The background image is a lush, sun-drenched natural scene. In the foreground, there are several bright red flowers with green leaves. The middle ground is filled with a dense field of green vegetation. The upper half of the image is dominated by a large flock of birds, possibly terns, in flight against a bright, hazy sky. The overall color palette is warm, with a lot of green and red, and a golden light from the sun.

EU-Mercosur: A nightmare for nature

GREENPEACE

EU-Mercosur: A nightmare for nature

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Greenpeace is an independent global campaigning network of organisations that acts to change attitudes and behaviour, to protect and conserve the environment and to promote peace.

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EU-Mercosur: A nightmare for nature

Road constructions in the territory of the indigenous Yanomami destroy the forest for illegal gold mining. In other areas, agricultural plantations are responsible for nature destruction.



For more than 20 years, the European Union and the Mercosur countries struggled to negotiate over a trade agreement. Finally, while Brazil was under the leadership of Bolsonaro, a political agreement was reached in July of 2019. The deal as negotiated is in principle a neocolonial, extractivist instrument: intended to secure EU imports of commodities and raw materials from South America, while increasing EU exports of industrial and chemical products.

The point of the deal is to boost trade in agricultural products like meat and soy, chemicals like pesticides, and cars and car parts. It is in direct opposition to the goals of the European Green Deal. The devil is not just in the details – the whole agreement is set up to take us backwards on climate action and nature protection, for the benefit of the European automotive and chemical industries and for large-scale South American agribusiness.

The planned agreement would be devastating for the climate and people. The EU already imports large quantities of beef and soya as animal feed from the Mercosur trade area. Every day, gigantic areas of rainforest in the Amazon and neighbouring regions have to give way to cattle pastures and soya cultivation. The green heart of the earth is suffering from European consumer greed. The planned free trade agreement would increase exports and further exacerbate the existing problems. If the treaty is ratified in its present form, the clear message is: profit for the few takes precedence over everything. Cosmetic changes such as those the European Commission is pursuing must be rejected as sham solutions.

This briefing summarises existing studies, investigations and legal analyses by Greenpeace organisations with regards to the EU-Mercosur deal.

**Extractivist,
neocolonial deal**

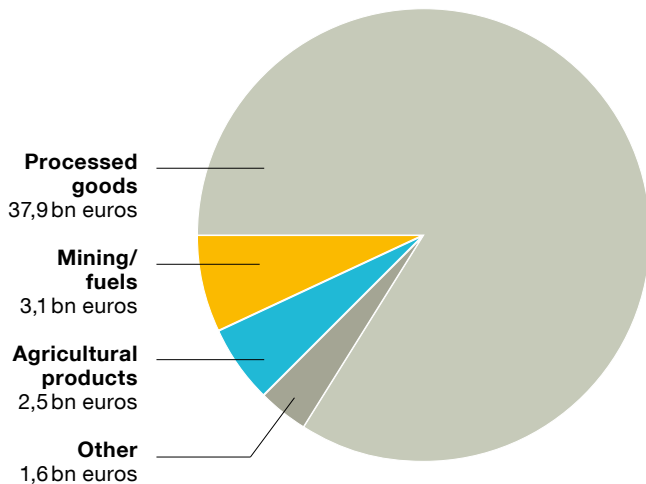
The deal perpetuates the EU’s extractive interests and cements Mercosur’s role as provider of raw materials and commodities to the EU.

The extractivist nature of the EU’s relationship with Mercosur, i.e. its strong focus on extracting natural resources, is reflected by the extremely dissimilar ranges of goods exported by the two regions. As can be seen in this [joint Greenpeace Germany and CIDSE study](#) and the graphs below, around 84 percent of EU exports to Mercosur are processed goods. On the other hand, according to the report findings, Mercosur exports to the EU are very different: about three-quarters of them are agricultural and mineral resources, with agricultural products making up the lion’s share.

The tariff cuts envisaged by the trade agreement would further increase the volumes of the raw materials traded and cement this asymmetric economic relationship between the two regions for many decades to come. As summarised in this [Greenpeace Germany analysis of the European Commission’s impact assessments](#), there are studies by academics which point out the risks of deepening and cementing this asymmetry: namely that by locking the Mercosur economy towards the production of raw materials and commodities with low added value instead of contributing to a development based on a more diversified economy able to cater for domestic demand, the EU-Mercosur deal will further deepen the old division of labour between Global North and Global South and may be equivalent to “trading away industrialization”.

