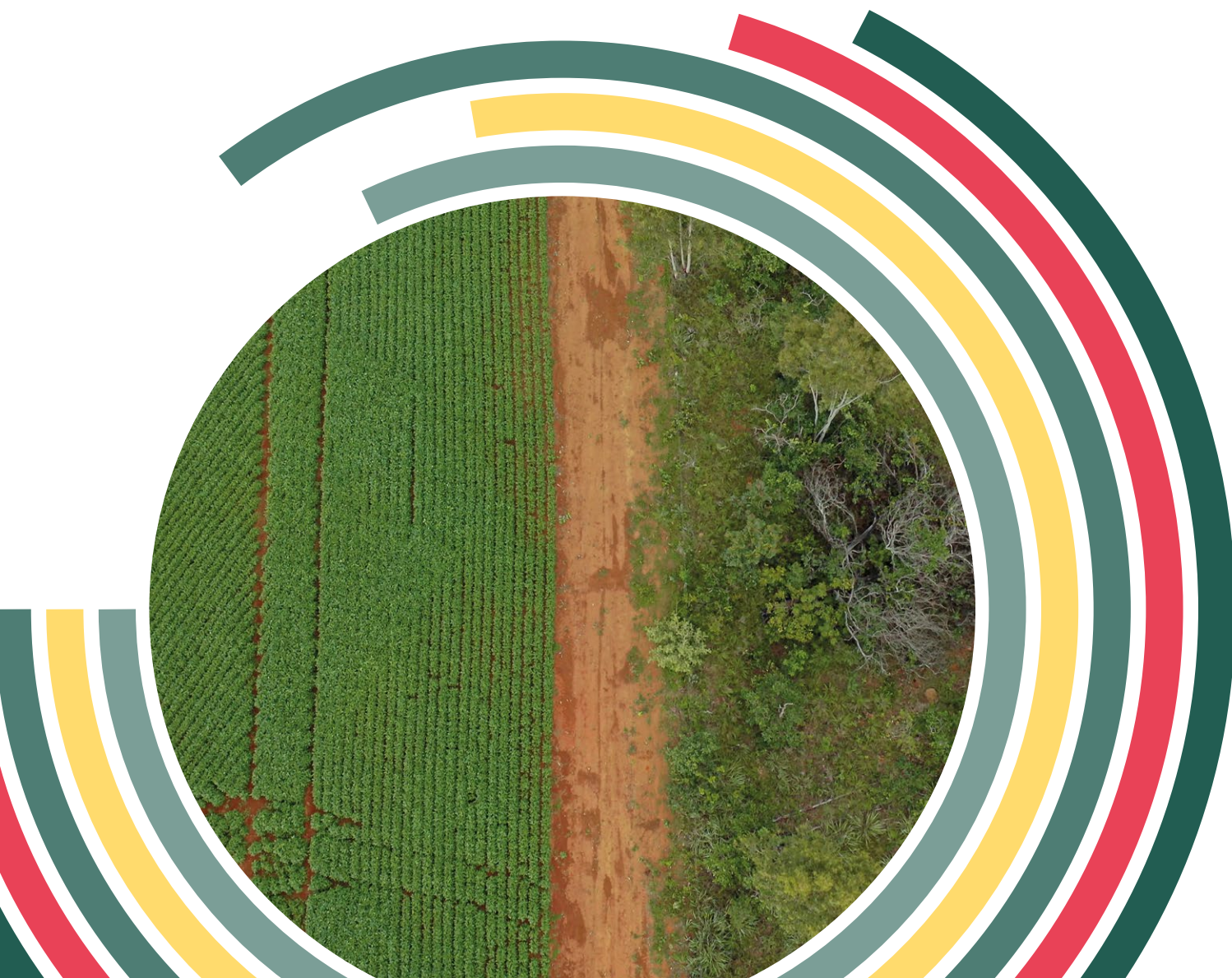
Conclusions

Aligning EU–Brazil trade with the EU Competitiveness Compass and global commitments for nature and human rights requires an integrated approach centred on people and nature. Embedding provisions that protect both can strengthen rights, build resilient territorial economies and increase accountability across supply chains. This, in turn, helps safeguard public trust, boost Europe's competitiveness and reinforce the EU's position as a global sustainability leader.

Existing policy options provide the opportunity for the future of trade to be one in which it drives equality and biodiversity conservation, as a catalyst for shared prosperity and ecological integrity. Seizing this opportunity will require decisive action from EU policymakers to align trade measures with sustainability and human rights – the foundation of a more competitive, fair and sustainable Europe.

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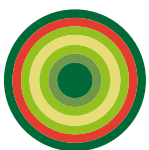
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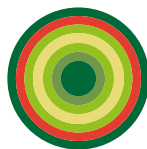
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PLANET4B

understanding **P**lural values, intersectionality,
Leverage points, **A**ttitudes, **N**orms, behaviour
and social **L**earning in **T**ransformation for
Biodiversity decision making





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BETTER DECISIONS FOR BIODIVERSITY AND PEOPLE



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