The powers pushing for the planet-wrecking EU-Mercosur trade deal

...and using it as a license to greenwash

"Make your voices heard, shape a more positive narrative around the deal, especially on sustainability"

— EU trade commissioner Dombrovskis to big business lobbies, April 2021
This report exposes the corporations most eagerly and successfully lobbying for the EU-Mercosur trade deal – a deal designed to increase profits at the expense of climate, biodiversity, health and indigenous rights.

Friends of the Earth Europe has demanded through access to documents requests correspondence and minutes relating to various lobby meetings of the European Commission’s DG Trade.

Numerous tell-tale quotes reveal how agrichemical and car industry lobbies – along with neoliberal think tank allies – and big business in general, are pulling out all the stops to get the EU-Mercosur trade deal ratified.

BusinessEurope, argued that social and environmental standards “cannot supersede economics and prevent the EU from pursuing its bilateral trade agenda”, implying the deal should be ratified no matter its negative impacts. EU Trade Commissioner Dombrovskis, meanwhile, took words directly from BusinessEurope’s mouth, repeating that it is important to “shape a more positive narrative around the agreement, and that business can help shaping this narrative, especially regarding sustainability.

Chemical giants Bayer and BASF have been actively pushing for the deal, from which they would benefit hugely through increased sales of hazardous pesticides – and imports of ethanol, which drives biodiversity loss and indigenous rights violations. Bayer pays neoliberal think-tank ECIPE to promote the EU-Mercosur deal under the guise of offering a “more balanced” and “fact-based” debate. Yet ECIPE gives the floor to organisations that deny the link between soy and deforestation, while helping Brazilian companies to greenwash on their own behalf.

Meanwhile, Parliamentary rapporteur on the EU-Mercosur deal Jordi Cañas – a big fan of the Bayer-funded ECIPE project – told us he will not be publishing details of his lobby meetings before the official procedures for ratification start, thus thwarting lobby transparency during this critical period.

We found a striking disconnect between the reassuring words of corporate lobbies like BusinessEurope, BASF, Bayer – and ECIPE, the think tank it’s funding – and the stark reality of human rights and environmental abuses on the ground in Mercosur countries. This demonstrates once again that the interests of the business lobbies EU institutions listen to are fundamentally at odds with the EU’s green goals.

Summary
1. Introduction

The EU reached an “agreement in principle” for a free trade deal with the Mercosur countries – Argentina, Brazil, Paraguay, and Uruguay – in June 2019. During the drafting phase, big business lobbies had a seat at the negotiation table. Since then, they have been pushing for its ratification, with the support of the European Commission. Support that has not been dampened by unprecedented levels of deforestation and forest fires, increasing assaults against indigenous leaders and rural communities in Brazil, or the Bolsonaro government’s systematic tearing-down of the country’s environmental protection laws.

The EU-Mercosur trade deal has faced harsh criticism from hundreds of NGOs and hundreds of thousands of people in recent years. A crucial critique is that the deal represents a neoliberal trade model, which **perpetuates neo-colonial patterns and increases the economic and political power of big corporations** at the expense of human rights, the environment and people’s health. The deal would increase inequalities, worsen precarious working conditions, land concentration and disregard for indigenous rights, disrupt local food production and increase the use of pesticides in Mercosur countries – with knock on effects for EU food safety. It would also lead to further destruction of biodiversity-rich ecosystems in South America and soaring climate emissions.

Studies have suggested the deal could lead to a **25% increase in deforestation in South America**, and that the increase in trade of just eight agricultural products (including beef, poultry, and ethanol from sugarcane) could increase emissions by 8.7 million tons per year.

Public outrage at the dire impacts of the EU-Mercosur deal has left the European Commission clawing to ‘fix’ the flawed trade agreement with additional environmental declarations. The fact that the Commission struck a trade deal with Mercosur countries before the sustainability assessment was even finished raised high-volume alarm bells.

**The EU-Mercosur trade deal could lead to a 25% increase in deforestation in South America**
To enter into force, the deal needs to be ratified by the European Parliament and all EU Member States, as well as all Mercosur countries. However, some EU countries and MEPs have declined their support due to climate and deforestation concerns. In response, the Commission has been working on additional environmental commitments for Mercosur countries outside of the text of the agreement – though it refused to re-open the deal itself, for instance by including sanctions for non-compliance on sustainability issues.

But ‘add-on’ environmental pledges cannot fix the EU-Mercosur deal. The deal stands in direct contradiction to the goals of European Green Deal, particularly the Farm to Fork and Biodiversity strategies, which aim to reduce the use of chemical pesticides, tackle the global biodiversity crisis, and encourage lower meat consumption.11 Ratifying a trade deal that will lead to increased exports of harmful pesticides (including many that are banned in the EU) and increased imports of deforestation-fuelling beef and soy (to feed European livestock) is incoherent with these goals. Moreover, it contradicts Europe’s climate commitments under the Paris agreement.