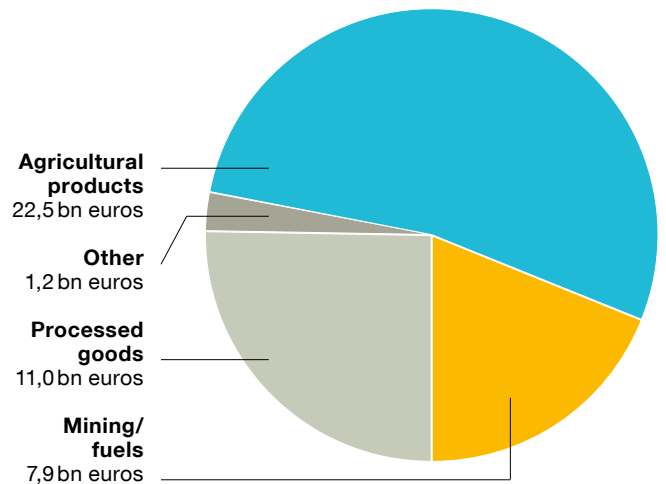
EU-28: Exports to Mercosur in 2018

Diagram 1 → Source: European Commission 2019



EU-28: Imports from Mercosur in 2018

Diagram 2 → Source: European Commission 2019



Destruction of the Amazon and other ecosystems through more meat and soy

The deal's trade provisions will incentivise the destruction of the Amazon and other ecosystems and increase the EU's land and forest footprint.

In the deal, the EU will grant Mercosur additional preferential tariff quotas for products like meat, sugar, rice and bioethanol. An overview provided in this [joint Greenpeace Germany and CIDSE study](#) and the graph below shows that the beef and chicken quotas would increase by a half compared with the existing Mercosur exports, while bioethanol quotas would increase by a factor of more than six. The beef quota of over 99,000 tonnes is particularly troublesome, since Brazil's Amazon forest is under pressure due to development of grazing land.

Cattle are the biggest driver of deforestation in the Amazon, with 63% of deforested areas occupied by animal pastures, as outlined in this [Greenpeace International Legal Q&A on the FTA](#). Deforestation for cattle pastures is also driving destruction of the dry forests of the Gran Chaco in Argentina and Paraguay.

A [Greenpeace Germany analysis](#) of the European Commission's impact assessments of trade deals concludes that they regularly minimise potential impacts on deforestation. The EU-Mercosur deal is a prominent example of that: while a

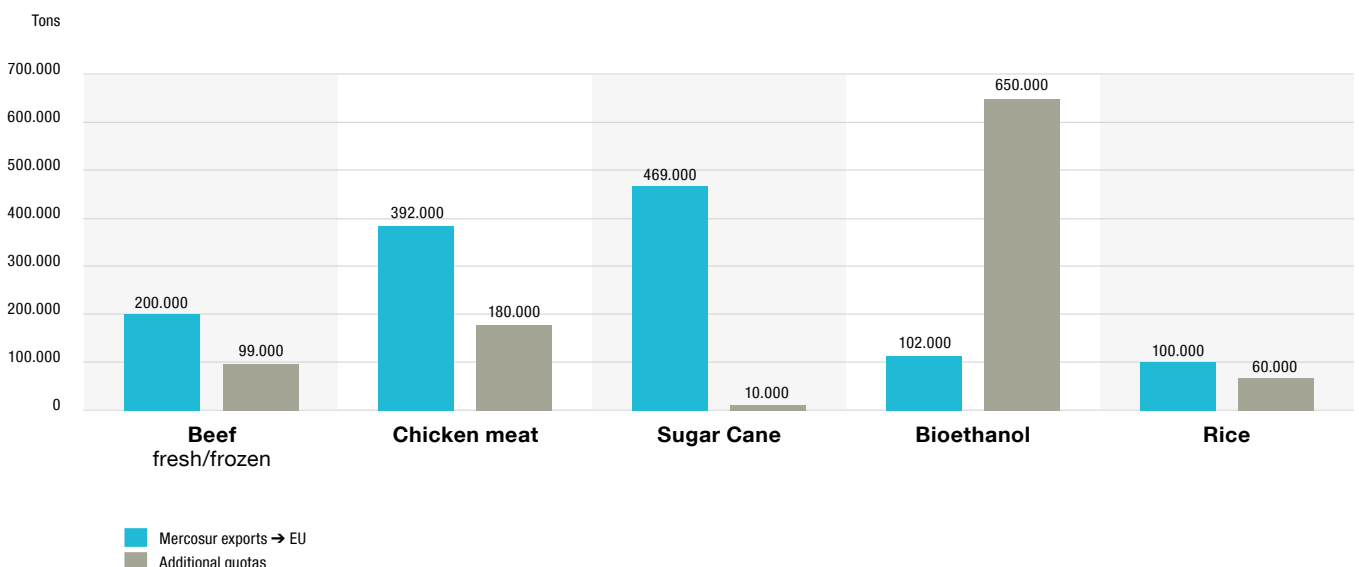
pluridisciplinary commission of experts appointed by the French government - which included not only economists, but also legal experts and experts in agronomy, veterinary and climate issues - [warned](#) of a possible annual increase in deforestation of 5% to 25% in the Mercosur region over a six-year period following the deal's entry into force due to the beef quotas, the [European Commission's assessment](#) on the other hand claimed that increased cattle production would not necessarily lead to more deforestation.

