NO PARTICIPATION, NO DEAL:
Grassroots organizations demand environmental safeguards in the EU-Mercosur trade agreement
Executive Summary

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SUMMARY

The content of this publication is the responsibility of the author as well as the interviewees and does not necessarily reflect the position of the issuing organizations.
Presented as “the largest free trade agreement in the world,” the Association Agreement between the European Union and Mercosur was signed on June 28, 2019 after two decades of negotiations and gridlocks. Under the text agreed between the parties, and now pending on ratification by the European parliament, the 26 EU member states and the 4 Mercosur countries, the European Union compromised to eliminate tariffs for 91% of Mercosur products, directly favoring exports of agri commodities such as beef, soybeans and sugarcane, the main items on the bloc’s export agenda.1

Trade liberalization, however, has raised concerns among South American and European civil societies that the pressure for demand could further stimulate deforestation and the invasion of traditional territories not only in the Amazon rainforest, but also in other threatened biomes in the region, such as the Cerrado savanna, the Pantanal wetlands, the Atlantic Forest, and the Gran Chaco.

Such concerns have clear reasons. In June 2019, while the agreement was being arranged in Brussels, Brazil’s National Institute for Space Research (Inpe) recorded the cutting of 920.4 square kilometers of vegetation in the Amazon – the third most devastating month in the historical series that began in 2015, with an 88% increase over the rate recorded in June 2018.2 Indifferent to criticism, Brazilian President Jair Bolsonaro mobilized his bases around nationalist feelings, alleging attacks on the country’s sovereignty and denouncing an “international campaign” against him.

Despite the introduction of socio-environmental control mechanisms in the Trade and Sustainable Development chapter of the trade agreement and the public acknowledgement by the EU’s ombudswoman, Emily O’Reilly,3 on the failure by European representatives to conduct environmental, social, economic, and human rights assessment studies, such measures are still considered insufficient to mitigate the increased risk of deforestation and violations against indigenous peoples and traditional communities.

Within the expansion zone of agriculture and livestock, Brazilian and Paraguayan organizations denounce the lack of transparency in the negotiations and emphasize the fact that the conclusion of the agreement occurred precisely at a time when the interests of large commercial and agro-industrial conglomerates have greater government support in order to weaken environmental legislation, traditional communities, and the principles of food security.

This report is based on interviews with grassroots leaders, spokespersons for civil society organizations, scientists and researchers from Brazil and Paraguay held between April and August 2021, with the objective of giving voice and amplifying the demand from South American traditional communities to be heard by negotiators from both sides of the EU-Mercosur agreement. Our motivation was to know what social and basis groups in Brazil and Paraguay think and say about the FTA, and to help to visualize their views and points.

Most of the contacted NGOs, however, did not have a specific position about the FTA, a fact that highlights that the free trade agreement has not been negotiated and prepared with a broad consultation to the civil society in South America and Europe. Instead, the governments of the four South American countries and the EU Commission conducted negotiations behind closed doors with economic lobby groups over the course of 20 years, without meaningful participation of civil society. Therefore, the FTA is illegitimate and unacceptable for civil societies on both sides of the Atlantic Ocean and a shame for any democratic process.
The signature of the EU-Mercosur agreement marked the apex of the conservative turn in South America. Nearly 20 years after the beginning of the “pink tide” that swept the continent, Argentina, Brazil and Paraguay – founding members of Mercosur – were simultaneously governed by right-wing and neoliberal politicians. The return to power of the Colorado Party in Paraguay with Horacio Cartes (2013-2018), the election of Mauricio Macri (2015-2019) after 12 years of Kirschnerism in Argentina, and the inauguration of Michel Temer (2016-2018) in Brazil reactivated the negotiations that had been stalled since 2012, largely due to impasses over tariff preferences for agricultural products.