The EU-Mercosur trade deal stands in direct contradiction to the Green Deal and the Paris Agreement

This report exposes the tactics of the corporate lobbies most actively trying to get the EU-Mercosur deal pushed through. From big business lobbies teaming up with the Commission to sell a greenwash ‘narrative’ of how sustainable big business already is in South America, to pesticide giants funding think tank propaganda projects offering a “more balanced” and “fact-based” debate. Not forgetting direct lobbying of the Commission’s Directorate-General for Trade (DG Trade), whose highest levels are so receptive to their messages that Commissioner Dombrovskis seems to parrot business lobby BusinessEurope. Meanwhile, civil society organisations are relegated to lower-level trade officials (see Box A). The obstructive way the Commission has dealt with Friends of the Earth Europe’s access to documents requests, means that much still remains hidden (see Box B).
Box A: Big business goes straight to the top to get EU-Mercosur deal pushed through

Since the EU-Mercosur agreement was reached in summer 2019, the battle has moved on from influencing the details of the text to the political questions around deal’s ratification – with the thorny issue of what, if any, additional sustainability measures will sway the European public to accept the biodiversity-destroying deal. Reflecting this shift from policy to political level, big business is directing its attentions straight to the top, targeting the Commission’s political level with its pro-ratification message.

A list of meetings obtained by Friends of the Earth Europe shows that top-level meetings since the ‘agreement in principle’ was reached have been dominated by big business (see Fig. 1), while civil society has been largely relegated to lower-level officials (see Fig 2). Meetings held by the Trade directorate’s most senior figures – i.e. Trade Commissioner(s), cabinet, and Director General – have been dominated by industry lobbies including BusinessEurope, its French and Italian members MEDEF and Confindustria, chemicals lobby CEFIC and car lobby ACEA. Far fewer top-level meetings took place with environmental groups and unions, which have instead largely met with less senior officials.\textsuperscript{12}

**Figure 1. Top-level trade meetings on the EU-Mercosur deal since agreement was reached**

- Trade unions, environmental and human rights groups: 3
- Institutional fora/mixed: 3
- Industry and farming lobbies: 8

**Figure 2. Lower-level trade meetings on the EU-Mercosur deal since agreement was reached**

- Environmental groups: 4
- Trade unions: 2
- Think tanks: 2
2. BusinessEurope throws its weight behind the EU-Mercosur deal

Brussels’ most influential big business lobby group, BusinessEurope – which spent over €4 million lobbying the EU in 2020\textsuperscript{13} – has been an avid supporter of the EU-Mercosur deal.\textsuperscript{14} Many of BusinessEurope’s members – such as Bayer, BASF, Volkswagen and Shell\textsuperscript{15} – are set to win big from the deal, with an expansion in trade of dangerous pesticides, polluting vehicles and ethanol, whose production drives biodiversity-destruction.\textsuperscript{16} And from their lobby meetings and high-level events, it’s clear that the Commission’s DG Trade has embraced BusinessEurope’s vision entirely.

Back in 2019, BusinessEurope shared its “trade strategy fit for the 21st century” with then DG Trade Director General Sabine Weyand,\textsuperscript{17} a paper which said that Mercosur “must be swiftly concluded, ratified and implemented”, and that social and environmental standards “cannot supersede economics and prevent the EU from pursuing its bilateral trade agenda”.\textsuperscript{18}

Meeting minutes released under access to documents law reveal BusinessEurope expressing “its support for the negotiations” to Weyand in June 2019,\textsuperscript{19} but minutes from an October 2019 meeting on Mercosur provide so little detail that it’s impossible to know what BusinessEurope was lobbying for, other than that it “raised particular questions” about trade and sustainable development chapters.\textsuperscript{20} This lack of detailed minutes is a significant obstacle to transparency of EU trade policy (see Box B).

BusinessEurope has been running or participating in a host of events on the EU-Mercosur deal since the ‘agreement in principle’ was reached in summer 2019, for example, promoting the message that is “very positive for European businesses” and will uphold Europe’s “high standards”.\textsuperscript{21} However, a recent YouGov poll found that nearly half of European business leaders have concerns about the deal’s environmental impacts.\textsuperscript{22}

At another event, BusinessEurope claimed that the deal is “the most powerful instrument we have” to make Mercosur countries live up to their labour, environmental rights and Paris climate commitments, saying “without an agreement, we are left with nothing”.\textsuperscript{23} A disingenuous argument, given BusinessEurope’s track record of lobbying to weaken labour, environmental, climate and corporate accountability laws.\textsuperscript{24}

[The EU-Mercosur deal] “must be swiftly concluded, ratified and implemented”. [social and environmental standards] “cannot supersede economics and prevent the EU from pursuing its bilateral trade agenda”.

When it comes to written records of lobby meetings, the best way to hamper the legal right to access such documents: don’t make any. Failing that, make them so vague that their release sheds almost no light on what was discussed. And the cherry on top? Make people wait half a year for a response.

Friends of the Earth Europe made an access to documents request to the European Commission for minutes of, and correspondence relating to, various lobby meetings that are listed online by the Trade Commissioner, his cabinet and DG Trade’s Director General. Not only did it take nearly six months to get a response – a process which should, by law, take at most 30 working days – but some of the meetings we asked for came back without any minutes.

Among these, were two meetings with the European Chemical Industry Council (CEFIC), in September 2019 and February 2020. However, none of the documents the Commission released related to these CEFIC meetings: apparently, no minutes were made, nor was any written correspondence required to set them up. This absence of any records prevents people from utilising their right to access them. This, in turn, means a lack of transparency over how the chemicals lobby – which will benefit enormously from the trade agreement – has tried to influence the EU-Mercosur deal. CEFIC, whose members include Bayer, BASF, BP and Dow Chemical, is a big supporter of the deal’s ratification, which would increase its already €6.3bn worth of chemical exports – including dangerous pesticides banned in the EU – to Mercosur countries even further.