In addition, the [joint Greenpeace Germany and CIDSE study](#) explores how the EU-Mercosur deal includes clauses that will boost deforestation, for example by reducing Argentina's export duties on soy and biodiesel based on soy and hence encouraging the expansion of the soy front. The area set aside in Mercosur countries for cultivating soy destined to be exported to the EU already today [amounts to approximately 13 million hectares](#). Since only 13 percent of EU soy imports are [currently considered](#) deforestation-free, European demand is an important driver of deforestation, greenhouse gas emissions as well as land and human rights conflicts in South America.

As analysed in this [study on the EU-Mercosur Agreement and the Automotive Industry](#), the agreement is also expected to further boost the production and use of biofuels through a planned additional 200,000 tons of tax-favored bioethanol, duty-free imports of biodiesel, in addition to the already mentioned reduction in Argentina's export taxes on soy (oil). The EU's bioethanol quota in the EU-Mercosur agreement favours the expansion of Brazilian sugar cane plantations, which is often [accompanied by land conflicts](#). The huge areas of land occupied for this agrofuel production would then no longer be available for food and feed crops.

Mercosur exports to the EU (2018) and additional quotas

Diagram 3 → Source: European Commission 2019 / GRAIN 2019



The new EU deforestation law will ensure that certain commodities and products will only be placed on the EU market if they are “deforestation-free” and if they are produced in compliance with the laws applicable in the country of production. This new legislation will contribute to minimise the impact of EU consumption on forests around the world. Yet, there are environmental impacts of trade in commodities and derived products that the law, as agreed by the European Parliament and the Council in December 2022, will not address and will be made worse by the EU-Mercosur trade agreement.

1

Firstly, while the new EU deforestation law will address the impact of soy and beef placed on the EU market on Mercosur forests, it does not protect “other wooded lands” or natural ecosystems with high carbon stock or high biodiversity value, other than forests. The review clause in the EU deforestation law commits the EU Institutions to examine, respectively within one and two years, whether the law should be changed to protect “other wooded lands” and other natural ecosystems. However, until the completion of the review, other important ecosystems such as the Cerrado and the Chaco will not be protected by the law and the EU-Mercosur agreement will therefore have a detrimental footprint on those ecosystems, which are crucial for climate change mitigation and biodiversity.

2

Secondly, the EU Deforestation Regulation will for now not apply to the financial sector. Yet the EU-Mercosur deal expands opportunities for EU investors, meaning that investors can continue to - or might even be encouraged via the EU-Mercosur agreement to - invest in the agricultural sector in the Mercosur region without the safeguards provided by the new law to guarantee that these investments are not linked to deforestation and forest degradation.

3

Thirdly, the EU deforestation law in its current form will not apply to commodities such as maize, sugar cane, poultry and to derived products such as bioethanol (mostly obtained by sugar cane and maize); which are boosted by the EU-Mercosur deal. On the basis of a review clause, it is possible that additional commodities (including maize) and products (including biofuels) will be included in the scope of the regulation in the near future. As the law stands, however, and until it is reviewed, these commodities and products will continue to be placed on the EU market without being subject to the “deforestation-free” standard.

4

Finally, whereas the legislation will apply to beef and beef products (including leather), operators and traders placing those commodities and products on the EU market will not be required to assess the sustainability of feed used in their production process. This means that the soy used to feed cattle in the Mercosur countries will still be at risk of coming from deforested land or converted ecosystems.

Greenpeace EU's reaction to the EU deforestation law can be found [here](#).



In Argentina, entire forests are sacrificed for meat products. A Greenpeace report shows that over the last 25 years, the Argentinean meat company Inversora Juramento has destroyed around 50,000 hectares of forest in the province of Salta.



Above: Cattle farms destroy the home of the last 20 jaguars of Argentina's Gran Chaco – the second largest forest ecosystem in South America after the the Amazon.

Below: Amazon in flames: Overflight pictures from Porto Velho, in the state of Rondônia. In 2022, more than 8,000 hectares of forest were burned down.

Pesticides

The agreement could boost the use of and exposure to hazardous pesticides.

It will lead to a further increase in the consumption of agricultural toxins by reducing the cost of pesticide exports from the EU into Mercosur, as explained in this [joint Greenpeace and CIDSE study](#). While pesticides are currently subject to customs duties of up to 18 per cent, the trade agreement plans to lift customs duties on more than 90 percent of EU chemical exports, including pesticides. As the study shows, numerous highly toxic pesticides, which are not approved for use in the EU, are used in agriculture in the Mercosur countries. They pose a significant health risk, particularly for the people who apply them and who work in the fields, as well as for rural communities. Villages and settlements on the edges of plantations and fields often [suffer from the drift of pesticides](#) that are sprayed over the fields by aircraft.

