



SPECIAL REPORT

# ACRE AT THE CROSSROADS

HOW ROAD EXPANSION THREATENS A  
DECADE OF REDD+ PROGRESS IN THE  
BRAZILIAN AMAZON

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# Executive Summary

- The forests of Acre are **under immense and increasing pressure from land speculation and agricultural commodities**. A new, well-financed monoculture model of intensive soy cultivation is taking over from the earlier, less profitable, pattern of forest conversion to cattle ranching.
- The recent inauguration of the deep-water Port of Chancay in Peru and the planned expansion of the Trans-Amazonian highway network are double-edged swords. They create **unprecedented access to global markets**, but they are designed primarily to facilitate the **export of commodities like soy, beef, and minerals**, the main drivers of deforestation in the Amazon.
- Over the past two decades, Acre has built a **jurisdictional REDD+ program** capable of attracting significant public and private international investment and pioneering a model for sustainable development. But the **recent increase in deforestation rates**, combined with governmental plans for new road developments, places Acre at a critical juncture. The socioenvironmental gains made through years of investment and community engagement are at risk of being undone.
- The financial and social benefits of REDD+ are directly linked to continued reductions in deforestation. Any **increase in forest loss** would undermine the state's climate goals and jeopardize the flow of resources to the communities that depend on them.
- Modelling carried out for this report (Section 2) indicates that the new paved international connection to Pucallpa proposed under Scenario 3 could add a further 74,700 to 133,800 hectares of deforestation over the next 10 to 20 years, beyond what paving the BR-364 alone would cause.
- The planned expansion of road infrastructure in Acre therefore represents a contradiction and a direct **threat to the sustainability objectives that the state has worked so hard to achieve over the years**, with extensive support from bilateral partners providing results-based payments and, potentially buyers on the Jurisdictional REDD+ carbon market.
- Alternatively, by investing in the bioeconomy and regional cooperation, Acre can demonstrate that forests are worth more standing than cleared. A **diversified, resilient bioeconomy of high-value exports** can make that case in practice, building on carbon credit revenue rather than replacing it, and benefiting Acre's people while safeguarding the global climate.
- This advocacy report is intended to support the efforts of governments, Indigenous and traditional communities, civil society and international partners to ensure that **the arc of deforestation in Acre continues to bend downwards**, securing a safe and sustainable future for the state and its remarkable socio-biodiversity.

# 1. Acre's REDD+ achievements

## 1.1 A pioneer in jurisdictional REDD+

The State of Acre has long been at the forefront of global efforts to combat deforestation through innovative environmental policies. For over a decade, Acre has pioneered the implementation of REDD+ (Reducing Emissions from Deforestation and Forest Degradation), a framework designed to reward developing countries for preserving their forests. The State System of Incentives for Environmental Services (SISA), created in 2010, is widely recognised as the world's first jurisdictional REDD+ program.<sup>1</sup>

In 2011, Acre became the first state to partner with the REDD+ for Early Movers (REM) Program, a German-led initiative to provide results-based payments for verified emissions reductions.<sup>2</sup> Phase I (2012–2017) brought in €25 million through two contracts channelled via the German Development Bank (KfW). Phase II (running through 2026) added further commitments, with the second-addendum extension in particular co-financed by Germany and the United Kingdom: more than €10 million from the German BMZ and £17.84 million (approximately €21 million) from the UK. Across both phases combined, **the REM program has so far compensated Acre to the tune of 56 million euros (331 million Brazilian reais), for some 21 million tonnes of verified emissions reductions.**<sup>3</sup>

A cornerstone of Acre's REDD+ strategy is its Benefit Sharing Plan, which directs proceeds into support for Indigenous and extractivist communities, the consolidation of SISA institutions, and sustainable agricultural value chains. In June 2025, the state updated this mechanism, allocating **72% of net revenues from carbon credit sales to forest communities.**<sup>4</sup> This commitment to social inclusion and benefits distribution has been a key factor in the international recognition of Acre's REDD+ program.

Concrete results documented in the most recent REM monitoring report include 145 Indigenous agroforestry extension agents working in 24 Indigenous territories, 29 projects supporting the priority actions of Indigenous Land Management Plans (PGTIs), 103 indigenous schools served with intercultural curricula focused on ethno-environmental and territorial management and 666 producers receiving subsidies through the native rubber chain. Their continuity depends entirely on the continued flow of REDD+ revenues, which in turn depends on continued reductions in deforestation.

## 1.2 Potential for a major increase in REDD+ revenue from the sale of ART-TREES credits

More recently, Acre decided to complement REM's results-based payments with the generation of jurisdictional REDD+ credits. Unlike results-based payments, these credits are intended for sale on the Voluntary Carbon Market under the ART-TREES standard. This strategy culminated

in a **2025 pre-sale agreement with Standard Chartered Bank for up to 40 million tons of Emission Reduction, potentially generating up to US\$150 million in revenue from the sale of carbon credits.**

The financial commitments Acre has secured over the past 14 years are summarised below.

