# **Halting deforestation in the Amazon and the cerrado could generate a gain of R$ 1.2 trillion**

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**Body**

Halting ***deforestation*** in the ***Amazon*** and the cerrado by 2030, as Brazil proposes to do, may generate a gain of up to US$ 240 billion (R$ 1.2 trillion) for the global GDP (Gross Domestic Product).

The calculations are made by Bráulio Borges, researcher at FGV Ibre (Brazilian Institute of Economics, Getulio Vargas Foundation) and senior economist at LCA Consultores, and take into account both the increase in greenhouse gas emissions due to burning and the reduction of the forest, which reduces carbon absorption.

He states that it follows the logic of the CSC (Social Cost of Carbon). The calculation involves estimating the impacts caused by climate change, such as damage to human health and the environment, and the costs to remedy them.

A lower global warming, for example, would mean from less spending on energy for air conditioning to a lower rise in the level of the oceans (which can devalue properties in coastal regions and even destroy them) or greater agricultural productivity and labor (in the latter case, because of the impacts on human health).

According to the economist, the drop in ***deforestation*** during the first two governments of President Luiz Inácio Lula da Silva (PT) and the reduction in greenhouse gas emissions provided, in current values, a gain of US$ 818 billion (R$ 4.2 trillion) for the world economy between 2003 and 2011, compared to a scenario in which the results of 2002 were maintained.

On the other hand, the increase in ***deforestation*** and its consequences in the increase of greenhouse gas emissions from 2019 to 2022, already during the government of former president Jair Bolsonaro (PL), led to an estimated loss of US$ 201 billion (about R$ 1.02 trillion, in comparison with the trend in 2008 and with the estimate for last year).

Bráulio used net emissions data from Seeg (System of Estimates of Emissions and Removals of Greenhouse Gases), from the Climate Observatory, and from Inpe (National Institute for Space Research) for ***deforestation***.

To estimate the costs, the so-called CSC (Carbon Social Cost) was used per additional ton of CO2 (carbonic gas) discharged into the atmosphere - from US$ 185 per ton in 2020 and reaching US$ 226 in 2030.

Considering a linear reduction path, as of 2027, the biomes would leave the level of losses and start generating gains for the world economy, which add up to US$ 240 billion.

With zero ***deforestation*** in both biomes in 2030, the capture of GHGs by the forests would be greater than the gross emissions from ***deforestation*** and fires, explains the researcher.

He reminds that it is also necessary to consider that the gains are diluted in time - that is, they will not necessarily materialize fully between 2027 and 2030 - and if ***deforestation*** remains zero after 2031, the accumulated gain will grow.

"These gains and losses affect the world economy over many years, since greenhouse gases have effects for centuries, and the gains and losses are diluted over time. About five years ago it was a utopia, but today it is clear how Brazil can monetize preservation, through the carbon credit market," says Borges.

In November last year, still as the elected president, Lula stressed in a speech at the COP 27 (climate conference), in Egypt, that the fight against climate change would be a priority during the four years of his government.

"There is no climate security for the world without a protected ***Amazon***, and we will not measure our efforts to zero ***deforestation*** and degradation of our biomes by 2030, just as more than 130 countries committed to do when they signed the Glasgow Declaration on Forests," said the president-elect.

"We will prioritize the fight against ***deforestation*** in all our biomes. During the first three years [of the Bolsonaro government], ***deforestation*** in the ***Amazon*** had an increase of 73%, this devastation will be in the past," he concluded.

Borges evaluates that the shift in the environmental policy, with Bolsonaro's defeat in 2022, coincides with the advance in the discussions about environmental preservation, which Brazil may lead in the coming years.

In this scenario, the prominence that the Minister of the Environment, Marina Silva, has received and her presence at the World Economic Forum in Davos (Switzerland), lends the country a very positive reputation around the world, assesses the economist.

"We are already back with the ***Amazon*** Fund, we are back with the plan to combat ***deforestation*** and we are already recomposing budgets and ministry teams. Brazil has ambitious commitments in relation to being an economically prosperous, socially just, politically democratic, culturally diverse and environmentally sustainable country," said Marina in Davos.

"But we need to go for it, some results will need to be delivered soon and it will be necessary to stipulate bolder goals and a plan to fulfill these rules," says Borges, who highlights opportunities in the expansion of the electricity sector through wind and solar energy and the definition of emission standards.

With the shift in environmental policy, Brazil can also benefit in the coming years from the attraction of capital through investors who take into account environmental preservation. In addition, the country can avoid sanctions on Brazilian products and unlock the agreement between Mercosur and the European Union, as already signaled by European leaders.

"And we can earn royalties to keep the forest standing and earn to reforest. The carbon credit market is becoming more and more global. If Brazil reduces ***deforestation*** to zero, it will have a surplus in relation to the targets and will be able to export this to other countries to meet theirs", says Borges.

The researcher adds that, although the effects of ***deforestation*** can be more clearly captured by economists - such as the increase in cattle breeding in the states of the Legal ***Amazon*** or the extraction of illegal timber - there are costs that ***deforestation*** generates that are more difficult to capture, such as the reduction of rainfall in the Center-West and even in the Southeast and South.

**IT IS NOT ENOUGH TO RESUME THE AGENDA, THE GOVERNMENT NEEDS TO MOVE FORWARD**

In the evaluation of specialists heard by **Folha**, the Lula government begins with the challenge of resuming the environmental policies that made Brazil a reference in international forums in past decades, but it needs to advance in the forest protection strategy.

"It is necessary to have a sustainable development project for the region allied to the goal of reducing ***deforestation***. The ***Amazon*** is not being cut down to make way for high quality agricultural production: almost two thirds is pasture with very low productivity, 10% is agricultural production, and one fifth is secondary vegetation [abandoned areas]", says PUC-Rio economist Clarissa Gandour.

In his new mandate, Lula will need to resume what had worked well before and invest in points that have not had so much progress, such as the axes of sustainable development and territorial planning, she says.

"It is necessary to deal with the issue of land vacancy, areas that are not registered and that do not have a defined function. Little progress has also been made on the issue of illegal land occupation. Without changing the territorial order, there won't be zero ***deforestation***", says Gandour, who is coordinator of Public Policy Evaluation focused on Conservation at CPI (Climate Policy Initiative).

The researcher remembers that it is also necessary to look at the agrarian reform settlements, which represent almost one fifth of what was deforested; it is an issue full of nuances, because it deals with families that need to survive and guarantee the viability of their lands.

Brazil can be synonymous of superpower of biodiversity, in the environmental area it has indicators that developed countries don't have. It's a champion of biodiversity, but it has a hard time accepting this idea, assesses Carlos Eduardo Young, from UFRJ (Federal University of Rio de Janeiro).

"The speech by [vice-president and Minister of Development, Industry, Commerce and Services] Geraldo Alckmin, of installing a green economy secretariat, and of having a specific green economy directorate within the BNDES, expand the discussion beyond the Ministry of the Environment. I am happy to see that we now have a different conjuncture.

The professor points out that the dependence that Brazil has created on export revenues from agribusiness and mineral resources will still have strong political weight for the next few years, and it is necessary to consider the challenges for environmental preservation in this context.

"But now there will actually be a debate and it is necessary that the country has the perception that it is much better for us to grow through activities that generate environmental conservation and well-being for the population."

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