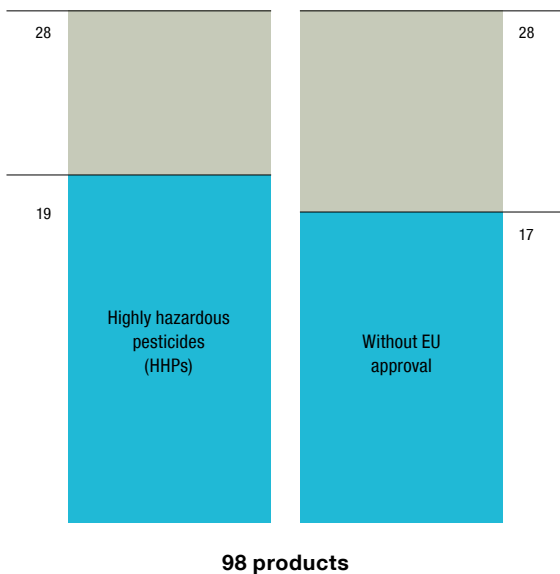
As there is currently no EU-wide ban on manufacturing and exporting pesticides that are not approved in the EU, European companies can continue to manufacture pesticides for export which are considered too dangerous or toxic for use within the EU itself. According to the findings of this [Greenpeace Germany Report on Double Standards concerning agrotoxics](#): German company BASF owns 98 products in Brazil containing a total of 28 different active ingredients. According to the report findings, among these ingredients, 19 are considered to be highly hazardous pesticides, with 17 of them not

approved in the EU. Greenpeace Germany writes that BAYER Crop Science owns 71 products in Brazil containing a total of 27 different active ingredients. Among these ingredients, 22 are listed as highly hazardous pesticides, with 17 of them not approved in the EU.

In the end, this kind of double standard can create a toxic cycle. [Greenpeace Germany's research on Pesticides from Germany in Brazilian fruits](#) showed that contaminated products end up in Germany's supermarkets. Out of 70 Brazilian fruits tested from supermarkets in Germany, 59 contained pesticide residues. A total of 35 different active substances were found, the majority of which belong to the category of highly hazardous pesticides. According to the report, twelve of the active ingredients found are also marketed by Bayer and seven can also be attributed to BASF. Eleven of the identified active substances are not authorised in the EU. Some active substances are highly toxic to bees or are even considered carcinogenic. So in the end, the EU-Mercosur deal will have devastating consequences for the population, the environment and biodiversity not only in the Mercosur countries where the pesticides are applied but also for consumers in Europe buying the agricultural products with pesticide residues.

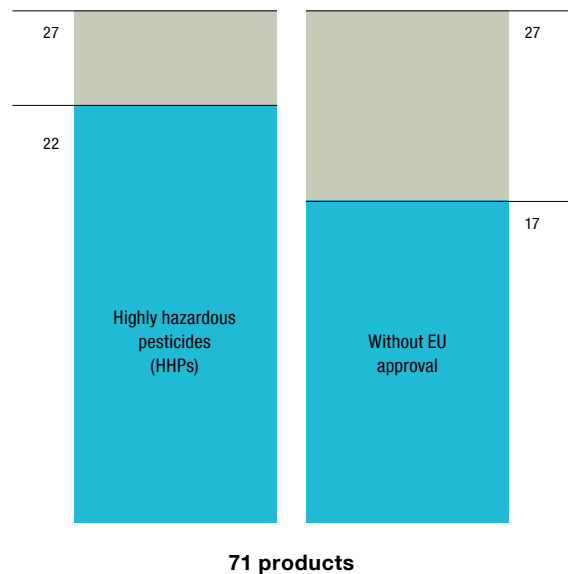
BASF pesticides and active ingredients that have been approved in Brazil

Diagram 4 → as of February 2020



BAYER Crop Science pesticides and active ingredients that have been approved in Brazil

Diagram 5 → as of February 2020



Food safety

The deal will reduce import controls and endanger food safety.

While EU standards on what is allowed for sale in the EU will not technically change due to the trade deal, import controls will be lowered and exporters will be allowed to self-certify that they follow EU policy on things such as pesticide residue and growth hormones, explains the [Greenpeace International Legal Q&A on the FTA](#). The EU-Mercosur Agreement weakens food checks and the ability to identify and withdraw contaminated animal foodstuffs from the market when they arrive. As explained in this [joint Greenpeace Germany and CIDSE study](#), this is because Article 7 of the SPS chapter provides for export authorisations for animal products to be speeded up. To this end, the importing country is to refrain from carrying out import checks if the exporting country provides “sufficient guarantees” via its exporting parties.

In addition, the trading partners are expected to agree to reduce the frequency of import checks. This raises concerns given previous involvement of Brazilian meat companies such as JBS and BRF in food scandals, as outlined in the [Greenpeace International Legal Q&A on the FTA](#). In March 2017, Brazilian police uncovered that slaughterhouses belonging to meat transnationals JBS and BRF bribed officials to obtain health certificates for huge amounts of rotten meat intended for export. In July 2019, a team of British and Brazilian journalists revealed that large amounts of salmonella-infected chicken from Brazil entered the EU undetected. According to this investigation, 20% of Brazilian frozen chicken was contaminated with salmonella. Such episodes could become more frequent once the EU-Mercosur agreement is approved.