Other meetings with missing minutes include a meeting with car lobby ACEA (see Box D), a BusinessEurope meeting with former Trade Commissioner Hogan and a meeting that Trade

**Box B: Undermining transparency on trade policy? Missing minutes, enigmas and delays**

**Your go-to guide to keep citizens in the dark**

- don’t take notes in lobby meetings
- refuse to share them
- make the meeting notes so vague that they provide almost no information

**BONUS**: Make NGOs wait 6 months for access to information requests
Commissioner Dombrovskis’ cabinet had with BusinessEurope member BDI. German business association BDI has been actively promoting the EU-Mercosur deal in Brazil, informing Trade Director-General Sabine Weyand in an October 2019 meeting “about its recent trip to Brazil, reporting that the new governor in Northeast Brazil showed support for the trade agreement with the EU, and that he might visit Brussels and Berlin shortly.” However, other minutes of meetings with Weyand were also missing, including from meetings with retail industry lobby, EuroCommerce and German business association DIHK, which in January 2022, urged the German G7 presidency to prioritise “modern” trade agreements “for example with the Mercosur countries”.

Missing minutes weren’t the only problem. Of the meeting ‘minutes’ that were released, many were so short, vague and lacking in detail that they shed no light on what was actually being lobbied for. For example, the report of a meeting between chemicals giant BASF and Commissioner Dombrovskis’ head of cabinet states that BASF explained its “priorities for the trade policy review” – but gives no detail of what those priorities were. BASF – which spent over €3 million lobbying the EU in 2020 – sells over fifty pesticides in Brazil that aren’t approved for use in the EU due to their harmful ingredients. Another hurdle in accessing information about industry lobbying toward the Commission around the EU-Mercosur deal has been the Commission’s use of personal data law GDPR to refuse access to all documents relating to meetings between industry and DG Trade’s then-head of its Latin America Unit.

Lobby transparency in the European Parliament faces its own obstacles. Parliamentary rapporteurs have to publish who they’re having lobby meetings with, but only if they concern a report under their supervision. Thanks to this loophole, the Parliament’s standing rapporteur for Mercosur, Renew MEP Jordi Cañas, has not published details of any Mercosur-related meetings in this Parliamentary term. When we asked Mr Cañas if he had held any lobby meetings relating to the EU-Mercosur agreement, he told us that “as soon as the file begins its Parliamentary procedure, I will commit fully with the mandatory requirement for transparency and accountability, in order to strengthen visibility of the EU decision making process”. In other words, in the intervening period, while the behind-the-scenes battle over the deal’s ratification rages, and the nature of the additional commitments supposed to address its sustainability failings are discussed, the Parliamentary rapporteur will not be publishing details of his lobby meetings.

It is notable, therefore, that in November 2021, Cañas was the star of a “Fire-side chat” with Brussels think tank ECIPE, which has been running an EU-Mercosur project funded by pesticide giant Bayer (see 2.5). In this webinar, Cañas said the deal is a solution for deforestation and climate change, and should be ratified, claiming it will actually improve the situation in the Amazon. “The link between the agreement and deforestation is non-existent,” he argued, “and the agreement already fulfills sustainability requirements.” Back in May 2021, when ECIPE launched the Bayer-funded project, Cañas praised it as the answer to a “dire need” for “fact-based & objective analysis”.

3. ‘Shaping a more positive narrative’ – big business and the EU Commission in cahoots

In February 2021, BusinessEurope wrote to Trade Commissioner Dombrovskis that the EU-Mercosur agreement is of “critical importance for Europe”, reiterating the need for “swift ratification”. Referring to the Commission’s efforts to negotiate some additional environmental commitments from Mercosur that could support the ratification process in the EU, BusinessEurope noted they are “also working with our business counterparts in Mercosur countries to try to shape a more positive narrative around the agreement, especially regarding sustainability.” This reveals a lot about the business lobby’s aim – to shape a more ‘positive narrative’, or story, around sustainability, in order to get the deal ratified, rather than actually ensuring genuine sustainability. Confirming this approach, BusinessEurope invited Dombrovskis to be the keynote speaker at its Portuguese Presidency event ‘EU and Mercosur Business committed to Sustainability’ in April 2021, organised with its Portuguese member CIP and “the main business federations from the Mercosur countries”. Their objective: “to showcase what companies from Europe and Mercosur countries, especially Brazil, are doing on the ground.” In other words, a PR exercise to improve the image of the corporations seeking to profit from the deal.

Dombrovskis accepted the invitation, and in his speech – the Trade Commissioner told big business how it can support ratification: by helping to "shape a more positive narrative around the agreement – especially regarding sustainability". Evidently BusinessEurope and the Trade Commissioner are not just on the same page; they’re using the exact same words. Dombrovskis also said he was “convinced that business has a fundamental role to play”, that it can “help to move our relations forward”, and should “make [their] voices heard”.

In February 2021, BusinessEurope wrote to Trade Commissioner Dombrovskis that the EU-Mercosur agreement is of “critical importance for Europe”, reiterating the need for “swift ratification”. Dombrovskis also said he was “convinced that business has a fundamental role to play”, that it can “help to move our relations forward”, and should “make [their] voices heard”.

...
4. Greenwash extravaganza gives platform to BASF and Bayer

The BusinessEurope-Portuguese Presidency event provided a license for greenwashing to companies whose core business activities are environmentally damaging or implicated in human rights abuses, and industry associations that lobby to weaken environmental rules. An opportunity to present token PR-oriented projects that leave the core issue of unsustainability unchanged – in an attempt to garner support for a trade deal that would exacerbate those issues.

