

# Environment and sustainability after the European Union-Mercosur trade agreement

## Editorial

In 1999, Mercosur leaders and European Union representatives began negotiating the largest trade agreement between Europe and South America<sup>1</sup>. Argentina, Brazil, Paraguay, Uruguay, Venezuela and the 27 EU Member States are the most powerful economies in their regions and are now set to become closer economic partners through a Free Trade Agreement (FTA). As trade relations between the two blocs are already very intense, the new FTA is expected to facilitate trade even more. At present, exports and imports are almost even in terms of value.

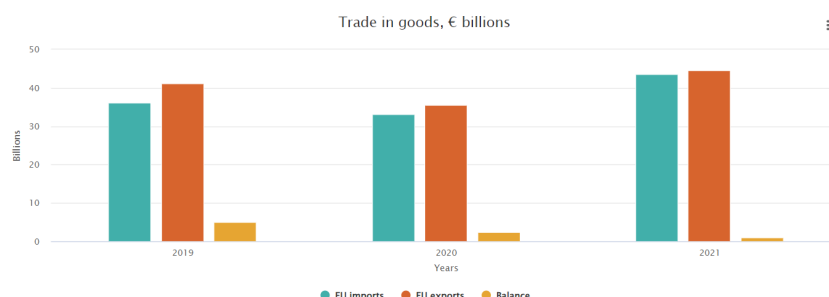


Figure 1: EU-Mercosur trade, EU statistical data<sup>2</sup>

The fact that the interregional agreement is still of academic, social and political interest, more than 20 years after the start of negotiations, is justified by the fact that it was signed in 2019 but has not yet entered into force, as it is still pending ratification. Expectations for the mutual benefits of the trading partnership are particularly high in the current domestic and international political climate. The environmental and social impact of domestic consumption beyond its borders

<sup>1</sup> The Planning, Policy and General Administration Office of the Ministry of Agriculture and Water Resources has published figures that show the importance of the agreement in terms of Portugal's foreign trade: <https://www.gpp.pt/images/gam/2/de/Mercosul.pdf>.

<sup>2</sup> EUROPEAN COMMISSION – Mercosur. *EU trade relations with Mercosur. Facts, figures and latest developments*. Available at: [https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/mercosur\\_pt](https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/mercosur_pt).

is a growing concern for the European Union. Mercosur countries, on the other hand, are keen to show their commitment to the causes and values that underpin the agreement. The immediate objectives of this agreement are not very different from other agreements between other countries and regions that are currently being negotiated (with Australia, India, and Indonesia), are in the process of adoption (with Chile, and New Zealand) or have already been adopted (with Canada, and the United Kingdom). The aim is to facilitate mutual trade relations, reducing customs duties and harmonising technical requirements so that they no longer constitute barriers to international trade, thus facilitating the free movement of services and goods, including public markets. A few years after its entry into force, customs barriers will be removed for industrial products such as motor vehicles, machinery and chemical and pharmaceutical products. The harmonisation of technical rules, of sanitary measures, of rules on intellectual property and of public procurement will bring benefits to the economy as a whole<sup>3</sup>. It will allow businesses to grow, consumers to enjoy greater benefits and safety, workers to enjoy better working conditions, and investors to have greater confidence and more opportunities to invest.

In addition to facilitating the exchange of goods and services, it is the social and environmental impacts that makes this international agreement promising.

The first articles in this issue are therefore topical, as they deal with issues regulated by the trade agreement or which will be affected by the EU-Mercosur agreement.

The first article is an analysis of the environmental standards in the EU-Mercosur FTA (Julio Braga Moreira), focusing on the need to adapt to climate change, protect biodiversity and defend forests – a key issue at a time when new development courses are being discussed under the influence of the European Green Deal.

This is followed by the issue of cultural ecosystem services (Débora Bos Silva), which is expected to increase in importance as the agreement moves forward. Indeed, its discussion in an international context is innovative in Europe, where the benefits of nature for people are becoming an increasingly decisive factor in sustainability under the impact of the European Green Deal.

Understanding the influence of the interregional agreement on agricultural practices with high environmental and human risk as a possible positive side-effect is highly relevant (Tiago Bregolin Bertuzzo).

In contrast, an analysis of the support measures for good agri-environmental and climate change practices under the Common Agricultural Policy shows how the European Union believes in and is committed to valuing, restoring and protecting ecosystem services (Alexandre Altmann).

<sup>3</sup> CUNHA, Luís Pedro – A União Europeia e os acordos de integração regional. Conceitos, problemas e situação actual. *Boletim da Faculdade de Direito*, Coimbra, vol. 95, t. 2 (2019), p. 1131-1160.

Another aspect to consider is the use of tools such as public diplomacy to implement international instruments, for instance, the future agreement on the use of pesticides (Paula Nunes e Rui Lora).

The following articles provide a context for the legal, economic, social and environmental dimensions in which the agreement will be applied.

In order to understand the real impact of the practical application of the agreement once it is ratified, it is necessary to understand the way in which the constitutions of Mercosur's founding countries welcome the regional integration movement (Isabela Boaventura e Fernanda Moi).

The detailed analysis, from a purely European perspective, of how case law in Europe has responded to the crisis and the duty to protect social rights is a topic that serves as a socio-economic backdrop to contextualise the new reality in which the Agreement will be applied (Michele Zezza).

The environmental context is brought to us from a Brazilian perspective by examining climate and hydrological risks in Brazil (Luís Henrique Suzin e Roosevelt Pinto de Jesus). Indeed, this is the new context of risk exposure – especially prolonged droughts – that Brazil will have to face as it rethinks its production and export model.

This issue of the *Debater a Europa* takes stock of the current situation as we await the dawn of a new era in relations between the North American countries and their South Atlantic trading partners.

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