As can be seen in the [Greenpeace International Legal Q&A on the FTA](#), the precautionary principle enshrined in EU legislation, on which trade-restrictive measures could be based in the event of any risk, is not well protected in the EU-Mercosur deal, meaning that the EU and Mercosur cannot preventively block imports of critical products such as agricultural goods suspected of being contaminated with pathogens, containing residues of prohibited pesticides or exceeding the limits for pesticide residues.



Food controls show: in Fruits from Brazil, pesticide residues are found (again and again).



Symbolic image: Pesticide residues are not visible for consumers.

Cars and the mobility transition

The European car industry will benefit disproportionately from the deal.

The study [“Mobility transition slowed down: the EU-Mercosur Agreement and the Automotive Industry”](#) exposes the concessions the European Commission has made to the automotive lobby in the negotiations in order to increase the profits of the European car industry. According to the report, not only did the automotive industry and its associations engage in intensive lobbying, an investigation of emails and previously-secret documents also shows that employees of the European Commission and of the German Ministry of Economics worked very closely with the car industry on this trade agreement: they actively asked for the wishes of the car manufacturers and fed them into the negotiations with Mercosur.

The agreement requires Mercosur to eliminate car tariffs completely 15 years after the agreement enters into force. As the study shows, currently, Brazil and Argentina impose tariffs of 35 percent on cars, Uruguay 23 and Paraguay 20 percent. The study further clarifies that the gradual elimination of tariffs is to begin after a transition period of seven years after entry into force, but during this period Mercosur is already granting a quota of 50,000 passenger cars that may be imported at half the tariff rate. In addition, the agreement will lead to the elimination of more than 80 per cent of tariffs on car parts.

The European Commission has also negotiated many more advantages for the European car industry beyond tariff reductions for cars and car parts, namely tariff reductions for the supply of raw materials to the car industry, more favourable conditions for trade in biofuel based on soy or sugar cane, as well as the reduction of trade duties for cow leather for car seats. In addition, Mercosur countries agree to accept car registration based on weak EU tests and certificates which have, according to the study, in the past not only made it easier for the car companies to manipulate exhaust emissions, but also enable them even today to mathematically embellish their emissions balances.

The [study](#) shows how, in the long term, the EU-Mercosur agreement would secure a lucrative sales market for climate-damaging combustion engines for car manufacturers and thus stand in the way of a gradual shift away from fossil fuel-powered private transport. As a result, the European automotive industry can continue to reap huge profits with its fossil-fuel car models in Mercosur at the expense of the climate, while at the same time generously proclaiming the end of combustion engines in the EU. The agreement thus weakens efforts to reduce emissions from the global car fleet as a whole, stands in the way of a true mobility transition and promotes false solutions such as the use of agrofuels.

Industry

The deal disconsiders the needs of smaller companies and threatens the industrialisation of South America.

It is a trade deal created only to benefit the largest of corporations, who are tied to 80% of global trade. As this [Greenpeace EU Mythbuster](#) explains, only large corporations tend to take advantage of any benefits trade agreements can bring to companies, as it is difficult for smaller companies without the resources to do so. In this sense, this agreement could even act as a barrier to success for SMEs, as it makes the already uneven playing field with large corporations even more tilted. The chapter on SMEs in this agreement is only four pages long, and no sanctions can be applied in the case of violations of provisions in this chapter. Clearly SMEs are not a priority for those who negotiated this agreement.

In addition, as the [Mythbuster](#) shows, even the European Commission’s own impact assessment admits this deal is unlikely to add a significant number of jobs. The numbers of sectors with predicted job losses certainly busts the myth of job creation, and the few figures showing job increases are negligible at best. For example, even looking at the Commission’s best-case scenario projections, they expect employment in the European motor vehicle and transport equipment sector to increase by only 0.5% because of this deal.

For the Mercosur industry and jobs, there are even serious concerns that the deal will have negative effects. As this [Greenpeace Germany study on the EU-Mercosur Agreement and the Automotive Industry](#) shows, the rapid tariff reduction on cars and car parts, as well as the rules of origin, will increase competitive pressure, especially on the Mercosur automotive industry. The study explains that the deal has been criticised by Mercosur trade union confederations, who believe that the scope of the tariff reduction is too large and the pace too fast for local industry to adapt to increased competition. The intensified competition endangers jobs and increases the precariousness of employment relationships in Mercosur and hence signing the agreement would be “a death sentence for our industries”, those unions said. As explored in the study, Argentinian academics have estimated that a total of up to 186,000 jobs could be lost in Argentina alone as a result of the market opening due to the EU-Mercosur agreement, the majority of those in the car and metal industry.

Incentivising mining

The deal will lead to more mining in Mercosur for mineral exports to the EU, putting human rights at risk.

European mineral imports, especially of iron ore, are associated with some of the most serious human rights abuses along the supply chains of European companies, as explored by this [joint Greenpeace Germany and CIDSE study](#). Yet the EU-Mercosur deal does not contain any binding rules on corporate accountability.