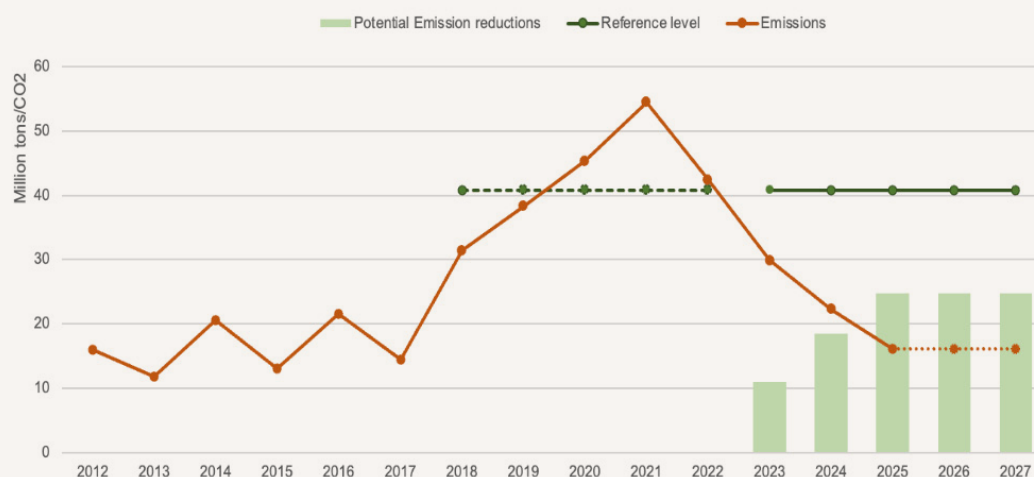
**Table 1. Financial commitments secured by Acre under REDD+ agreements, 2012–2025.**

| Period           | Funder                  | Channel / contract                      | Revenue for the State of Acre   |
|------------------|-------------------------|-----------------------------------------|---------------------------------|
| <b>2012–2017</b> | Germany (BMZ)           | KfW – REM Phase I, BMZ contract         | €16 million                     |
| <b>2013–2017</b> | Germany (BMU)           | KfW – REM Phase I, BMU contract         | €9 million                      |
| <b>2017–2026</b> | Germany (BMZ)           | KfW – REM Phase II + extension addendum | €10 million+ (extension top-up) |
| <b>2017–2026</b> | United Kingdom (BEIS)   | KfW – REM Phase II extension addendum   | £17.84 million (≈ €21 million)  |
| <b>2025+</b>     | Voluntary carbon market | Standard Chartered, ART-TREES pre-sale  | Up to US\$150 million           |

Deforestation rates in Acre have been steadily falling since 2022 and projections suggest that, if deforestation reductions are sustained through the 2023–2027 crediting period, ART-TREES credits generation could reach 25 million tons per year. If further demand can be found for these credits, from the voluntary carbon market or other sources, total **potential revenue from the sale of jurisdictional credits for the crediting period could be US\$ 600 million-1.8 billion** (depending on price per ton/CO<sub>2</sub>).

Past 2027, the reference level would be adjusted down based on the 2023-2027 average, and the potential for carbon credit generation would be greatly reduced, though still substantial, especially if deforestation and associated emissions continue to fall below their 2027 rate (see Figure 1 below).

**Figure 1. Emissions in Acre, 2012–2027 and potential for Emissions Reduction or Removal (ERR) generation based on the ART-TREES standard, using 2018-2022 as reference period** (Source: Acre monitoring report, Prodes)



## 2. How road expansion plans threaten REDD+ benefits

While the state of Acre presents an ambitious climate plan to the international carbon market, a number of road expansion projects are advancing in parallel, generating land speculation and illegal land-grabbing. The pattern is well-established in the Amazon: the mere expectation that a road will open is enough to trigger the conversion of forest into pasture and, increasingly, into intensive soy plots in the years before construction even begins.<sup>5</sup>



## 2.1. Road projects in Acre

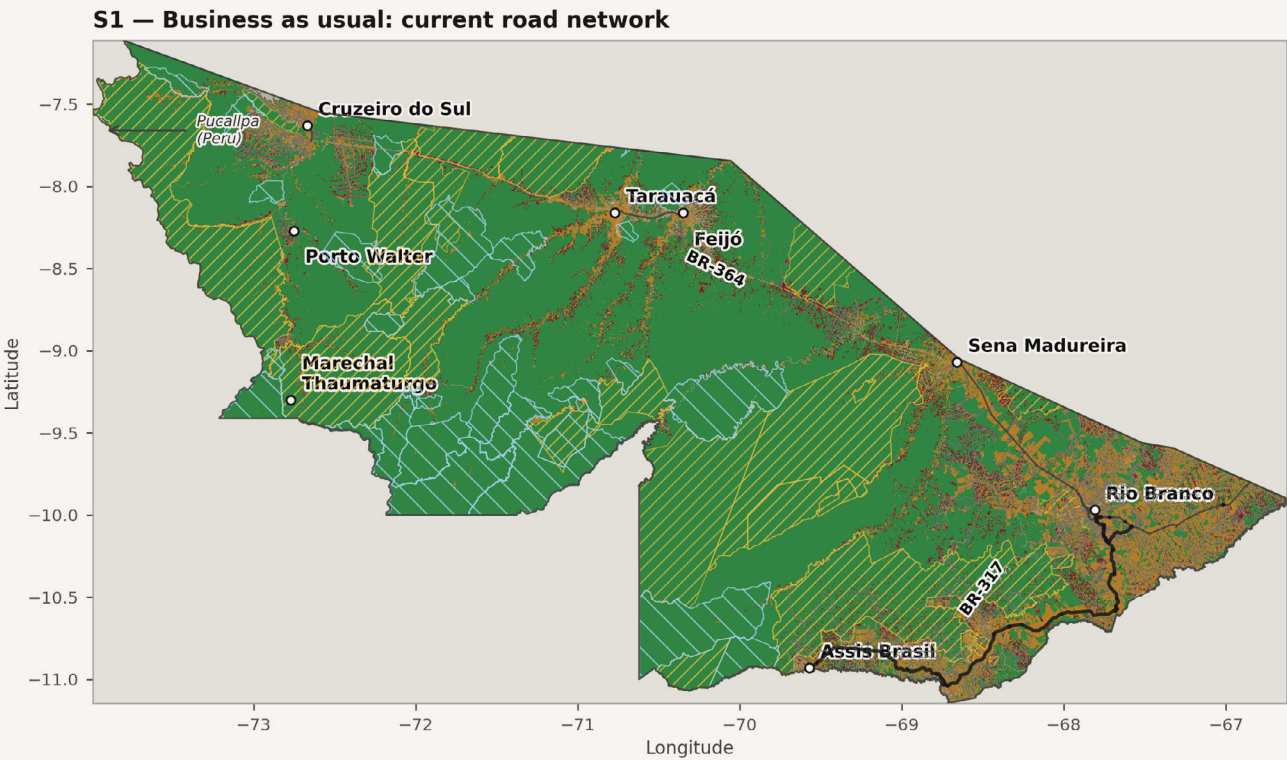
Three projects are currently advancing in Acre:

