

BACKGROUND INFORMATION

FOR A RESOLUTION PROPOSAL IN OPPOSITION OF THE EU-MERCOSUR
TRADE AGREEMENT



Climate Alliance

EU-MERCOSUR: In Opposition to an Antiquated Free Trade Agreement

Background information for Climate Alliance Members

“We, the Indigenous peoples, are the ones directly protecting the Amazon. With the ratification of the MERCOSUR trade agreement, the EU would give its approval to Bolsonaro’s genocide on the Indigenous peoples.” – Dinamam Tuxá, Brazil’s Indigenous People Articulation (APIB)



Our indigenous partners have called on us to acknowledge our responsibility and push the European Union to halt its free trade agreement with MERCOSUR countries (Argentina, Brazil, Paraguay and Uruguay). The agreement does not only pose a threat to the livelihoods of our indigenous partners and the Amazon rainforest, it also undermines our joint climate protection efforts here in Europe. **We thus propose the following resolution be adopted during the Climate Alliance General Assembly, calling on the European council, parliamentarians and member states to oppose the agreement and to instead design trade in alignment with our climate goals and social standards.**

Developed in cooperation with several other organisations in the [Seattle2Brussels](#) network, this resolution will be adopted by a range of civil society actors this autumn. We must raise our voices now, for this agreement could be ratified as soon as November. **We therefore ask that you to discuss the resolution within your local authority ahead of our General Assembly on 8th October 2020.**

Further information:

Climate Alliance materials

- [Results of our webinar on the crisis in Brazil](#) (information on the next webinar in this series this September [here](#))
- [UN Indigenous Day information | Just World Trade Collaboration](#)
- [2019 Declaration of Support for COICA during Amazon fires](#)

EU materials

- [Official agreement information | Sustainability Impact Assessment](#)

Other materials

- [Study by Anna Cavazzini & PowerShift e.V.](#)

RESOLUTION PROPOSAL TEXT

TO BE VOTED UPON DURING THE 2020 CLIMATE ALLIANCE
GENERAL ASSEMBLY

EU-MERCOSUR:

In Opposition to an Antiquated Free Trade Agreement

Climate Alliance resolution proposal on the protection of the Amazon rainforest and its indigenous peoples

Given that the EU-MERCOSUR free trade agreement will fuel further deforestation, in particular in the Amazon region, and that its ratification would endorse the Brazilian government's continuous undermining of environmental policy, human rights, and land rights of indigenous peoples as well as its efforts to destroy both indigenous livelihoods and our chances to keep global warming under +1.5°C, Climate Alliance members are calling on the European Council and Members of the European Parliament:

- to **oppose the EU-MERCOSUR free trade agreement**, and any similar free trade agreement putting the climate at risk.
- to instead support indigenous peoples and other at-risk peoples of Amazonia in **protecting the ecosystem services that the Amazon rainforest provides to the global population** by upholding their rights including the right to free, prior and informed consent rather than threatening their existence through incentives for land-grabbing and illegal logging like tariff reductions for the meat, soy and sugar industry.
- to herald a new generation of **EU trade agreements aligned with social rights and environmental standards** generally and climate protection in particular, thus reorienting EU trade so that it fosters the goals of social, environmental and climate policy such as the Paris Agreement, the Biodiversity Convention and the Sustainable Development Goals.
- to ensure EU trade policy includes mechanisms to **enforce compliance with agreed-upon sustainability standards** by allowing trade incentives to be frozen should these standards be breached and by supporting enforceable supply chain due diligence legislation including sanction mechanisms both at the EU and member state level.
- to **ensure that EU trade agreements are negotiated in a democratic and transparent way** by properly involving the European Parliament, Member States parliaments, local authorities and civil society throughout all phases of the negotiation, by requiring a similarly transparent and democratic process from negotiating parties and by setting up bilateral Sustainability Impact Assessments.
- to support shifts in European agriculture towards more plant-based proteins and to **strengthen local agro-ecological systems** that protect climate and biodiversity – both in EU and MERCOSUR countries – in order to enable complementary agricultural trade based on food sovereignty and sustainability; this means ending the support for industrialised agriculture based on deforestation, monocultures and genetically modified seeds as well as an over-reliance on pesticides and chemical fertilisers.

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- to **remunicipalise privatised local public services** and to **relocalise the production of essential goods** for a resilient and sustainable provision of basic goods within the EU by allowing preferences for local suppliers in public procurement policies and by allowing all parties to exclude strategic sectors as beneficiaries of trade incentives.
- to **transparently track CO2 imports and exports** so as to better inform policy makers and the general public in trade decisions and climate mitigation measures and close loopholes that would, for instance, allow the export of European fuel-based vehicles after a possible inter-European ban.

