



EUROPEAN UNION-MERCOSUR ASSOCIATION AGREEMENT

Consolidated report

“Promotion of Trade and Sustainable
Agenda In Brazil and the EUROPEAN UNION-
MERCOSUR ASSOCIATION AGREEMENT”



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I. Presentation

1. This Consolidated Report summarizes the main points presented in the Final Reports of the 1st and 2nd phases of the initiative "Promotion of Trade and Sustainable Development Agenda in Brazil and the EU-Mercosur Association Agreement", carried out by **the European Union Delegation in Brazil ("DELBRA")**¹.
2. Between September and December 2020 DELBRA carried out two phases of the initiative, with a view to informing Brazil's civil society (non-governmental organizations, business organizations, foundations, academia, trade union organizations, social movements, etc.) about the **Trade and Sustainable Development Chapter (TSD)**² of the EU-Mercosur Association Agreement.
3. To DELBRA, the **European Union-Mercosur Association Agreement** ("the Agreement") aims at consolidating the strategic partnership between the European Union (EU) and Mercosur on a political and economic level, and creating opportunities for sustainable development for both parties.

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1. Final Reports for Phase 01 (Workshops) and Phase 02 (Conference) with complete and detailed information are available at <https://eeas.europa.eu/delegations/brazil_pt>.
 2. Available at:
<http://www.itamaraty.gov.br/images/2019/2019_07_03_-_Resumo_Acordo_Mercosul_UE.pdf>
<<https://multimedia.getresponse.com/getresponse-z3APt/documents/22c7dde2-af76-4194-9e1f-39036239a9a4.pdf>>
<https://trade.ec.europa.eu/doclib/docs/2019/july/tradoc_158002.pdf>.

II. Phases – Workshops and Conference

4. The **focus of the initiative** was a dialogue about the TSD chapter, in order to promote an informed debate between EU and Brazilian organizations and increase the visibility of the social and environmental commitments covered by the Chapter, as well as to encourage Brazilian organizations to become active players in the implementation and monitoring of the Agreement.

5. The format of interaction chosen to meet these objectives was to hold a series of virtual workshops and a Conference, which allowed open and informed debates on the potential challenges and opportunities generated by the Agreement between the EU and Brazilian civil society organizations and the private sector.

6. The **first phase** consisted of an **opening panel and three thematic workshops**, held between October 19th and November 5th, 2020, under the title: "Promotion of Trade and The Sustainable Development Agenda in Brazil and the EU-Mercosur Association Agreement". The main themes of the TSD chapter were addressed: environment, labor conditions and the participation of civil society in the implementation and monitoring of the Agreement³.

7. From the analysis of the results of the first phase, it was concluded that, despite the members of the Brazilian organizations having had the opportunity to get information about the terms and content of the TSD, doubts still remained concerning the practical consequences of the Agreement, its means of implementation and the challenges related to it, especially considering the current Brazilian political environment.

8. Following the first phase, the **second phase**⁴ consisted of holding a **virtual Conference**, entitled "EU-Mercosur Association Agreement: sustainable development agenda and the role of civil society and business ", held on December 8th and 9th of the same year.

9. The Conference prioritized debates on three areas in particular: (a) economic, social and environmental impacts of the TSD chapter of the Agreement; (b) extent, characteristics and ways of civil society's involvement in participation mechanisms; and (c) institutional mechanisms of participation and dispute settlement.

3. The content of the workshops can be accessed through the channel of the European Union Delegation on YouTube.

4. Available at: <<https://multimedia.getresponse.com/getresponse-z3APt/documents/117d586d-f964-42a3-b9dd-9a64b967e0e5.pdf>>.



III. Thematic content⁵

(a) First phase – Workshops

10. The **opening panel** was held on September 19th and started the series of workshops. It was attended by the Ambassador of the European Union Delegation to Brazil, Ignacio Sánchez, and the Head of the Trade Section of DELBRA, Michele Villani. They presented the objectives of the initiative, emphasizing the purpose of enabling open and participatory debates, and conveying knowledge about the provisions of the Agreement, so as to collaborate in promoting a sustainable agenda in Brazil.