- **Reconstruction of the BR-364 highway between Rio Branco and Cruzeiro do Sul.** In 2026, the federal government, through the Ministry of Transport and the National Department of Transport Infrastructure (DNIT), announced two major investment initiatives for the highway. In June, the Ministry of Transport announced a package of approximately R\$1 billion for the rehabilitation of critical sections, with the tendering process already underway for the stretch between Sena Madureira and Rio Macapá, including access to Manoel Urbano. In July, DNIT presented the municipality of Cruzeiro do Sul with a broader permanent reconstruction project covering the 416.4 km stretch between Sena Madureira and Liberdade, with an estimated investment of approximately R\$5 billion.<sup>6</sup> Importantly, improved year-round trafficability along the BR-364 amplifies the access value of many of the smaller transport axes in Western Acre as it reduces transportation costs and time to major population centers and export pathways via Rio Branco. The BR-364 is the only land route between Rio Branco and the Juruá valley, and Cruzeiro do Sul is the second city of the state. Sections of the road become impassable in the rainy season. In February 2025 a stretch near the Tarauacá river gave way, cutting off the municipalities of the Juruá and Tarauacá/Envira regions by land and leaving air and river transport as the only routes for food and fuel.<sup>7</sup>
- **Porto Walter–Cruzeiro do Sul road.** In August 2024, a public hearing debated the feasibility of studies for the construction of this new link, which would open a new corridor through dense forest in the Vale do Juruá.<sup>8</sup> This is a smaller project, defended by the State. Porto Walter is currently reachable only by river or by air, and the stated purpose of the project is to give the municipality a land connection to Cruzeiro do Sul.
- **Extension of the BR-364 from Mâncio Lima (AC) to Pucallpa (Peru).** The proposed route would create a new international connection between Brazil and Peru, duplicating the previously opened “Estrada do Pacífico” and shortening travel time and lowering transport costs to Lima and the Port of Chancay, a potential gateway for export to China. Its path would cross the Serra do Divisor National Park, an integral-protection conservation unit and home to Indigenous peoples in voluntary isolation. The project has accumulated legal challenges and complaints from Indigenous and riverine communities about the absence of free, prior and informed consultation by DNIT.<sup>9,10</sup>

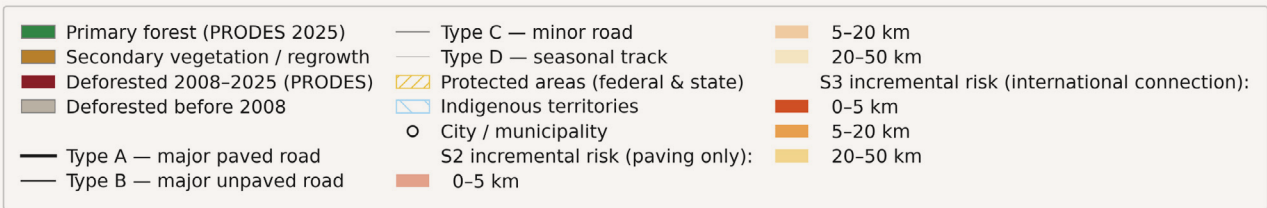
Its proponents present it as a route to the Pacific, shortening the distance from western Acre to Peruvian ports and, since the Port of Chancay opened, to Asian markets. The proposal was discussed at the first meeting of the Brazil–Peru Central Border Committee, held in Pucallpa in April 2026, where a rail corridor was also raised as a lower-impact alternative<sup>11</sup>. Federal support for this new connection remains low, and the federal Ministry of Planning and Budget has not included the connection in the South American Integration Plan and does not treat it as a priority. DNIT states that the project has been suspended by judicial decision since 2023. The Acre state government has said that the road does not appear in its current planning instruments, despite earlier declarations of interest<sup>12</sup>. The proposal nonetheless continues to be advanced politically in both countries.

To understand the impact that these developments could have on the REDD+ objectives of the State, this report models the effect of these road developments across the three scenarios below, comparing S2 and S3 against the current-conditions baseline (S1) to estimate the increase in the area of forest at risk of deforestation and the increase in projected deforestation over the next 10 and 20 years.