As the flagship of Mercosur’s export agenda and a direct stakeholder in the trade agreement talks, the agricultural sector also played an important role in the transition to right-wing governments. In Brazil, the agricultural lobby, headed by the Parliamentary Agribusiness Front, accounted for 50% of the votes that led to the impeachment of ex-president Dilma Rousseff in 2016. And, in the 2018 elections, the group supported a far-right Jair Bolsonaro (2019-2022) even in the first round, appointing seven ministers in his government. In Paraguay, agricultural cooperatives – many of them led by Brazilian farmers – organized demonstrations with agricultural tractors (‘tractorazos’) in 2012 calling for the dismissal of Fernando Lugo. In Argentina, leaders of the Argentinian Rural Society (SRA) organized lockouts against Cristina Kirchner’s government (2007-2015) and openly supported Macri’s candidacy. Even in Uruguay, whose center-left government had pushed for negotiations with the European Union, the election of right-winger Lacalle Pou was greeted with enthusiasm by the country’s Rural Federation.

The active participation of rural sectors in Mercosur’s domestic politics was also apparent throughout the trade negotiations. One of the main drivers behind the talks was the Brazilian Confederation of Agriculture and Livestock (CNA), an organization formed by 1,957 farmer unions spread throughout the country. Lobbying for an EU-Mercosur agreement intensified in 2013 with the opening of a CNA representative office in Brussels. Under the presidency of Senator Kátia Abreu, the confederation acted in bilateral missions with the Brazilian government and exerted pressure on the industrial sector and other bloc countries to stop stalling the talks. “We will use all legal and democratic instruments to change the agreement in Mercosur,” said Abreu during a panel in Brussels. The performance in the negotiations would lead the president of CNA to head the Ministry of Agriculture, which, under her command, resumed talks with the European Union between 2015 and 2016.

Under Michel Temer’s administration, the confederation launched the AgroBrazil Alliance, a group of associations from the agricultural and livestock sector that met to intervene in trade negotiations and, especially, in the discussions on the EU-Mercosur agreement. Besides CNA, AgroBrazil also includes the Brazilian Association of Meat Exporting Industries (Abiec), the Brazilian Association of Animal Protein (ABPA), the Brazilian Association of Vegetable Oil Industries (Abiove), the National Association of Citrus Juice Exporters (CitrusBR), the Council of Brazilian Coffee Exporters (Cecafé), the Brazilian Association of Dairy Products (Viva Lácteos), and the Brazilian Association of Soybean Producers (Aprosoja), among others.

These entities have in common the fact that they are the funders of ‘Think Agro Institute’ (IPA), a think tank that provides technical support to the Parliamentary Agriculture Front (FPA), the main institutional arm of the agribusiness lobby in the Brazilian Congress. All IPA’s funds are directed to the maintenance of FPA’s activities. These resources come from the contribution of more than 40 supporting associations, which have among their members some of the major agricultural companies in the country. This list includes 22 of the 50 largest agribusiness companies in Brazil, according to Forbes magazine: Bayer, BASF, BRF, JBS, Syngenta, Bunge, and Cargill are among them. It is from this group of associations and institutes that most of the bills that disrespect the rights of indigenous peoples, attack the environment, relax rules for the use of pesticides, shrink conservation areas and stimulate land theft in the Amazon originate.

They are also active in communication: in August 2020, an initiative called AgroSaber published an article using...
false information to attack the demarcation of indigenous lands and promote the thesis of a “temporal mark” currently under appreciation at the Supreme Court. The initiative is funded by the Brazilian Association of Cotton Producers (Abacapa), a member of IPA, and by CCAB, a Brazilian company bought in 2019 by the French group InVivo. When the increase in deforestation and wildfires in the Amazon and Pantanal prompted the first reservations among EU negotiators against Bolsonaro’s environmental policies, it was the IPA and its parliamentary front that took the lead and began to formulate the Brazilian foreign policy narrative in defense of agribusiness. Their narrative, which mixes generic denunciations of ‘external interference’ and data generated from biased studies, has been replicated by several Brazilian authorities, such as former ministers Ricardo Salles (Environment) and Ernesto Araújo (Foreign Relations) and the Minister of Agriculture Tereza Cristina Correa: “They [Europeans] think Brazilian agriculture is very competitive. And it is, but it is not by destroying the image of Brazil that they will achieve any advantage,” said Correa during a trade mission to India. “Brazil was vilified, they put the target on our backs and they are shooting.”