11. A number of points were highlighted, in particular referring to the EU strategy for the coming years (Green Deal⁶) and the Agreement's contribution to this initiative. Also, the strategic importance of sustainable development for the European Union was emphasized, and several initiatives that the bloc is carrying out in this regard in Brazil and worldwide were addressed.

12. The first thematic workshop "**Environment, Climate and International Trade**"⁷ was conducted by experts from the EU - John Bazill and Julius Langerdorff -, both members of the EU Trade Section in Brussels, which participated in the negotiation rounds of the Agreement. Also, a representative of Brazil's civil society participated, André Guimarães, CEO of the Amazon Environmental Research Institute (IPAM).

13. The experts gave a brief introduction to the Agreement and its structure, emphasizing that the negotiating party is Mercosur and not just Brazil, and that the outcome will depend on all involved parties being able to reach consensus. They pointed out the importance and the innovation brought by the Agreement regarding the TSD chapter, as well as the intention of the European consumers to favor the consumption of products obtained through sustainable practices. They explained the content of the Chapter in detail, stressing the areas of climate

5. In what refers to the format of the initiative, it can be observed that both the first and second phases had originally been planned to take place at the beginning of the first and second half of 2020, respectively, in on-site meetings. However, due to health restrictions imposed by Covid-19, the initiative was suspended in April and resumed in September, adapted to the virtual format. Faced with this reality, the opportunities seen for the virtual format were: (a) possibility of participation of EU and European technical staff members; (b) inclusion of North-Northeast axis organizations (absent in the on-site proposal); and (c) possibility of participation of specialists involved in advanced studies to evaluate the Agreement.

6. Available at: <https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_pt>.

7. The complete video of Workshop I with original audio is available at: https://youtu.be/ABab5_hgXZE and with translated audio at: <<https://youtu.be/x1jolfJMKIQ>>.



change, the Paris Agreement, biodiversity, natural resources, fisheries, management of supply chains and related issues.

14. André Guimarães emphasized the importance of the empowerment of civil society in the implementation of the Agreement, criticized the agricultural expansionist model, which led to increasing deforestation rates, and stressed the need to overcome and change the "developmentalist paradigm" that determines land use in Brazil.

15. After an overview presented in the introductory session, participants were divided into five smaller breakout groups⁸, each invited to reflect on guiding questions common to all groups. After their discussions, **the groups raised points about:**

- i. the adherence of national States to environmental commitments and the consequences of not complying with the commitments determined in the Agreement;
- ii. the Agreement's contribution to the issue of the agricultural expansion in the Amazon. Concern was expressed in terms of compliance with the terms of the ILO Convention 169 which relates to indigenous people and traditional communities;
- iii. the small amount of value added in primary products, which are the major component of Brazil's exports to the European market;
- iv. how the Agreement will promote exports of local and regional products, as well as how the EU will make sure there is room for dialogue with civil society;
- v. in relation to labor issues, questions have been raised regarding decent work conditions and current setbacks in Brazil in this regard;
- vi. in relation to transparency mechanisms, the organizations mentioned the need to make sure that the general population understands the Agreement and that a good communication strategy of its terms is implemented; and
- vii. mechanisms to enable and ensure compliance with the commitments of the Agreement by the Brazilian government were discussed, with emphasis on the elaboration of indicators that would measure the degree of compliance with the Agreement and the Brazilian legislation.

8. The groups had time for discussions and, once back in the plenary room, the rapporteurs chosen by each of the five groups presented the results of their discussions as well as issues raised by their groups. For details on the compiled and systematized content of the discussions, comments and suggestions, please see the Final Report of Phase 01: Annex 04: Questions, Comments and Documents from the Chats; Annex 05: Miscellaneous Chat Comments and Annex 06: Questions and Comments left in the Drive.