Take the example of the business association Brazilian National Confederation of Industry (CNI), a co-organiser of the event. In 2016, CNI reportedly co-wrote a bill to “flexibilize” environmental licensing. The new law would make it impossible to mitigate the socio-environmental impact of big infrastructure projects or prevent disasters like the Mariana iron tailings dam burst, which released 60 million cubic meters of toxic waste water and killed 19 people. In 2018, CNI was revealed as the author of provisions to further weaken environmental licensing rules, by severely limiting impact studies, mitigation and compensation measures. In 2020, CNI supported Bolsonaro’s then-Environment Minister, Ricardo Salles, after he said the government should take advantage of COVID-19 to “run the cattle herd” through the Amazon, “changing all the rules and simplifying standards.” In the same year, CNI supported the repeal of environmental protection for sandbanks and mangroves.

Speakers at the event included company Brazilian meat company BRF, which reportedly had cases of slave labour in its supply chain. BRF is a member of several business associations that prop up the Bolsonaro government, which oversaw a 53% increase in Amazon deforestation in its first three years.

Chemical and pesticide goliaths companies Bayer and BASF also spoke at the event, each claiming that sustainability is “embedded” in their businesses. Bayer emphasised the need to convince the “sceptical public” about the deal’s benefits, while BASF claimed the deal would help remove “trade barriers to sustainable solutions.” In reality, Bayer and BASF both profit from Brazil’s weak pesticides regulation by selling dangerous pesticides that are banned in the EU: 44% of substances registered in Brazil are not approved in Europe due to the threat they pose to human health, animals and the environment. Limits for pesticide residues also differ greatly – Brazil permits ten times higher levels of glyphosate residues on sugarcane than the EU.

Brazilian business group CNI supported Bolsonaro’s then-Environment Minister, Ricardo Salles after he said the government should take advantage of COVID-19 to “run the cattle herd” through the Amazon, “changing all the rules and simplifying standards.”
BASF and Bayer have, moreover, been influential in shaping Brazil’s pesticide laws, as members of lobby groups ANDEF and SINDIVEG, which openly lobby for more pesticide use and support a bill known as the “poison package”. This law aims to further simplify the approval of pesticides, including many that are carcinogenic, damage genetic material or cause reproductive problems, and are prohibited in the EU – though SINDIVEG claims it will “modernize” the sector to ensure “more innovation”.

These pesticides pose an unacceptable threat to Brazilian farmworkers and consumers, with Brazil’s health protection agency finding that one fifth of Brazilian food crops violate national pesticide residue laws (which are far more lax than Europe’s). Pesticide poisonings, are rife in Brazil – with thousands of cases and hundreds of deaths annually – though many people feel they cannot report pesticide poisoning for fear of reprisals.

The EU-Mercosur deal aims to export more pesticides to Brazil, and import more pesticide-contaminated crops into Europe. Agrichemical companies like Bayer and BASF would benefit from the deal as both importers and exporters: a boost in their sales of pesticides and other chemicals in Mercosur countries thanks to reduced or eliminated tariffs, and duty-free access to ethanol imports for chemical production, which are set to increase six-fold. The sugarcane needed to make ethanol, however, is linked to indigenous land-rights violations, widespread pesticide contamination, unsustainable water use and pollution, and soil degradation. Research shows that increasing demand for ethanol has triggered biodiversity loss and deforestation.

Box C: European Roundtable of Industrialists lobbies for more positive PR

Another pro EU-Mercosur heavyweight in the Brussels’ lobbying arena is the European Roundtable of Industrialists (ERT). In October 2020, ERT met with Trade Commissioner Dombrovskis’ head of cabinet to present its views on the EU trade policy review, including that priority should be “given to the ratification of the EU-Mercosur FTA” and that the Commission should communicate about “the contributions of European businesses” to sustainable development by “highlighting their engagement and actions.” In other words, ERT wants the Commission to do a PR campaign about how sustainable corporations already are – even though its members include the chief execs of corporations like BP, Inditex, BASF and Shell, whose sustainability and human rights records stand in stark contrast to this claim. In Brazil for example, large fines have been handed to Inditex, the world’s largest clothing retailer, for widespread labour rights abuses, and to Shell and BASF for decades of environmental contamination and workers’ exposure to toxic substances at a São Paulo chemical plant. Despite this, ERT told the Commission that high environmental and human rights standards “induce higher costs” and reduce competitiveness, so companies that “invest in sustainability should be rewarded”. Rather than being punished for abuses, ERT wants multinationals to be rewarded for not trashing the planet.
5. Trade Commissioner buys into Bayer’s PR

German agrichemical giant Bayer is a corporate member of BusinessEurope, but its individual lobbying goes even further: Bayer alone spent a staggering €6.5-€7 million on EU lobbying in 2021. After speaking at the BusinessEurope-Portuguese Presidency event, Bayer sent a thank-you-note to Commissioner Dombrovskis, claiming that the EU-Mercosur deal “strengthens international agreements to promote social and environmental standards.” Bayer added that as “part of the solution”, the company takes “concrete action to promote sustainability in agricultural production,” such as its new “carbon farming pilot project in Brazil”.

