

The EGP opposes the EU-Mercosur Agreement

As Greens, we believe in a global trading system that is based on global justice and solidarity, shapes globalization for the better, and puts human wellbeing at its centre while taking into account the biophysical limits of the planet. We can only support EU's trade policy as long as it is in accordance with the Paris agreement, furthers sustainable development and human rights protection. We also believe in the need for Europe to tighten its trade relations with Latin America.

Therefore, we are deeply worried by the negotiations between the EU and the Mercosur countries to conclude an Association Agreement affecting 700 million people and that would be the world's most ambitious bi-regional agreement. These negotiations to complete the agreement in principle tentatively announced in 2019 hinge notably a Joint Instrument tabled by the European Commission and the counterproposal put forward by the Mercosur.

The expected outcome

Even though the texts discussed since the Joint Instrument and the Mercosur counter proposals are not public, both were leaked. Both leaks indicate that the final agreement will likely fall short of the EU Green Deal requirements and by far not reach the level of ambition shown in the EU-New Zealand Agreement. Mercosur countries are steadfast in their rejection of sanctions or additional requirements related to sustainability and social standards.. **The EU-Mercosur agreement will therefore be incompatible with the European Green Deal and the Sustainable Development Goals. We share the view of Latin American [trade unions](#), [CSOs](#) and [academia](#) who consider that this Agreement will deepen economic asymmetries, locking Mercosur countries into a development path based on agri-food and mineral exports and hindering economic diversification.**

On the EU side, the attempts to pursue the trade agreement have already led to a **legislative chilling effect**. In a backdoor deal, the European Commission promised Mercosur countries to postpone the EU Deforestation Regulation for another year, after they repeated their concerns about this supposed "trade irritant".

The Agreement was opposed by **farmers** during their protests over the winter of 2023-2024 for fear of unfair competition from unmanageable flows of imports. Despite words of comfort from the political parties in power ahead of the European election and the recommendations of the recent Strategic Dialogue on the Future of EU Agriculture calling for a "stronger alignment of imports with EU food and farming standards" and a fundamental rethinking of agriculture's place in EU trade agreements, the EU-Mercosur Agreement has not been adapted accordingly. EU farmers will be exposed to competition from agri-food products that do not comply with higher EU sanitary and phytosanitary, as well as minimum social, standards and use of toxic chemicals (fungicides, herbicides, insecticides) banned in the EU. Adequate controls must be in place to protect the health of the consumers. Like [farmers' organisations](#), we consider that the proposal floated by the Commission to create a new fund to compensate European [farmers for any negative impact](#) of the EU-Mercosur agreement is an acknowledgement that the Agreement will indeed harm farmers.

Rather than tackling root causes, the Commission only suggests that EU taxpayers foot the bill for the benefit of export sectors. Such an approach is fueling farmer's protest and subsequently the far-right in many Member States.

Since the pandemic and Russia's illegal war of aggression against Ukraine, the risks of disruption to EU supply chains have become evident, including the EU's growing demand for **strategic and critical raw materials**. Most of the world's energy transition mineral projects are located either on or near [Indigenous peoples' or peasant lands](#) posing serious risks for human rights-compatible permitting, consultation, and consent. Mercosur countries have huge reserves of lithium, copper and other minerals. But the Agreement does not refer to the UN principle of free, prior and informed consent, or to the UN Declaration on the Rights of Peasants, or to the United Nations Declaration on the Rights of Indigenous Peoples. Growing trade in raw materials seriously risks increasing human rights violations, environmental degradation, including water scarcity and pollution, and public health issues. Deforestation, which could rise by as much as [25 per cent due to the Agreement](#), brings the same concerns. The Mercosur agreement must include the protection and preservation of the rainforest and protection of the indigenous people.

We also have concerns regarding **gender equality and women's empowerment**. The [sustainability impact assessment](#) already outlined the "risks to women's economic independence" and academic research has projected overall [negative impacts for women in the labour market](#).

Towards the finalisation of the deal

Over the last months, European Commission negotiators have continued technical discussions with their South American counterparts, aiming to announce a final agreement by the end of 2024. To our knowledge, the conditions for fair competition, including for the farming sector, have not been included among the concrete proposals, or even discussions. The process thus ignores the Strategic Dialogue Report's recommendations on agriculture commissioned by the President of the European Commission.

The Greens are alarmed by the possibility that the Commission **splits the Association Agreement** to facilitate the adoption of the Trade part, which requires a qualified majority voting (contrary to the Political and Cooperation part subject to the unanimity rule). Such a decision would circumvent the opposition of some Member States and bypass Parliamentary oversight, running counter to the 2018 Council Conclusions declaring the Mercosur Agreement as a [mixed agreement](#).

We are also worried about the **rebalancing mechanism** requested by the Mercosur countries. This demand to be compensated for possible negative externalities of EU autonomous measures would violate the EU's strategic autonomy and right to regulate. It would set a dangerous precedent for future EU trade agreements. It would also create uncertainty about the future implementation of the Carbon Border Adjustment Mechanism, which has been fiercely criticized by Mercosur countries.

We **support a closer relationship with Mercosur partners** but based on another narrative and

hinging on other modalities. The Greens in the European Parliament commissioned a study on [alternative partnerships that put people and planet first](#) and that can definitively turn the page on the “cows for cars” approach to trade.

For all the above-mentioned reasons, the European Green Party:

- states its opposition to the EU-Mercosur Agreement
- calls on member states to withdraw their support to the negotiation mandate given to the Commission the conclusion of the deal without further consideration of the national and European discontent compromises the unity of the EU
- calls on the European Parliament, the European Council and the Member States to reject this Agreement and refuse its splitting calls on its national members to stand with civil society organisations against the Agreement

Background

On 28 June 2019, the European Commission and Mercosur, the free-trade zone of Brazil, Uruguay, Paraguay, Argentina and Bolivia, reached a **political agreement “in principle”**, 25 years after the start of the talks. The announcement raised many concerns and controversies in Europe.

In an October 2020 [resolution](#), the European Parliament affirmed that “the EU-Mercosur agreement **cannot be ratified as it stands**” because it did not ensure fair competition and lacked a binding and enforceable chapter on sustainable development.

In February 2023, mindful of the concerns about the Agreement, the stance of the EP resolution, and the Commission’s own strategy to strengthen labour, environmental and civil society provisions in free trade agreements, the Commission tried to salvage the deal by proposing a **Joint Instrument**. This instrument aimed to clarify and make more concrete the commitments contained in the Trade and Sustainable Development Chapter, including the fight against deforestation, labour and human rights protection, and the effective implementation of the Kunming-Montreal Global Biodiversity Framework.

Mercosur produced its **counter proposal** in September 2023, rejecting the possibility of sanctions in case of violation or failure to respect sustainable development commitments. They also demanded that the Agreement “be equipped with a mechanism to rebalance trade concessions negotiated under the Agreement if these concessions are suspended or nullified due to domestic EU legislation”. Since then, EU and Mercosur negotiators have met regularly and hope to conclude talks by the end of 2024.