**Scenario 1 (S1): business as usual**, follows the current road network (Map 1).



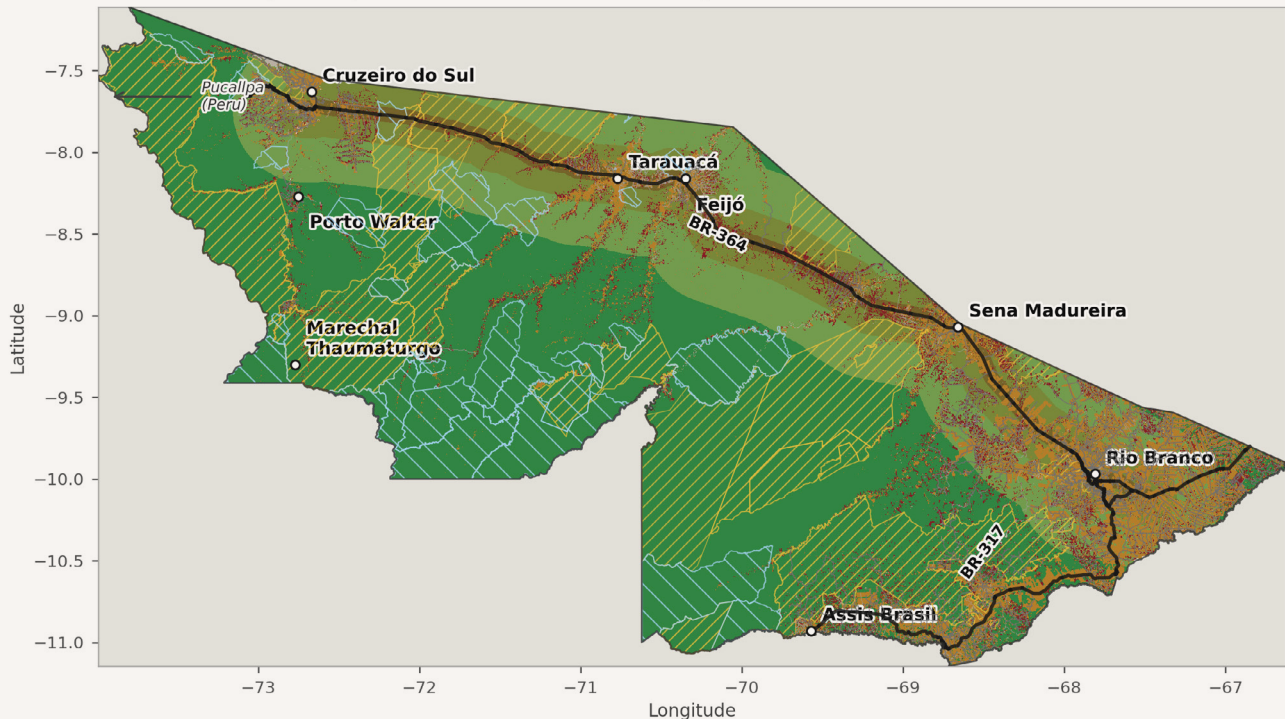
**Map 1. Scenario 1:** current road network, forest cover and deforestation to 2025.



Legend for Maps 1 to 3. Source: analysis for this report, using PRODES (INPE), ICMBio and FUNAI data.

**Scenario 2 (S2): BR-364 paved.** Full paving of the existing BR-364 trunk road between Rio Branco and Cruzeiro do Sul, together with an upgrade of the connecting road between Cruzeiro do Sul and Porto Walter to an improved, all-season unpaved standard (Map 2).

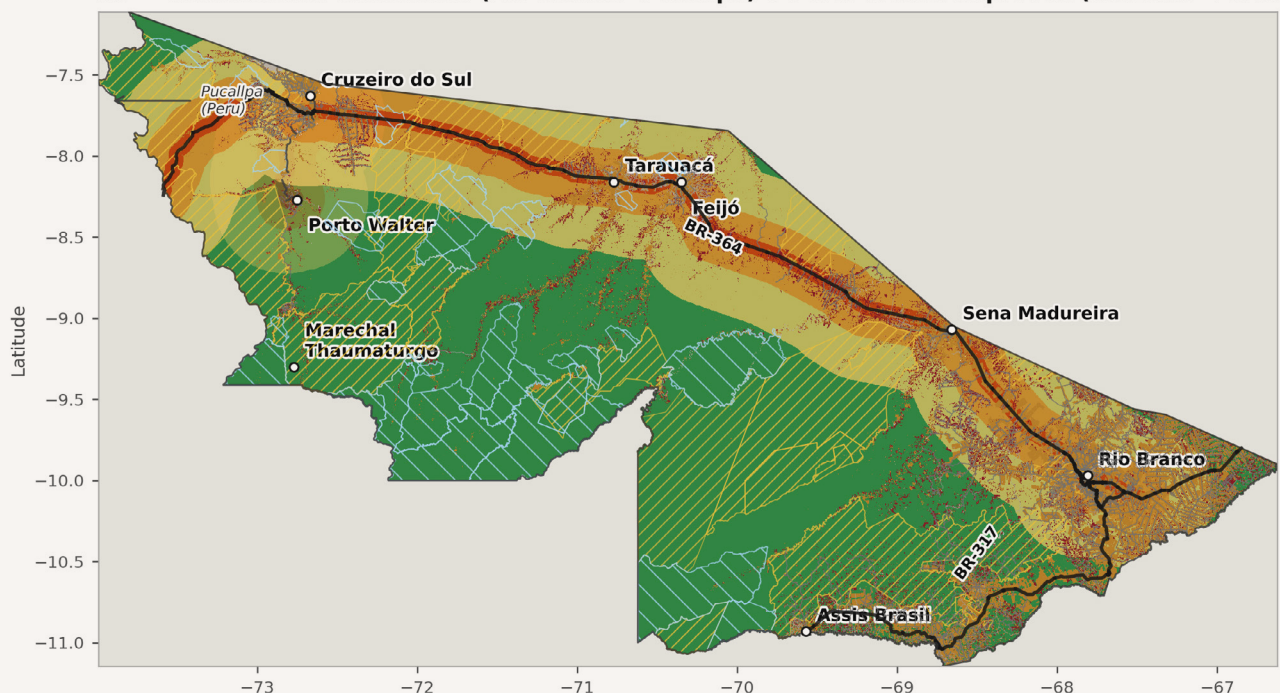
**S2 — BR-364 paved (Rio Branco→Cruzeiro do Sul)**