This is concerning, as the Mercosur countries are important suppliers of mineral and energy resources to the EU. For example, the study outlines that 57 percent of the EU's kaolin imports and 48 percent of iron ore imports alone come from Brazil. As the study further shows, in order to maintain a cheap supply of raw materials to EU industry, the EU-Mercosur Agreement stipulates a general ban on all taxes and duties on exports.

The Mercosur countries have used such measures in the past, as they are an important means of generating government revenue. Argentina, for example, has restricted exports of cobalt, lithium, copper and iron ore, and Brazil has restricted exports of magnesium, among other minerals. Under the EU-Mercosur deal, they will no longer be allowed, in order to secure and cheapen the supply of raw materials to the European industry.

Human rights,

Indigenous Peoples' rights

The deal offers no real human rights protection and disrespects indigenous peoples' rights.

The agreement's Trade and Sustainable Development Chapter does not even include a section on human rights. This is problematic, explains this [Legal Opinion by Prof Hoffmann and Prof Dr Krajewski commissioned by Greenpeace Germany and CIDSE](#), because without binding commitments on labour, environment and human rights, trade agreements lack a balance between economic and non-economic objectives and principles.

As can be seen from this [Greenpeace International Legal Q&A on the FTA](#), instead of enhancing protection for Indigenous People and local communities, the provisions of the agreement change the wording "free, prior and informed consent" ([recognised by the UN](#) as an essential guarantee of Indigenous People's rights over the land they live on) to "prior informed consent". That they don't even use the established human rights norm in this provision is indication that the rights of Indigenous People were not a priority in the trade deal.

While protecting the rights of Indigenous People and local communities and their livelihood must be a priority the protection and restoration of world forests and ecosystems, [this Greenpeace EU Mythbuster](#) shows: the EU-Mercosur FTA is far from being the appropriate instrument to achieve this. The European Commission has made no effort to ensure that these groups were adequately consulted on the deal's content.

And in fact, the agreement risks negatively impacting Indigenous communities in the Mercosur countries, for example via the expansion of sugar cane cultivation for bioethanol, of which the Indigenous Peoples of Brazil are already now victims of. Among them are the Guarani-Kaiowá, in the state of Mato Grosso do Sul, whose traditional territories are increasingly falling victim to sugar cane cultivation and other plantations, as the [joint Greenpeace Germany and CIDSE study](#) shows.



Above: Brazil's biggest environmental disaster: In 2015, iron ore mine dams in the district of Mariana broke. The toxic sludge buried 19 people and several villages. Until today victims are fighting for their rights.

Below left: The Guarani Kaiowa are fighting to preserve their land in the Cerrado of southern Mato Grosso. A region in Brazil, where the agribusiness industry continues to displace indigenous peoples massively.

Bottom right: Brazil 2019: Another dam disaster at an iron ore mine. A car is swept away by the toxic mud and lands in the Paraopeba River.

Weakness of environmental and social standards

The agreement has ineffective provisions on environmental and social issues.

It formulates obligations and commitments which refer to multinational environmental and labour agreements often in a non-binding manner, as explored in this [Legal Opinion](#). Many of the provisions only contain “best endeavor”-clauses and are mere declarations of intent or remain vague and only entail a low level of commitment. For example, Article 7 (Trade and Biodiversity) of the Trade and Sustainable Development Chapter states that the Parties shall “(a) promote the use of CITES as an instrument for conservation and sustainable use of biodiversity” instead of effectively implementing the respective Convention.

The sustainability chapter does include some commitments to the “effective implementation” of multilateral environmental agreements, including the Convention on Biological Diversity and the Paris Agreement on Climate Change. As can be seen from the [Greenpeace International Legal Q&A on the FTA](#), in the EU-Mercosur agreement’s chapter on Trade and Sustainable Development, Article 6.2(a) commits each Party to “effectively implement the UNFCCC and the Paris Agreement established thereunder”, but this provision has no mechanism to meaningfully enforce it, as the entire chapter is not enforceable under the rest of the agreement’s dispute resolution mechanism.

As the [Legal Opinion](#) explains, disputes concerning the provisions on trade and sustainable development are initiated by consultations and may involve the establishment of a panel of experts issuing a report with recommendations for the parties to consider. Recourse to trade sanctions in the event of a breach of commitments by a party under the regular dispute settlement procedure of the agreement is, however, not possible.

As outlined in this joint [Greenpeace Germany and CIDSE study](#), that weakness has practical consequences. For example, although cultivating soy in Mercosur and importing it to the EU endangers biodiversity and the climate, the trade agreement does not allow new trade restrictions to be imposed either on the EU or on Mercosur. In its current form, the agreement does not even contain an exit path from existing environmentally damaging trade relations.

Flawed analysis of the deal’s impacts on sustainability

The EU has downplayed the agreement’s potential negative impacts on people, environment and climate.