This discourse, however, ignores scientific evidence that raises such concerns. A study published in Science magazine last year by a group of Brazilian and European researchers points out that even though most Brazilian agricultural production is deforestation-free, about 20% of soybean exports and at least 17% of meat exports to the EU may be tainted by illegal deforestation due to gaps in traceability policies. Most of the alerts related to potential irregularities (62%) come from only 2% of rural properties. Another work, published by the Amazon Institute of People and the Environment, shows that in a scenario of greater trade elasticity and less land governance, the additional deforestation generated by the EU-Mercosur agreement could reach 260,000 hectares in the Mercosur countries. Most of this land conversion (55%) is expected to occur in Brazil and could extend to sensitive areas such as indigenous lands and conservation units.
Two years have passed since the signing of the EU-Mercosur Agreement on June 28, 2019. This short space of time, however, has represented the largest wave of setbacks in social and environmental rights in Brazil in the last 30 years.

The images of fire and destruction in the Amazon, the Cerrado and the Pantanal are the most visible face of the tragedy experienced by traditional peoples. Behind the destruction is a political agenda skillfully stitched together by Bolsonaro’s administration: from budget cuts to cope with deforestation and forest fires to the extinction of the climate change secretariat; from the privatization of national parks and conservation units to the appointment of inexperienced military personnel for technical positions. The dismantling project is advancing at a fast pace and finds support in the Brazilian Parliament, where the agribusiness lobby has a free hand to impose its interests.

In the last few months, a flurry of bills altering environmental and human rights legislation were introduced and quickly approved. Under the pretext of the COVID-19 pandemic, the bills did not pass through the commissions and no time was given to hold public hearings. This is the case, for example, for a bill that establishes a pardon for irregular occupation of public lands upon mere registration in the Rural Environmental Register System. Approved in the Chamber of Deputies after a lightning process, Bill No. 2.633/2020 awaits a vote in the Senate, where a correlated proposal extending the deadline for legalizing invaded public lands from 2008 to 2014 is also pending. Both proposals originate from a provisional measure signed by Bolsonaro in 2019 that ended up losing its validity before being voted.

“The simple notice of this bill was enough to generate an increase in the invasions of indigenous lands,” says Dinamam Tuxá, executive coordinator of the Articulation of Indigenous Peoples of Brazil. “Several people are using this criminal argument that if a law will grant pardons to squatters, they are authorized to promote new invasions. This is already happening in the state of Pará and in the whole Brazilian Amazon, with the invasions of indigenous lands.”

The commodification and opening of indigenous areas for the agricultural sector is also at the core of two other bills. One of them, Bill No. 490/2007, restricts the demarcation of indigenous lands by adopting the thesis of the “temporal mark” which determines that demarcation can only take place in areas where there is evidence of traditional occupation by indigenous peoples before October 5, 1988, the date of promulgation of the Brazilian Constitution. Considered unconstitutional by indigenous people, this thesis is the subject of a trial in the Supreme Court that may decide the future of hundreds of territories.
The second is Bill No. 191/2020, an initiative project by the Bolsonaro government that regularizes mining activities on indigenous lands. Illegal mining has been one of the main points of divergence among the negotiators of the EU-Mercosur agreement. In the last 10 years alone, according to a survey carried out by the MapBiomas project, the areas occupied by illegal miners inside indigenous lands grew 495%, especially in the Kayapó (7,602 ha) and Munduruku (1,592 ha) territories in the state of Pará, and in the Yanomami (414 ha) territory between Amazonas and Roraima. In the latter, between May and June, miners promoted a series of invasions in the Palimiú region, throwing gas bombs and shooting at the community.

According to Antônio Eduardo Cerqueira de Oliveira, executive secretary of the Indigenous Missionary Council (Cimi), the trade agreement could become extremely harmful to indigenous communities if the terms are not revised:

“An agreement in which the peasant women of Paraguay are not consulted affects the lives of Paraguayan families, the health of children, the elderly, as well as being an offense to the individual rights of the women themselves, who have to take care of their own health, their bodies and their children, in addition to managing their lands. Small agriculture is sustained by women. They are the ones who produce the food. So they are targeted during land conflicts.”