**Map 2. Scenario 2:** BR-364 paved between Rio Branco and Cruzeiro do Sul, with the Cruzeiro do Sul to Porto Walter connection upgraded, and the resulting incremental deforestation risk.

**Scenario 3 (S3): new international corridor. S2 plus a new paved international connection from the BR-364 through Mâncio Lima to Pucallpa, Peru (Map 3).**

**S3 — International connection (Rio Branco→Pucallpa) + Porto Walter improved (Cruzeiro→Porto Walter)**



**Map 3. Scenario 3:** Scenario 2 plus the new paved international connection to Pucallpa, and the resulting incremental deforestation risk.

## 2.2 Modelling of additional deforestation risk from road expansion

To quantify the additional deforestation risk created by each scenario, this report uses a historical benchmark, based on the one occasion Acre has previously opened a domestic road to an international connection - the BR-317, also known as the Estrada do Pacífico. The domestic section of the BR-317 (Rio Branco to Assis Brasil, roughly 409 km) was paved and opened in 2007. The international connection through Peru (PE 18-C) was completed in December 2010. This is the same sequence now proposed for BR-364: domestic paving, followed by a new international connection.

By 2011–2023, land within 5 km of the connected BR-317 was losing forest at 4.6 times the statewide average, land 5 to 20 km away at 4.4 times and land 20 to 50 km away at 2.1 times. The Technical Annex sets out the design and the full rate table. Applying these rates to the forest currently within reach of each scenario's paved road network gives a projection of the additional deforestation each scenario would cause:

**Table 3. Cumulative projected deforestation by scenario, based on rates observed around the connected BR-317 applied to forest within reach of each scenario's paved road network.**

| Metric                                                | S2: BR-364 paved | S3: new corridors | S3 increment vs S2 |
|-------------------------------------------------------|------------------|-------------------|--------------------|
| <b>Forest within 50 km of a paved road (ha)</b>       | 5,798,400        | 6,183,700         | +385,300           |
| <b>Additional annual deforestation vs BAU (ha/yr)</b> | +63,000          | +68,500           | +5,500             |
| <b>Cumulative additional loss, 10 years (ha)</b>      | +857,400         | +932,100          | +74,700            |
| <b>Cumulative additional loss, 20 years (ha)</b>      | +1,550,300       | +1,684,100        | +133,800           |

Over ten years, the new international connection is projected to add roughly **74,700 hectares** of deforestation, rising to around 133,800 hectares over twenty years. For comparison, roughly **1,309,900 hectares** of forest have already been lost within 50 km of the existing unpaved BR-364 since 2000, so paving the trunk road on its own will already drive substantial additional loss. The new connection adds a further increment on top of that, one that carries a political risk of derailing the REDD+ success of the State.

## Territorial integration and socio-environmental responsibility

It is important to emphasise that the findings presented here should not be interpreted as opposing territorial integration, particularly when considering the economic and social benefits that improved connectivity can bring to hard-to-reach regions. The central issue, therefore, is not whether to oppose integration, but rather to recognise that large-scale infrastructure projects produce territorial transformations that must be anticipated, assessed and appropriately managed.

In this regard, the findings of this analysis reinforce the importance of ensuring that road paving, construction and expansion projects are rigorously subject to the instruments established under Brazilian environmental legislation for impact assessment, environmental licensing, monitoring and oversight of their territorial effects. The experience of the BR-



317 demonstrates that the impacts of a road are not confined to the area directly affected by its construction, but can alter patterns of land occupation, land values, pressure on forests and deforestation dynamics.

In a context in which maintaining forest cover is essential both for biodiversity conservation and for regional climate stability, infrastructure decisions that expand access to forested areas must take into account not only their immediate economic benefits, but also their medium- and long-term environmental and climate costs.

Accordingly, complying with impact assessment, licensing, monitoring and enforcement requirements does not mean opposing regional integration.

Rather, it means ensuring that large-scale decisions are based on sufficient evidence regarding their cumulative effects and on a realistic assessment of the State's capacity to prevent and mitigate their impacts, instead of being guided primarily by short-term political interests. In a territorial context such as Acre, planning infrastructure projects without incorporating these risks would represent not only an environmental shortcoming, but also a weakness in territorial planning itself.