However, Bayer’s ‘carbon farming’ actually costs farmers and climate alike. Central to Bayer’s plans to reward farmers for carbon sequestration in their soils – so-called ‘carbon farming’ – is the farmers’ adoption of ‘climate smart’ agriculture requiring the use of glyphosate and Bayer’s own GM seeds that can tolerate it. Glyphosate is not only classed as ‘probably carcinogenic to humans’ by the World Health Organisation, but it can harm soil health in ways that may actually disrupt carbon sequestration.

Yet as the seller of nearly forty pesticides in Brazil that contain ‘active substances’ banned in the EU – including carbendazim, which can damage chromosomes, impair fertility and harm unborn children – it undoubtedly is a driver of the problem. Despite this, Dombrovskis’ reply to Bayer shows that they’re very much on the same wavelength. The Trade Commissioner thanked Bayer “for organising the important BusinessEurope event” in April 2021 – suggesting the pesticide giant was more than just a speaker at the greenwash extravaganza – which showcased “how European companies are already engaged in Mercosur fostering a responsible business model and pioneering clean technologies.”

Such events “play a crucial role in sending the right message to stakeholders on both continents” with “real-life examples of the responsible business practices that could be developed further once the agreement is in place”. Dombrovskis then told Bayer – which had asked in its letter what the industry could do “to move the agenda in the right direction” – that it should lobby public authorities to get the deal ratified. Getting businesses to “intensify engagement and dialogue” with European and Mercosur authorities “is paramount”, he wrote!

The Trade Commissioner thanked Bayer for showing “how European companies are already engaged in Mercosur fostering a responsible business model and pioneering clean technologies”.
Another avenue through which Bayer has been influencing the Mercosur debate in Brussels is via corporate-funded free market think tank ECIPE. In spring 2021, ECIPE launched its EU-Mercosur project, which is funded by Bayer. ECIPE has a history of fighting back against public discontent with EU trade deals that put corporate profits before people’s rights and environmental welfare. ECIPE's EU-Mercosur project seems to take the same line: a propaganda offensive to fill the ears of politicians and policy-makers, and block out the concerns of indigenous groups, and environmental, labour and human rights organisations.

ECIPE's EU-Mercosur project starts from the premise that the trade deal will bring “substantial economic, political and environmental gains to both sides”, and the threat that several “forces in Europe” are trying to get the deal “overthrown” during the ratification process. Their project, therefore, will make the debate in Europe “more fact-based and less built on myths”. In June 2021, an ECIPE article urged Mediterranean countries to “push” for the deal’s ratification asap. And in the same month, ECIPE lobbied the European Commission directly: meeting minutes reveal the think tank presenting its project to DG Trade, but make no mention of the project being funded by Bayer. ECIPE explained to the Commission how, through events, blogs and discussion papers, the project would “provide a different, more balanced and more diversified perspective” on the EU-Mercosur agreement. DG Trade “welcomed” their initiative to foster a more “informed debate”. ECIPE also told the Commission about an upcoming July 2021 event that would “analyse the relationship between trade agreements and deforestation on the basis of facts and figures”.

ECIPE explained to the Commission how it would “provide a different, more balanced and more diversified perspective” on the EU-Mercosur agreement.
7. ECIPE brings in soy lobby to deny deforestation

The event in question, a webinar entitled ‘Tackling Deforestation: What Role for Trade Policy?’, was one of four virtual events that ECIPE’s EU-Mercosur project hosted in 2021. One of the speakers at the deforestation webinar was from the Brazilian soybean farmers’ association, Aprosoja Brasil, who claimed that it is “proven” that soybeans are not a driver of deforestation. Aprosoja Brasil publicly defended the Brazilian Minister who suggested using COVID-19 to distract from deregulation of the Amazon, by arguing that “bureaucracy is also devastating” for the environment. Aprosoja Brasil is also part of the Brazilian Confederation of Agriculture and Livestock (CNA), an agribusiness lobby group that has, along with CNI (see 2.3), succeeded in weakening Brazil’s environmental licensing laws.

Contrary to the soy lobby’s claims, recent research by Dutch investigative journalists and environmental groups, showed that soy being used as livestock feed in the Netherlands (including so-called ‘sustainable’ soy) was implicated in deforestation, land grabs and corruption in Brazil’s Cerrado region. This vast area of forest savanna stores huge amounts of CO2, and is home to a third of Brazil’s biodiversity and to many Indigenous Peoples, yet half has already been lost to agribusiness for soy, other crops, and cattle grazing.

A December 2021 ECIPE policy brief, however, claims that prior to Brazil’s ‘Green Revolution’ – of intensive, pesticide-and-GM-reliant agriculture – the country’s “natural conditions, particularly in the dry Savannah region called Cerrado, were ill-adapted to internationally available technologies to increase yields.” This sounds a lot like an endorsement of the deforestation and conversion to agribusiness of the Cerrado biome. ECIPE, however, claims the EU-Mercosur deal will help curb deforestation, and argues that soy from Mercosur is a “critical ingredient” for EU agricultural competitiveness, as livestock feed. However, Europe’s Farm to Fork Strategy promotes a shift to more plant-based diets, which means reducing demand for meat and dairy, and the soy that feeds them.

BAYER’S DEFORESTATION Duplicity

In Brazil, Bayer controls:

- 90% of the soy market
- 25% of the soy pesticide market

Soy drives deforestation, which the EU-Mercosur deal will accelerate. Bayer funds ECIPE to say the EU-Mercosur deal will help curb deforestation.