THE SITUATION

Local authorities have been leading on climate action over the last decades. Yet, the EU-MERCOSUR free trade agreement is primed to fuel deforestation of the Amazon rainforest and climate change worldwide. **We cannot allow this agreement to undermine our joint municipal efforts.** Fighting climate change on the ground is no simple task and we have invested many resources. We will continue doing so to restructure how our cities and towns work. Although the EU occasionally supports us in these efforts, we are perplexed by the message a ratification of the EU-MERCOSUR agreement would send. **How can the European Union conclude a free trade agreement that undermines the climate and environmental protection goals it has committed itself to in, for example, the EU Green Deal, the Paris Agreement and the EU Biodiversity Strategy?** Without policy coherence that respects social and environmental goals, we will be launched into an accelerated climate change scenario for which our people, towns and cities will have to pay.

The EU-MERCOSUR association agreement, as it currently stands, does not safeguard the environment, the climate or our livelihoods. One of its key motivations is that of increasing imports of agricultural products like sugar, meat and soy from MERCOSUR countries while increasing exports of vehicles, textiles and chemicals, among other products, to those same countries. **The agreement would thus bolster the very industries that are already key contributors to the climate crisis.** Animal agriculture for instance is responsible for **14.5% of global greenhouse emissions**, according to the UN Food and Agriculture Organization, with beef and soy being the **main drivers for illegal logging** making for the majority of Amazon deforestation.

Such an agreement will also threaten agricultural and food producers in our municipalities. Increased imports from countries on the other side of the Atlantic with lower land and labour costs as well as lower environmental and social standards will not only create unnecessary transport-based emissions but also result in price dumping, potentially devastating local businesses. This effect is projected even in the conservative model of the Sustainability Impact Assessment carried out for this agreement. Instead of basing trade on industrial agricultural models

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RESOLUTION PROPOSAL TEXT

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that focus on extraction and depletion, we need agreements fostering agriculture that both replenishes and regenerates local economies and ecosystems.

This year, as the Bolsonaro government further weakened illegal logging checks in face of the Covid-19 pandemic, total deforestation in the Brazilian rainforest has already **increased by 25% as compared to the same six-month period last year**. **Protecting the Amazon rainforest is essential:** comprising an estimated 10% of total carbon storage globally, it is one of the world's primary natural carbon sinks. As such, both the forest and the indigenous peoples who protect it are key to mitigating climate disasters in Europe and the rest of the world. Being one of the world's largest biodiversity hotspots, it is also home to entire peoples and their cultures. The ecosystem services it provides are vital if we are to adapt to an unavoidable global heating. Yet even in the conservative model of the Sustainability Impact Assessment, an increase in Amazon basin deforestation is expected, putting more pressure on already fragile ecosystems and indigenous communities alike and bringing the rainforest closer to an irreversible tipping point. As the agreement's final Sustainability Impact Assessment has still not been released and the draft was only published in June 2020, one year after the negotiations on the trade part of the agreement were concluded, any claims that environmental impacts of the agreement have seriously been taken into consideration throughout negotiations thus far are fraudulent – a procedural issue that now has been **raised by the European Ombudsman**.

While the freshly released assessment draft claims that deforestation can be halted “provided that sound policies are in place”, the current Brazilian government has clearly stated plans to further weaken environmental legislation. President Jair Bolsonaro has openly declared his desire to “wipe out” indigenous peoples and the rainforest for short-term economic gain while consistently denying climate change. As he is far from an isolated occurrence, any deal negotiated must have inviolable social and environmental safeguards in place as outlined in the aforementioned demands. We must ensure that no trade deal be made with governments that prioritise monetary profit over social and environmental welfare. **Any agreement struck with the Bolsonaro government will be an endorsement of environmentally and socially disastrous policies, and is completely at odds with EU values and standards.**

CONTACT

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THE CLIMATE ALLIANCE

For 30 years, Climate Alliance member municipalities have been acting in partnership with indigenous rainforest peoples for the benefit of the global climate. With over 1,800 members spread across 27 European countries, Climate Alliance is the world's largest city network dedicated to climate action and the only one to set tangible targets: each member city, town and district has committed itself to reducing greenhouse gas emissions by ten percent every five years. Recognising the impact our lifestyles can have on the world's most vulnerable people and places, Climate Alliance pairs local action with global responsibility. climatealliance.org

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