In the case of the proposed extension of the BR-364 past Cruzeiro do Sul to create an international connection to Pucallpa, the socio-environmental risks likely outweigh the benefits of territorial integration.

# 3. The case against opening a new international connection to Pucallpa

## 3.1 Lost REDD+ revenue

The economic case for choosing a forest-positive trajectory over road-driven commodity expansion can be made by comparing the revenue Acre can expect to earn from the sale of jurisdictional REDD+ credits against the economic returns expected from the road projects. The State’s own projections of issuable TREES credits and potential proceeds from their sale across the 2023–2027 crediting period are summarised below.

**Table 2. Potential revenue from the sale of jurisdictional TREES credits, 2023–2027, and its allocation under the Benefit Sharing Plan (Source: State of Acre projections)**

### Potential REDD+ revenue, 2023–2027 (State of Acre projections)

Total emissions reductions issuable as TREES credits over the period: ≈ 115.6 million t CO<sub>2</sub>e.

Total potential proceeds from credit sales (assuming current voluntary-market reference prices): up to US\$1.83 billion over 2023–2027.

Peak years (2024–2027): potential proceeds of US\$327–437 million per year.

Of which, by allocation under the updated Benefit Sharing Plan: ≈ 26% to extractivist communities (US\$477 million); ≈ 22% to Indigenous peoples (US\$403 million); ≈ 28% to the state government (US\$513 million); the remainder to programme operation and SISA enhancement.

These figures are not guaranteed: they depend on continued reductions in deforestation, and sustained voluntary-market demand.

In November 2023 the Government of Acre formalised the third phase of its State Plan for the Prevention and Control of Deforestation and Fires (PPCDQ-AC 2023–2027) through Decree No. 11,372/2023. This plan, submitted publicly to the ART-TREES standard as part of the

TREES Registration Document (TRD) and the 2023 TREES Monitoring Report, establishes the **central objective of reducing deforestation by 50% by 2027**, taking the average of the previous six years (2017–2022) as the baseline<sup>13</sup>. This reduction has already been achieved and indeed surpassed as of 2025, demonstrating that it is credible.

Sustaining that rate to honor the terms of the pre-sale agreement with Standard Chartered worth up to US\$150 million<sup>14</sup>, will require an ambitious set of measures, laid out by the State of Acre in the documentation of the agreement and organised in four axes: territorial and land-tenure planning, economic incentives for sustainable production, environmental command and control, and governance. Together they represent the state's formal commitment that its public policies are coherent with the trajectory of continued deforestation reductions, towards international investors, partners, and its own local stakeholders that stand to benefit from the REDD+ proceeds.

Acre submitted its ART-TREES Registration Document and first monitoring report in March 2026. The only explicit reference to roads in the TREES documents appears in the Plano Estadual de Prevenção e Controle do Desmatamento e Queimada no Acre (PPCDQ-AC), which anticipates land regularisation and territorial planning actions "in the vicinity of the BR-364 and other state and federal highways". The reports do not **explicitly note the expansion of new road infrastructure as a risk factor for meeting the targets**. Meanwhile, road expansion is known to create several distinct risks for the program:

- Increased deforestation pressure along the newly paved or newly opened roads could reverse gains made in territories that today show low residual deforestation, precisely the areas the PPCDQ relies on to reach the 50% target. This would in turn lead to reduced credit generation, or even a reversal for future crediting years, impacting the financial flow to the SISA on which the benefit-sharing to local communities depends.
- Increased deforestation pressure in Indigenous territories, which Maps 1 to 3 show lying directly along the corridors, could compromise the integrity of the socio-environmental safeguards Acre has assumed under ART-TREES, in particular Cancun Safeguards C and D on respect for the rights of Indigenous peoples and their full and effective participation in decisions that affect them.
- Even if the increase in deforestation does not materialize during the current crediting period (until the end of 2027), it could affect the permanence of these credits in the long term. Any future reversals of the emission reduction already sold would in theory be compensated by the ART-TREES standard's buffer pool, which acts as an insurance policy for buyers. While the integrity of the Emission Reductions compensated would in theory be safe, the lack of permanence of the specific emission reductions purchased could create a reputational risk and discourage future buyers.

## 3.2 A costly, uncertain investment

Public discussion of the Pucallpa–Cruzeiro do Sul road has tended to assume that the project would generate economic returns commensurate with its cost. However, a 2022 economic assessment by the Conservation Strategy Fund found a net present value of –US\$220 million for the Pucallpa–border section in Peru and –US\$196 million for the Cruzeiro do Sul–border section in Brazil, with an internal rate of return below zero in both cases.<sup>16</sup>

Acre’s previous experience with the BR-317 points in the same direction. In 2017, it was found that the highway was barely being used for trade at all. Commercial traffic averaged just seven vehicles per hour, an extremely low figure, and Peruvian authorities reported that essentially no Brazilian goods were moving along the road toward Pacific ports.<sup>17</sup>

By 2020, official figures showed that of the US\$246 million in goods Acre exported or imported between 2009 and 2019, just over 18% moved via the Estrada do Pacífico, around US\$44.6 million in transacted goods.<sup>18</sup>

The promised economic transformation from the Estrada do Pacífico did not materialise, even as deforestation pressure along the road increased substantially. This is the central lesson to reflect on when considering the Pucallpa connection proposal: the road may not carry significant trade, and yet could still drive an increase in deforestation.