Perla Álvarez, Conamuri

Violence is also a constant threat in Paraguay, where social movements fear an acceleration of land invasions by local landlords. “In Paraguay there is a parallel security structure formed by paramilitary troops,” says Perla Álvarez, member of the National Coordination of Rural and Indigenous Women Organizations of Paraguay (CONAMURI) and Via Campesina. “They are the foremen of the companies who often act as vigilantes for those landlords with the tacit approval of the police.” “Many are Brazilians,” she says. With the forecast expansion of pasture lands for beef production and soybean plantations because of the expanding markets in the European Union, CONAMURI expects an increase in violence resulting from land conflicts.

We talked with two advisors from the EU. There was concern among some countries, who wanted to hear us. We raised our criticisms about aspects that were not being verified about demarcation and the constitutional rights of indigenous peoples. EU advisors said that, unfortunately, in terms of trade itself, there was not much that could be done. The indigenous communities are concerned about the regularization of their lands and the use of the territory. There are videos from local miners and businessmen saying that the situation has changed under Bolsonaro. That they now determine the rules. That there are no more indigenous rights.

Antônio Eduardo Cerqueira de Oliveira, Cimi

The same impasse is experienced by peasants and small farmers in Brazil. Since 2019, the government has been trying to relax the conditions for buying and selling land in agrarian reform settlements. “Agrarian reform is for people who need the land, for low-income people. Not for opportunist people,” points out Kelli Mafort, member of the national coordination of the Landless Workers Movement (MST). “They want to distribute individual land titles to force people to sell or loan those areas.”

In December 2019, a few months after the announcement of the EU-Mercosur agreement, representatives of black rural communities and human rights activists met in Brussels with members of the Brazilian Delegation of the European External Action Service (EEAS). The group, formed by members of the Black Coalition for Human Rights and the National Coordination of Quilombola Black Rural Communities (CONAQ), defended the adoption of clauses that safeguard the lives of black people and ensure the autonomy of Quilombola territories in accordance with the obligations contained in Convention 169 of the International Labor Organization (ILO). The objective is to avoid human rights violations caused by the absence of prior consultation with impacted communities, such as the case of the installation of the Alcantara Space Center in the state of Maranhão. The EU-Mercosur agreement, however, does not provide prior consultation instruments. Quilombola claims are still not contemplated in the basic text of the agreement.

“This agreement is a project of recolonization of Latin America,” says Denildo Rodrigues, from CONAQ’s national coordination. “Europe is recolonizing our continent, transforming us into simple producers of primary goods.” The Quilombola leader considers that the EU-Mercosur agreement is being built top-down, without talking to the population to know whether it is viable or not: “Once the agreement is approved, the violations tend to increase, because the dispute for infrastructure and agribusiness ventures is very large.”
In the view of human rights defenders, the EU-Mercosur agreement may contribute to the increase of conflicts in the countryside. The Pastoral Land Commission (CPT), linked to the Catholic Church, has reported emblematic cases of this expansion in the Cerrado. In one of these episodes, the entity details a confrontation involving the Residents Association of the Melancias Community in the municipality of Gilbués, south of Piauí, and the owners of Alvorada, Roda de Ferro, and Paraíba farms.

Last year, during the COVID-19 pandemic, the families were surprised by two backhoe loaders deforesting a community area. According to residents, the owner of Fazenda Paraíba, Celso Constantino, had announced days before that he would cut down the area after it was included in a land regularization project by the government of Piauí, funded by the World Bank.

As a pastoral agent and one of the coordinators of CPT, Sister Jeanne Bellini believes that the EU-Mercosur agreement does not bring any gain to the Brazilian population. “The pandemic has taught us that we are interdependent and that what happens in one country has implications for others,” said the nun. “An agreement that greatly favors one side and proportionally hurts the other is not a good agreement. Most people in Europe recognize this and want social justice for all.”