Source: see endnotes 85 and 86.
8. When all else fails, scaremonger

In September 2021, ECIPE wrote in Spanish newspaper El Pais that keeping the EU-Mercosur deal “hostage to doubt” will only make its social and environmental benefits disappear.⁸⁷ Another of ECIPE’s favourite scaremongering tactics is to emphasise the threat from “the rise of China” in Mercosur countries,⁸⁸ arguing that ratification is needed to stop China from securing a “dominant position”.⁸⁹

As Greenpeace notes, however, Mercosur countries have been looking to sign this deal with the EU as their trade with China slows down.⁹⁰ As we have stressed, it is the EU’s responsibility to ensure our trade and consumption doesn’t contribute to human rights abuses or the destruction of forests and biodiversity. The extent of Mercosur’s trade with China cannot change this responsibility, or provide a reason to accept a deal that’s bad for people and planet.

9. ECIPE tells Brazilian agribusiness how to greenwash for the EU market

In September 2021, the director of ECIPE’s Bayer-funded EU-Mercosur project, Emily Rees, with quotes appeared on a talk show on Brazilian agribusiness TV channel Agro Mais.⁹¹ The show discussed the image challenges for Brazilian agribusiness, and Rees began by praising the Brazilian Agribusiness Image and Market Access Program (PAM AGRO), a joint venture between the Bolsonaro government, the Brazilian Trade and Investment Promotion Agency (Apex-Brasil) and the private sector.⁹²

PAM AGRO aims to improve the image of Brazilian agribusiness, particularly for the European market, through a communication strategy (including events and specific content for European countries⁹²) and narrative on sustainability, showing that Brazilian agribusiness is “modern, sustainable and respects the environment”.⁹³ Or, as APEX-Brasil’s president put it, to “fight against disinformation, against ignorance, against misrepresentation regarding Brazilian agribusiness” and to “take the truth” to European public opinion, which is “so influential in the world” and “unfortunately, so affected by unfair campaigns motivated by political or economic interests”.⁹⁴ PAM AGRO’s private sector partners include pesticides lobby CropLife Brasil, whose members include Bayer and BASF,⁹⁵ and Brazilian agribusiness lobby CNA, which
was very influential during the EU-Mercosur negotiations,96 and has a track-record of weakening environmental rules in Brazil.

ECIPE’s Emily Rees went from lauding PAM-AGRO to romanticising Brazilian agribusiness itself: the challenge, she said, is how to communicate its beauty to Europeans who don’t have the opportunity to visit Brazil. Rees then explained that European consumers perceive small as beautiful – for example, that small distances between producer and consumer are better for the planet – and are afraid of huge volumes, which is a challenge for Brazilian agribusiness. “So it’s better not to use the term agribusiness for Europeans,” she advised. As well as this textbook example of greenwashing, Rees told the Brazilian TV channel that it’s important for business to engage in EU-level discussions on sustainability tools – such as the EU taxonomy for sustainable investment – on a daily basis. “Make sure you are part of these discussions from the beginning,” Rees told Brazilian agribusiness, because the EU is “a bureaucratic machine”, and if you don’t participate – and “advertise” yourself with policy makers – you don’t advance your agenda.

ECIPE’s Bayer-funded project director has, therefore, been advising destructive agribusiness on how to greenwash its image and lobby the EU more effectively. And Rees wasn’t alone on the talk show: other speakers included a representative of Insituto Pensar Agro (IPA) – an influential think tank embedded in Brazilian politics, and closely tied to the ruralist caucus in Congress that supports the Bolsonaro government – which is funded indirectly by Bayer, BASF, BRF and many other agribusinesses.97 IPA complained of “commercial xenophobia” from the EU.98

[The EU is] “a bureaucratic machine” [and if you don’t participate and] “advertise yourself with policy makers – you don’t advance your agenda.”

Emily Rees, project director of ECIPE’s Bayer-funded EU-Mercosur project, advising Brazilian agribusiness
Box D: The car industry’s lobbying shrouded in secrecy

The European Automobile Manufacturers’ Association (ACEA) – which has a history of lobbying for deregulation, culminating in the 2015 emissions scandal – has made no secret of its support for the EU-Mercosur deal, as it offers a lucrative opportunity for the EU car industry to sell more polluting cars in Mercosur countries. When negotiations were concluded in June 2019, ACEA announced that despite the “negative climate for trade” the Mercosur deal shows the EU is “willing to be ambitious and to deliver.” In October 2019, the car lobby met with the Director-General of DG Trade, Sabine Weyand, to discuss Mercosur; however, when we made an access to documents request for minutes of that meeting, none were released. No meeting minutes means no lobby transparency: whether intentional or not, the lack of a record of what was discussed (once again – see Box B) destroys the public's ability to find out how EU trade policy is being shaped by corporate interests via access to documents laws.

In January 2020, ACEA met with then-Trade Commissioner Hogan; minutes for this meeting were released, and on the subject of Mercosur, say that “ACEA welcomed the conclusion of the negotiations and looked forward to its quick application.” It is evident that ACEA has also held lobby meetings with MEPs on Mercosur (for example, in December 2019), though the lack of rules requiring all MEPs to publish lobby meetings prevents a full picture. Committee chairs do, however, have to publish lobby meetings, and the chair of the Committee on International Trade, German S&D MEP Bernd Lange, had at least sixteen lobby meetings with the auto-industry between September 2019 and October 2021. These included seven with Volkswagen, the company that used software to cheat emissions tests on 11 million cars worldwide to make them appear less polluting, as revealed in the infamous 2015 VW Dieselgate scandal. Lange also held two meetings each with ACEA, the German Association of the Automotive Industry (VDA), Ford, and the European Association of Automotive Suppliers. In all cases, the subject is described as a ‘general exchange of views’ – making it impossible to know to what extent the EU-Mercosur deal was discussed. VDA – which has “close relations” with ACEA – argued in 2021 that the EU-Mercosur deal should “now be ratified so that Europe does not lose credibility.”
10. Conclusion

The EU-Mercosur Deal will facilitate and entrench business-as-usual for corporate giants that are linked to the weakening of environmental and Indigenous Peoples’ rights protection in Brazil.