## 3.3 Legal security and public safety risks

The proposed Mâncio Lima–Pucallpa extension already faces serious legal questions over essentially every kilometre of its route. Crossing the Serra do Divisor National Park, as currently planned, would violate territories inhabited by Indigenous peoples in voluntary isolation, a flat prohibition under the Brazilian constitutional framework for the protection of these peoples.<sup>19</sup>

Indigenous and riverine communities in the Mâncio Lima region have repeatedly denounced the expansion of the road across successive phases of the project, citing the absence of the prior consultation that the Brazilian state is obliged to conduct under ILO Convention 169 and Article 231 of the Federal Constitution. These factors compound the legal and socio-environmental complexity of the project, and call for rigorous environmental licensing rather than political acceleration.

Opening a road connection to Pucallpa would also generate substantial public-safety costs that federal authorities should weigh carefully. The Ucayali region across the border has documented coca-growing activity, and the broader Peru-Brazil border corridor has long been a route for the trafficking of cocaine and precursor chemicals. A new paved connection would lower the cost of trafficking in both directions, and is likely to be associated with a marked increase in the presence of organised crime in a region whose state capacity is already thin. The pattern is already documented on the Peruvian side of the border. Comando Vermelho

moved into Ucayali after losing ground on the Colombia–Peru border in 2020, and has established control over remote areas around the Abujao river and the Utiquinía watershed southeast of Pucallpa, alongside dissident groups formed after the same conflict. Coca cultivation in Ucayali rose from around 3,600 hectares in 2020 to 14,531 hectares in 2022.<sup>20</sup> The route proposed for the road runs through this corridor. The Interoceanic Highway offers the closest precedent: research on the southwestern Amazon records increases in illegal logging, illegal mining, land conflict, trafficking and violent crime in both Madre de Dios and Acre after paving was completed, with conflict between criminal factions in Acre’s urban centres among the most visible effects.<sup>21</sup>

Local consultations conducted as part of the CSF study captured this concern directly.<sup>22</sup> Community representatives from the Nawa, Nukini and Ashaninka peoples described expected increases in illegal logging, hunting, fishing pressure, prostitution, contamination of rivers, and pressure on isolated Indigenous peoples, alongside the direct ecological impacts of road construction. The Comissão Pró-Índio do Acre and SOS Amazônia have both raised these concerns in formal manifestos.

Data from Acre’s Border Monitoring Group (GEFRON) indicate the scale of enforcement activity on the frontier today. Between January and November 2025 the group registered 156 incidents across 224 operations, including 33 drug trafficking cases and 54 smuggling cases, and arrested or detained 96 people. A new paved crossing would add to that load in a part of the frontier where enforcement presence is already thin.

**Figure 2. Border enforcement activity recorded by Acre’s Border Monitoring Group (GEFRON), January to November 2025 (Source: GEFRON).**



## 4. Where to from here? A forest-positive alternative for the MAP region

### 3.1 Lost REDD+ revenue

The Amazon bioeconomy, currently representing less than 0.2% of the US\$175 billion global market for products like açaí and Brazil nuts, has immense untapped potential.<sup>23</sup> Research suggests that sustainable production of non-timber forest products in Acre alone could generate up to US\$71 million annually in net revenues while maintaining forest cover.<sup>24</sup>

The MAP region, which covers over 54 million hectares of relatively intact forest across Madre de Dios (Peru), Acre (Brazil) and Pando (Bolivia), and home to Indigenous and traditional communities with centuries of forest management expertise, represents a natural platform for scaling these opportunities. It is a global biodiversity hotspot and a major producer of NTFPs, accounting for 75–85% of the world's Brazil nut exports.<sup>25</sup>



Acre's PPCDQ 2023–2027, submitted to ART-TREES as part of the same documentation that underpins the credit sales, devotes its second axis to economic incentives for sustainable production systems. Its targets include a forest concession of 238,000 hectares, business plans for eight socio-biodiversity value chains, the strengthening of eight community organisations in state conservation units, at least three environmental quality seals with a platform to manage them, and training for cooperatives on productive and commercial arrangements for socio-biodiversity products.<sup>26</sup> The SISA law of 2010 already directs payments towards extractivist production, including the subsidies paid to rubber and murumuru extractivists. The Fundo Estadual de Meio Ambiente e Florestas and the Companhia de Desenvolvimento e Serviços Ambientais provide the financial and commercial vehicles.<sup>27</sup>

Federal instruments have begun to align with this. The Plano Nacional de Desenvolvimento da Bioeconomia, launched in 2026 under the national bioeconomy strategy established by Decree 12,044/2024, directed R\$350 million from the Amazon Fund to Amazon socio-bioeconomy initiatives. Acre is the only state named individually, through R\$69 million over 48 months for Cooperar com a Floresta, executed by Cooperacre and covering 2,500 families in ten cooperatives across twelve municipalities, adding fruit pulp and coffee to existing Brazil nut and rubber operations.<sup>28</sup> What these instruments lack is scale, and access to markets that pay a premium for certified forest products.



These assets sit in the corridor under discussion. The Rio Gregório concession complex is in Tarauacá on the BR-364 itself, and the extractivist cooperatives that supply Cooperacre operate along the same axis. How the corridor is governed therefore determines whether the road carries the bioeconomy or displaces it.