Born in the US and a contemporary of Dorothy Stang – a nun lauded for her fight in defense of peasants and murdered by landowners in Pará in 2005 – Jeanne Bellini maintains that the agreement reflects a vision in which Latin America is relegated to be a producer of commodities, primarizing Mercosur’s economies: “The EU-Mercosur agreement will have a direct impact on the livelihoods, food security and economy of small farmers and traditional peoples. Having their land invaded, these people are forced to move to the outskirts of cities and become dependent on food purchases. Peasant families that used to produce food for regional and local markets find themselves with nothing.”

Antônio Cerqueira, from Cimi, cites the example of Mato Grosso do Sul, a state where the Guarani Kaiowá, Guarany Ñandeva and Terena peoples have been continuously deprived of and expelled from their territories: “It is common for them to move to cities to work in meat packing plants or apple picking farms in the South region where, on several occasions, working conditions tantamount to slavery have been identified.”

This territorial pressure occurs even in regions where agricultural occupation is consolidated, such as the Atlantic Forest, an exclusive case of a Brazilian biome protected by a specific legislation, which demonstrates the weakening process of environmental protection instruments in Brazil since the election of Bolsonaro. “The Atlantic Forest has a specific law for its conservation, and we need to
make sure that it is considered among the environmental norms foreseen in the EU-Mercosur agreement,” says Luis Fernando Guedes Pinto, director of the SOS Mata Atlântica Foundation.

With only 12.4% of its original coverage still preserved, the Atlantic Forest Law expressly prohibits the conversion of preserved areas into plantations. In 2020, however, a decree by the Ministry of the Environment considered that this legislation should not overlap with the Forest Code, which has more flexible norms regarding the conversion of original biomes into areas for agricultural production. “If this understanding prevails in the scope of the EU-Mercosur Agreement, the deforestation of the Atlantic Forest would be legal and possible, since the legal frameworks of the treaty are limited to national legal systems,” says Pinto. “It is essential that negotiators in Europe be aware of possible changes in Brazilian environmental legislation that will affect what the country will deliver in environmental terms once the agreement is in place.”

A pressure that is also felt on the Paraguayan side of the border. According to Guillermo Ortega, a researcher at the NGO Base Investigaciones Sociales, the main impact of the agreement in the country is the expansion of the soy areas in the Eastern region, which also stimulates cattle raising in the Chaco. “It’s a binomial: one doesn't work without the other,” he says. An expansion that threatens the isolated indigenous communities living in the region.

“Cattle production has moved to the Western Region, which forms part of the Gran Chaco Sulamericano. One of the most accelerated deforestation processes in the world is currently taking place there,” warns the NGO Heñói. “The Chaco holds fragile ecosystems that, once the original vegetation is lost, quickly deteriorate into salt deserts, severely impacting the availability of drinking water for the local population and eliminating food and medicinal sources for the indigenous peoples who still inhabit this territory.”

The advance of agribusiness in these territories generates job losses as well. “While 5,000 hectares of peasant production can generate up to 817 direct jobs, a monoculture farm generates only 37 jobs,” Heñói highlights.
Another widely criticized topic of the EU-Mercosur agreement is the adoption of double standards regarding tolerance on the use of pesticides. The main beneficiaries of the current agreement terms are the European agrochemical conglomerates. Listed among the companies that indirectly finance the Parliamentary Agribusiness Front, the German companies Bayer and BASF together hold about 12% of the Brazilian pesticide market. Moreover, according to the Food and Agriculture Organization, Brazil is the 3rd largest pesticide consumer worldwide, behind China and United States. But in contrast to EU countries, this consumption mainly entails highly hazardous pesticides (HHP), making it the largest market for this dangerous category of products in the world, accounting for one fifth of the HHP global trade.

Brazil’s hunger for pesticides is driven by its gigantic production of genetically modified (GM) crops. With 50.2 million hectares of biotech crops, the country has the second largest GM area in the world, behind US. Nearly 97% of all the Brazilian soybean production is based on GM seeds, with similar rates in maize and cotton production.