The European Commission often engages in trade negotiations well before the relevant Sustainability Impact Assessment of the proposed agreement has been finalised, as explained in this [study which reviewed such assessments](#). In the case of the EU-Mercosur deal, the European Commission even concluded trade negotiations altogether in 2019, while the sustainability assessment was only finalised more than a year and a half later, showing that its findings were unlikely to have been taken into account and addressed in the negotiations. The EU Ombudsman even found that the Commission’s failure to ensure that the EU-Mercosur agreement’s sustainability impact assessment was finalised in good time [constituted maladministration](#).

Beyond the flawed timing, [an analysis of the European Commission’s sustainability impact assessments](#) also found various flaws when it comes to the quality of those assessments, concluding that there is little standardisation when it comes to the analysis of impacts which cannot be easily modelled, such as on deforestation, biodiversity loss and human rights. This often leads to a superficial analysis of those potential impacts. This is also the case with regards to the impact assessment regarding the EU-Mercosur deal. For example, that impact assessment did not even analyse the consequences the agreement might have on biodiversity. The absence of such an analysis does not match with the particularly high negative impact that one can expect from this agreement on biodiversity, because of the particular biomes and ecosystems present in Mercosur countries on the one hand; and the importance given in this agreement to agricultural products prone to affect biodiversity on the other hand.

One additional crucial gap found by the researchers is that impacts on climate change are consistently underestimated, as the assessments - including the one regarding the EU-Mercosur deal - do not take into account greenhouse gas emissions related to international transport, land-use or land-use change. The failure to take this source of emissions into account is all the more problematic when it is a major source for some countries like Brazil, and the climate implications related to land-use change for the EU-Mercosur agreement in particular are huge given the expected increase in agriculture especially meat, sugar cane and soy production that the agreement would entail and the subsequent risks of deforestation.

Options for an acceptable EU-Mercosur agreement

The EU's plans to address sustainability concerns via an additional instrument are a sham.

This [Legal Opinion by Dr Hoffmann and Prof Dr Krajewski commissioned by Greenpeace Germany and CIDSE](#) considers the various options for improvement of the agreement which are currently circulating in political discourse. According to the academics, a mere declaration of interpretation to the Trade and Sustainable Development Chapter would not be useful since it could not change the substantive standards and would not establish a binding enforcement mechanism. A protocol/separate agreement which would implement changes to the Trade and Sustainable Development Chapter – with respect to its substance, procedure or both aspects –, on the other hand, could produce contradictions if it is not formulated precisely enough. Moreover, it could produce incoherency between the various clauses of the agreements.

Therefore, the authors conclude that the only credible option for a climate and human rights-oriented trade agreement between the EU and Mercosur would be to completely renegotiate. While providing detailed recommendations for an improved sustainability chapter with binding obligations and an effective dispute settlement system, the [Legal Opinion](#) argues that even the best Trade and Sustainable Development Chapter alone does not guarantee the sustainability of the agreement.

Laying down sustainable development clauses in a closed chapter without integrating sustainable development obligations of the Parties into other chapters of the Free Trade Agreement is not enough, the experts explain. A comprehensive approach needs to take into account all details of the treaty. Labour, environmental and human rights protection requirements must be integrated throughout the text of the whole agreement. The legal experts recommend that the treaty parties assess the content of the other chapters beyond just the Trade and Sustainable Development Chapter and consider renegotiations to secure sustainability of all chapters. The EU-Mercosur agreement could only be a sustainable treaty if all chapters undergo a renegotiation which touches upon sustainability aspects.

Democratic scrutiny: the EU Commission's “splitting” explained

The European Commission's intention to remove democratic scrutiny by changing the voting process for the deal is an assault to democracy.

As this [Open Statement by Greenpeace International and 200+ other organisations](#) explains, this so-called “splitting” attempt by the European Commission would mean that the trade pillar of the EU-Mercosur agreement would be separated from the rest of the Association Agreement and put for adoption by the Commission without requiring the consent of all EU Member States within the Council of the EU, and without requiring any kind of national ratification. This would be an assault to democracy and a severe shift away from trade decision-making rules and current practices whereby association agreements are approved unanimously by EU governments, as well as by a majority in the European Parliament and by all parliaments at the national level.

For the EU-Mercosur agreement, this splitting would bypass the opposition of the parliaments in Austria, the Netherlands, Wallonia and Brussels as their approval would no longer be required. Same goes for the current government positions like the French stating that they cannot ratify the EU-Mercosur agreement in its current form because of its negative sustainability impacts – they would no longer have a veto power in the Council of the EU. The Open Statement criticises that the whole process of scrutiny of the EU-Mercosur deal as per the negotiating mandate was based on the common understanding that Member States would have a veto either in the Council or through the ratification at national level.