The Port of Chancay, a US\$3.5 billion Chinese-backed investment<sup>29</sup>, cuts shipping time between South America and Asia by over ten days, creating a significant competitive advantage. Rather than functioning as another gateway for deforestation-linked commodities, Chancay could serve as a gateway for forest-based products from the MAP region such as açaí, Brazil nuts, certified timber, cosmetic and pharmaceutical ingredients that depend on healthy, standing forest.

## 5. Conclusion

Acre has spent two decades building an internationally recognised model for low-emissions development. That model is now under pressure from two directions: an export agenda advanced by the state government, by agribusiness and by logistics interests in Acre and Ucayali, organised around access to Pacific ports; and a road expansion plan whose international component is incompatible with the state's own climate commitments.

Sustaining that model requires acknowledging what communities have already put into the REDD+ process. The Benefit Sharing Plan updated in June 2025 is a strong instrument by international standards, and the 72% allocation to forest communities is among the most generous in any jurisdictional programme. The allocations it sets out, however, depend on credit sales that have not yet taken place.

Communities have participated in consultations, planning exercises and pilot projects for more than a decade, and the revenue reaching them so far reflects REM results-based payments rather than the much larger sums projected from ART-TREES. A rebound in deforestation would reduce credit generation. Protecting and growing REDD+ revenue, rather than diluting it with new deforestation risk, is therefore a matter of institutional credibility as well as climate policy.

The road expansion plans described in this report bear directly on that credibility. The rehabilitation of the BR-364 between Rio Branco and Cruzeiro do Sul is a legitimate political goal. Acre's population centres are entitled to a reliable, all-weather road.

However, Acre's own history, through the BR-317/Estrada do Pacífico precedent developed in Section 2, shows that paving this kind of corridor reliably raises deforestation pressure across the surrounding forest. This is not inevitable: the BR-317 experience also shows that sustained enforcement and protected-area management can hold that pressure well below what an unmanaged frontier would produce.

The task ahead for Acre and its partners is to bring that same governance capacity to bear on the BR-364 corridor as it is rehabilitated. Holding the PPCDQ trajectory through the rehabilitation would be possible, but it may require a sustained governance effort well beyond what the reductions achieved so far have demanded.

After 2027 the TREES reference level is adjusted down to the average of the 2023–2027 crediting period, so Acre would enter its next crediting cycle against a much lower baseline set by its own recent performance. The margin for any increase in deforestation would then become much more narrow, just as the effect of the road pavement could start putting additional pressure on neighboring forests.

The proposed extension to Pucallpa, in this context, appears not to be worth the risks. It is projected to drive around 74,700 hectares of additional deforestation over ten years and 133,800 hectares over twenty, for a connection that the only detailed cost-benefit analysis available finds economically unviable in both countries. The existing Interoceanic Highway, which carries a fraction of the traffic once projected for it, demonstrates that a new connection is not needed.

Instead, the State should make the most of the existing international connection it already enjoys and use future revenue from the sale of ART-TREES credits to consolidate the development of a bioeconomy. Such a strategy would ensure the diversification of the local economy and of traded goods, reducing exposure to a limited number of commodities, and would remain compatible with the long-term generation of revenue from REDD+.



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## Technical Annex

The projections in Table 3 use a Before-After Control-Impact (BACI) design calibrated from the BR-317 / Estrada do Pacífico, the only paved road in Acre with a subsequent international connection, and the direct historical analogue for the S2–S3 transition proposed for BR-364. These projections carry the uncertainty inherent in extrapolating from a single historical case. They are best read as a plausible order of magnitude rather than a precise forecast, and actual outcomes will depend heavily on the strength of enforcement and protected-area management along any new corridor, exactly as the BR-317 experience itself demonstrates.

Annual forest loss rates from satellite monitoring (Hansen Global Forest Change, 2001–2023) were compared across three distance bands from the BR-317 and across three periods: before paving, capturing the road announcement effect (2001–2006), during paving (2007–2010), and after the international connection opened (2011–2023). The statewide Acre deforestation rate is used as a control, so that the estimate isolates the effect of the road itself from broader trends in enforcement, commodity prices and policy that affected the whole state over the same period. Forest is defined here as tree cover above 30% canopy density in the year 2000, the threshold used for mature tropical forest in the Amazon. Loss is reported as gross tree cover loss within that baseline, without the additional humid tropical primary forest filter.<sup>30</sup>

Deforestation near the BR-317 fell during the paving period itself, reflecting a period of strong federal enforcement that affected the whole state. Once the international connection opened in 2010, however, deforestation near the road rose well above the statewide trend and stayed there. By 2011–2023, land within 5 km of the connected BR-317 was losing forest at 4.6 times the state average. Enforcement reduced the effect of the road but did not remove it.

**Table 4. Mean annual deforestation rate by distance band and period around the BR-317, compared with statewide Acre.**

| Distance band               | Before paving<br>2001–06<br>(%/yr) | During paving<br>2007–10<br>(%/yr) | After connection<br>2011–23<br>(%/yr) | Rate vs state<br>average |
|-----------------------------|------------------------------------|------------------------------------|---------------------------------------|--------------------------|
| 0–5 km                      | 3.50                               | 1.21                               | 2.67                                  | 4.6×                     |
| 5–20 km                     | 2.37                               | 1.13                               | 2.54                                  | 4.4×                     |
| 20–50 km                    | 1.33                               | 0.57                               | 1.22                                  | 2.1×                     |
| Statewide Acre<br>(control) | 0.50                               | 0.29                               | 0.58                                  | 1.0×                     |

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