“The precautionary principle that is so cherished by the European Union is not applied here,” says political scientist Maureen Santos, coordinator of the national advisory group of the Brazilian NGO FASE. “This causes a division into two types of citizens: those from the South who will consume products of lower quality that are subject to contamination and less sustainable; and those from the EU who will have safe products with protections because they are subject to stronger legislation.”

A similar situation is lived on the other side of the border. “There is a human rights issue that is not usually considered with the issue of collective rights,” points out CONAMUR’s Perla Álvarez. “It is usually thought that human rights are an issue that is exercised individually, but we
see the need to deepen the issue of collective rights. The agribusiness development model collectively affects communities, indigenous people and small farmers.”

The Paraguayan activist cites the example of pesticides: “The intensive use of poisons generates a phenomenon called drift, which is the effect of dispersion by land, water, wind and rain, beyond the extensions that we want to control. This violates our collective right to live in a healthy environment, because the immediate effect of pesticides impacts the health of the populations, especially women and children.”

“There is a visible increase in skin problems, allergies, and an increase in leukemia rates in children and teens,” says Ortega. “These are generally children who live or study near soy plantations. Overall, we identified 99 schools exposed to the effect of aerial spraying,” he adds.37

“Although the treaty establishes the respect for environmental standards, we consider the human rights issue a dead letter, because businessmen don’t respect them at all,” says Ortega. “One of the precautions that need to be established is to guarantee the security of water sources. The communities should be protected within a security strip of 100 meters from the crops, to ensure that, when spraying toxic products, they don’t hit people who live within that space.”
In February 2021, a group of 11 Brazilian and European researchers sent Brussels a document in which they requested the reopening of the trade treaty negotiations, under the argument that the basic text agreed upon in 2019 ignored environmental groups’ demands to avoid pressure from agribusiness on Brazil’s main biomes.

“The worst phase of deforestation occurred after 2019, when the basic text of the agreement was signed,” notes one of these scientists, Carlos Rittl, a visiting researcher at the Institute for Advanced Sustainability Studies in Potsdam, Germany, and former executive secretary of the Climate Observatory. “If it was good enough, the course of things in Brazil would have already changed radically.”

Rittl points out that besides the direct damage to the environment caused by the pressure of agribusiness on biomes, one of the great risks of the treaty is that it becomes a kind of “green seal of approval” for Bolsonaro’s environmental policy. “The agreement itself will serve as an endorsement, a sign of confidence from the European Union that Brazil is and will be a deliverer of its sustainability promises – even though we are seeing the country moving in a direction completely opposite to that.”

“It’s a toothless agreement,” summarizes FASE’s Maureen Santos. “The environmental protection safeguards are fragile and do not specify effective mechanisms of traceability of products’ origin that could ensure the certification of sustainability. The fact that the treaty foresees quotas for the expansion of meat exports and products linked to the soybean complex also raises concerns, since it implies an increase in the use of agrochemicals.”

Scientists criticize lack of enforcement measures

In December 2020, in the strongest reaction to the EU-Mercosur agreement so far, 106 organizations gathered in the ‘Brazilian Civil Society Group Against the EU-Mercosur Agreement’ published a manifesto rejecting the negotiated terms. According to the Front, these terms will bring “significant socioeconomic, labor, land, territorial, environmental and climatic impacts for Brazil and the other Mercosur countries. (...) By exchanging agricultural and mineral commodities for industrialized products with higher added value, the agreement stimulates the deepening of deindustrialization, the primarization of the economy, currency evasion and tax evasion in Mercosur countries.”

“One of our concerns is that we have an agreement that does not define any sanctions. This is not mentioned in the Trade and Sustainable Development Chapter. The text does not contemplate these mechanisms, nor are dispute settlement and arbitration rules foreseen. It is necessary that the agreement comes to strengthen existing legal frameworks and not for the European Union to endorse the dismantling of environmental policies by the Brazilian government, which would also have implications for the other Mercosur countries.”

Maureen Santos, FASE
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