With regard to this possible splitting, the legal experts in this [Legal Opinion](#) also confirm that the original negotiating mandate of 1999 given by the Council to the European Commission speaks of an association agreement and the EU Foreign Affairs Council in 2018 again explicitly confirmed that the agreement is a mixed one. A decision to split the agreement would therefore be in contradiction to the opinion of the Council, but the legal effects of this deviation are unclear. A splitting of the agreement would also weaken the political cooperation part which would only be ratified much later, or never, the legal experts say. In addition, a split trade agreement would not include any human rights references or the protection of human rights, as the sustainability chapter of the trade part does not include such clauses. This is why the legal experts consider that a splitting would pose a threat to sustainable development in the current context.

Conclusion and demands

As outlined in this briefing and in extensive Greenpeace studies and reports, even with a new government in Brazil, an urgent rethink about the EU-Mercosur trade agreement remains absolutely necessary. Without a radical rethink, the deal will drive the continued destruction of the Amazon and other vital ecosystems, accelerating the climate and nature crises.

President-elect Lula has expressed concerns about the deal. In his victory speech, he emphasised that he wants fairer trade and is not interested in trade agreements that condemn Brazil to “the eternal role of exporter of commodities and raw materials”. Throughout his election campaign, Lula indicated he wants to renegotiate the text with the EU.

But truly fixing the agreement would require a major overhaul. To protect nature, the climate and the human rights of Indigenous Peoples, the EU and Mercosur countries need to turn the deal on its head, and put environmental and social concerns at the centre. The European Commission’s current intention to address the sustainability loopholes of the EU-Mercosur deal via an “additional instrument” is a sham process, unable to fix the serious shortcomings of the agreement.

As argued by Greenpeace Brazil and Greenpeace Germany campaigners in [this blog](#), a complete renegotiation of the EU-Mercosur text is needed if decision-makers are serious about sustainable trade. The time to act to protect nature and climate is now: policy-makers on both sides of the Atlantic must reject any EU-Mercosur deal which spurs forest and ecosystem destruction and goes against the socioecological transition we urgently need.

Greenpeace publications on the EU-Mercosur deal

What Lula's victory in Brazil should mean for the EU-Mercosur trade deal, 2022, Greenpeace Brazil and Greenpeace Germany:
<https://www.greenpeace.org/eu-unit/issues/climate-energy/46449/what-lulas-victory-in-brazil-should-mean-for-the-eu-mercossur-trade-deal/>

The European Commission's trade sustainability impact assessments: a critical review, by Veblen Institute and Greenpeace Germany, 2022:
<https://www.greenpeace.org/eu-unit/issues/nature-food/46205/critical-review-of-sustainability-impact-assessments-for-eu-trade-deals/>

The EU-Mercosur free trade agreement: a critical analysis and an alternative, by Handel Anders coalition and Greenpeace Netherlands, 2022:
<https://handelanders.nl/wp-content/uploads/2022/02/English.pdf>

Legal opinion and proposals regarding a possible improvement or renegotiation of the draft EU-Mercosur Association Agreement, by Dr Hoffmann and Prof Dr Krajewski, and Greenpeace Germany, 2021:
https://www.cidse.org/wp-content/uploads/2021/05/Legal-Opinion-EU-Mercosur_EN_final.pdf

EU-Mercosur Agreement: Risks to Climate Protection and Human Rights, by Thomas Fritz, Greenpeace Germany and Misereor, 2020:
<https://www.cidse.org/wp-content/uploads/2020/06/Study-EU-Mercosur-Agreement-Risks-to-Climate-Protection-and-Human-Rights....pdf>

EU-Mercosur mythbuster, Greenpeace EU, 2020:
<https://www.greenpeace.org/eu-unit/issues/democracy-europe/45118/eu-mercossur-mythbuster/>

EU-Mercosur Free Trade Agreement, Legal Q&A, Greenpeace International, 2020:
https://www.greenpeace.de/sites/default/files/publications/eu-mercossur_free_trade_agreement_legal_qa_greenpeace_june_2020.pdf

EU-Mercosur: Double Standards concerning agrotoxics, Greenpeace Germany, 2020:
https://www.greenpeace.de/publikationen/eu_mercossur_double_standards_concerning_agrotoxics_2020.pdf

Other useful publications

Statement of 450+ organisations against the EU-Mercosur agreement:
<https://stopeuercosur.org/>

Statement by 200+ organisations against the European Commission's "splitting" of trade deals, 2022:
<http://s2bnetwork.org/209-civil-society-organisations-say-eu-trade-deals-must-not-undermine-democratic-rights209/>

Trade unions' joint statement on the EU-Mercosur agreement, 2021:
<https://www.etuc.org/en/publication/cono-surccscs-etuc-joint-statement-bi-regional-association-agreement-between-european>

Study: Analysis of the agreement between the European Union and the Mercosur, by Dr. Luciana Ghiotto and Dr. Javier Echaide, 2020:
<https://www.annacavazzini.eu/wp-content/uploads/2020/01/Study-on-the-EU-Mercosur-agreement-09.01.2020-1.pdf>

Open letter by 190+ economists regarding the economic impacts of the EU-Mercosur agreement, 2020:
<http://s2bnetwork.org/open-letter-sia/>