The devastating impacts of the trade deal are in direct conflict with the goals of the European Green Deal to reduce pesticide use and protect global biodiversity, and with Europe’s climate commitments under the Paris accord. Yet a barrage of well-funded, slick PR operations from big corporations that are poisoning people and the environment – and the lobby groups and think tanks representing them – are seeking to convince us that all-is-well.

- **It took six months for Friends of the Earth Europe to get a response to its access to documents requests**, a process which should, by law, take at most 30 working days. Many meetings we asked about had no minutes, making it impossible to know what some corporate groups discussed with the Commission. The Parliamentary rapporteur even refuses to publish details of lobby meetings until the ratification process formerly begins, thus point-blank thwarting lobby transparency during this critical period.

- **Trade Commissioner Dombrovskis took words directly from BusinessEurope’s mouth**, repeating that it is important to “shape a more positive narrative around the agreement, especially regarding sustainability” at a greenwash event co-organised with the Portuguese EU presidency. The event featured industry groups that lobby for weaker environmental rules or are involved in environmental and human rights abuses in Brazil.

- **BusinessEurope, meanwhile, argues that social and environmental standards “cannot supersede economics** and prevent the EU from pursuing its bilateral trade agenda”, implying the deal should be ratified no matter its negative impacts.

- **Chemical giants Bayer and BASF together have a staggering annual EU lobby spend of around €10 million**. Both companies will benefit hugely from increased sales of hazardous pesticides and imports of ethanol, which drives biodiversity loss and indigenous rights violations.

- **Bayer pays neoliberal think-tank ECIPE to promote the EU-Mercosur deal under the guise of offering a “more balanced” and “fact-based” debate**. Yet ECIPE gives the floor to organizations that deny the link between soy and deforestation and make false claims about the enforceability of sustainability provisions, while helping Brazilian companies to greenwash themselves.
It is more vital than ever that decision-makers look past the greenwash and bluff of the big businesses putting their profits over the health of our planet and its inhabitants. There is a demonstrable disconnect between the reassuring words of corporate lobbies like BusinessEurope, BASF, Bayer – and ECIPE, the think tank it’s funding – and the stark reality of human rights and environmental abuses on the ground in Mercosur countries. Instead of thanking them for their help with selling a ‘narrative’ of sustainability, the Commission should be focusing on the reality that the interests of agrochemical giants like Bayer and BASF – to increase imports of ethanol and exports of toxic pesticides – are fundamentally at odds with the EU’s green goals.

The EU-Mercosur deal must be rejected for a new trade system to put the real needs of the people affected, and the environment we all depend on, at its core. Not the economic interests of multinational corporations responsible for poisoning soils and people, flouting labour rights, fueling land grabs and deforestation, and successfully lobbying for legal changes that make all of those violations easier to get away with.

It is time, instead, to hold the violators of human rights and the environment to account. Which starts by rejecting the ratification of a trade deal designed to profit big business, no matter the cost.

Reject trade deals that benefit big business at the people’s cost!
Endnotes


4. https://stopeumercusor.org/

5. https://act.wemove.eu/campaigns/no-to-mercosur


12. GestDem 2021/4729, https://www.asktheeu.org/en/request/meetings_between_trade_officials#outgoing-20174 – see DG Trade’s initial reply on 21/09/21 with the list of meetings, and subsequent additional reply on 16/11/21, detailing two further meetings. The meetings (generally) span the period June 2019 to July 2021 (though there are some slight variations, e.g. due to former Commissioner Hogan’s resignation).


16. FoEE, Ethanol expansion and the EU-Mercosur trade deal, ibid.


26. 04/09/2019 CEFIC meeting with Trade Director General Sabine Weyand on “Policy priorities, climate & trade, chemical standards in EU trade policy” – see http://ec.europa.eu/transparencyinitiative/meetings/meeting.do?host=5f4689e0-014c-4bec-8125-f9ed3592c86.

17/02/2020 CEFIC meeting with former Trade Commissioner Phil Hogan on “Trade Issues” – see http://ec.europa.eu/transparencyinitiative/meetings/meeting.do?host=6510a9d-ddf-418d-a5ee-e-c5cbcb870e6d-6679426-p=4


28. 13/12/2019 BUSINESSEUROPE meeting with then-Trade Commissioner Phil Hogan on “Trade Issues” – see http://ec.europa.eu/transparencyinitiative/meetings/meeting.do?host=5f4689e0-014c-4bec-8125-f9ed3592c86&d-6679426-p=5


31. 25/03/2020 EuroCommerce meeting with Trade Director General Sabine Weyand on “EU Trade Policy, retail & wholesale sector in trade policy” – see http://ec.europa.eu/transparencyinitiative/meetings/meeting.do?host=5f4689e0-014c-4bec-8125-f9ed3592c86&d-6679426-p=3

32. 01/12/2020 DIHK meeting with Trade Director General Sabine Weyand on “Trade Policy Review” – see http://ec.europa.eu/transparencyinitiative/meetings/meeting.do?host=5f4689e0-014c-4bec-8125-f9ed3592c86&d-6679426-p=2

33. DIHK, Business priorities for the German G7 presidency and a sovereign Europe, January 2022


38. Integrity Watch, Role of MEPs publishing meetings – Information, https://www.integritywatch.eu/


40. ECIPE, Fire-side chat with Jordi Cañas: The state of the negotiations of the EU-Mercosur Agreement, November 2011, https://www.youtube.com/watch?v=uxoxKxTvV0

41. Twitter, @jordi_canyas, 5 May 2021, https://twitter.com/jordi_canyas/status/1390003790259138562


50. Greenpeace, Bolsonaro is a catastrophe for the environment, January 2022, https://www.greenpeace.org/international/story/52098/bolsonaro-president-brazil-amazon-environment/


52. FoEE, Audrey Changeo, Ethanol expansion and the EU-Mercosur trade deal, ibid.

53. FoEE, Audrey Changeo, Ethanol expansion and the EU-Mercosur trade deal, ibid.

55. Mongabay, Brazil's pesticide poisoning problem poses global dilemma, say critics, ibid.
56. Mongabay, Brazil's pesticide poisoning problem poses global dilemma, say critics, ibid.
57. FoEE, Audrey Changoe, Ethanol expansion and the EU-Mercosur trade deal, ibid.
60. ERT, Members, https://ert.eu/members/
67. Misereor et al, ibid.
68. GestDem 2021-4084, Doc 17, ibid.
69. ECIPE, EU-Mercosur project, https://ecipe.org/eu-mercusor-project; Twitter, @ECIPE, 5 May 2021, https://twitter.com/ECIPE/status/1389920375350431750
70. In 2015, it published a critique of “anti-TTIP groups” domination of the media, concluding that advocates of the EU-US trade deal TTIP must make their voices heard to prevent the “spiral of silence” putting an “end to a promising trade agreement.”
71. ECIPE, The Spiral of Silence – How Anti-TTIP Groups Dominate German Online Media and Set the Tone for TTIP Opinion, January 2015, https://ecipe.org/blog/anti-ttip-german-online-media/
72. ECIPE, EU-Mercosur Project, https://ecipe.org/eu-mercusor-project/
75. ECIPE, Events, https://ecipe.org/eu-mercusor-project/events/
77. De Olho Nos Ruralistas, Financiadores da bancada ruralista publicam anúncio em “total apoio” a Ricardo Salles, ibid.
78. CNA, Cereais, Fibras e Oleaginosas: Comissão Nacional Membros, https://www.cnabrasil.org.br/areas-de-atuacao/cereais-fibras-e-oleaginosas; Mongabay, Temer government set to overthrow Brazil’s environmental agenda, ibid.
82. Unearthed, Razing Brazil’s ‘upside-down forest’: how global appetite for soya is consuming the Cerrado, November 2020, https://unearthed.greenpeace.org/2020/11/cerrado-soya-deforestation-brazil/
83. By providing “an incentive for both trading partners to sit down and work on solutions”; the trade deal is a “good starting point” to enforce sustainability standards. Source: ECIPE, EU-Mercosur: (Why) Failing to Ratify is not Worth the Risk, by Emily Rees, May 2021, https://ecipe.org/blog/eu-mercusor-why-failing-to-ratify-is-not-worth-the-risk
87. CNA, Cereais, Fibras e Oleaginosas: Comissão Nacional Membros, https://www.cnabrasil.org.br/areas-de-atuacao/cereais-fibras-e-oleaginosas; Mongabay, Temer government set to overthrow Brazil’s environmental agenda, ibid.
88. ECIPE, EU-Mercosur Project, https://ecipe.org/eu-mercusor-project; Twitter, @ECIPE, 5 May 2021, https://twitter.com/ECIPE/status/1389920375350431750
89. ECIPE, The Spiral of Silence – How Anti-TTIP Groups Dominate German Online Media and Set the Tone for TTIP Opinion, January 2015, https://ecipe.org/blog/anti-ttip-german-online-media/

88. ECipe, Policy Brief: EU and Mercosur in the Twenty-First Century, ibid.

89. ECipe, EU-Mercosur: (Why) Failing to Ratify is not Worth the Risk, ibid.


92. For example, ApexBrasil hosted a Euractiv event on ‘The Scientific Basis of the Brazilian Agricultural Revolution’ on 23 February 2022, see https://events.euractiv.com/event/info/media-partnership-the-scientific-basis-of-the-brazilian-agricultural-revolution


94. Government of Brazil, Pam Agro 2021-2023, ibid.


98. Government of Brazil, Pam Agro 2021-2023, ibid.


Friends of the Earth Europe campaigns for the protection of the environment, unites more than 30 national organisations with thousands of local groups and is part of the world's largest grassroots environmental network, Friends of the Earth International.

www.friendsoftheearth.eu

Friends of the Earth Europe gratefully acknowledges financial assistance from the European Commission (LIFE Programme). Detailed information about Friends of the Earth Europe's funding can be found at:

www.friendsoftheearth.eu/our-funding

The contents of this document are the sole responsibility of Friends of the Earth Europe and cannot be regarded as reflecting the position of the funders mentioned above. The funders cannot be held responsible for any use which may be made of the information this document contains.