16. In the second thematic workshop **"Decent Work Conditions, Value Chain Management and International Trade"**⁹ the EU experts John Bazill and Julius Langendorff presented the articles of the Agreement on labor conditions, explaining the Decent Work Agenda, Responsible Business Conduct, value chains and related issues.

17. Another participant of the workshop was the Director of the ILO Office in Brazil, Martin Hann, who explained how the Agreement will contribute in practical terms to the subject of labor and decent work conditions; he pointed out that international labor standards and ILO recommendations were considered by all countries party to the Agreement as parameters that will allow the achievement of common goals.

18. Representatives of civil society expressed the following general concerns:

- i. the effective compliance to the commitments of the Agreement by the Brazilian government;
- ii. the possibility of members of civil society to interact among themselves and with companies, with no need to depend on the governments;
- iii. the possibility of starting new initiatives that allow a dialogue with other countries of the Mercosur bloc, as well as the possibility of holding regional forums to investigate violation of rights.

19. Questions were also raised referring to:

- i. the governance of the Agreement; and
- ii. the Brazilian socio-political scenario and recent setbacks, with emphasis on human rights issues, the control of rights violations and responsible corporate conduct (due diligence on human rights); the harmonization of European and Mercosur systems referring to social themes.

20. The third thematic workshop entitled **"The Participation of Civil Society in Monitoring and Implementing the Agreement"**¹⁰, was opened by DELBRA's Deputy Head, Ana Beatriz Martins, who highlighted that participation is the structuring element of all of the most recent EU trade agreements.

9. The complete video of Workshop II including a translated audio is available at: <<https://youtu.be/LMHZ6f4NL-k>>. Workshop II adopted a different methodology, starting with a Q&A session, as a way to value questions asked in the chat of the first workshop and left in the drive of the previous event. Available at: <https://drive.google.com/drive/folders/1aZCjkuk2PI92piAZ3ikphT2QbeV-dNNy>.

10. The complete video of Workshop III including a translated audio is available at: <https://www.youtube.com/watch?v=y_zFH9djmXQ&t=213s>.



21. EU experts - John Bazill and Julius Langendorff - initially responded to a Q&A session¹¹ they indicated that the participation of civil society is not limited to TSD, but relates to all contents of the Agreement; they stressed that every party should engage in consultation mechanisms with civil society in order to establish a forum of public dialogue on the Agreement.

22. The experts addressed the articles that refer to the participation of civil society and the mechanism of dispute settlement, discussing the cases of South Korea and Vietnam.

23. The representative of civil society, Ana Toni, CEO of Climate and Society Institute (ICS), emphasized that the Agreement depends very much on trust and dialogue between the parties within the countries, and that the alignment between parties is indispensable for the domestic implementation of the Agreement's commitments.

24. Ana Toni stressed the importance of independence of the organizations that will compose the Domestic Advisory Group (DAG), in order to ensure their impartiality. She pointed out that the Agreement has two parts: hard law (commercial regulations) and soft law (the TSD), arguing that this distinction causes some problems, since sustainable development is a pillar of no less importance.

25. For the panelist, the current Brazilian political environment is not in line with the provisions set by the Agreement and, in this sense, she pointed out that the organizations can't identify adequate conditions and political signals that would favor its implementation.

26. After the presentations, the audience had the opportunity to express their comments, which generally addressed:

- i. the possibility and openness to renegotiate the terms of the Agreement;
- ii. the challenges faced by civil society to participate and influence the current and adverse political environment, especially considering the scenario of criminalization of NGOs, genocide against traditional peoples, destruction of the Amazon and termination of Councils that enabled the participation of Brazilian civil society in outlining public policies; and
- iii. the need to constitute independent channels of dialogue about the Agreement, composed of Brazilian civil society organizations, and the establishment of sectorial groups to discuss environmental issues as well as the violation of rights in work contexts.

11. The questions were extracted from the chats, Drive and from the statements made by participants in previous workshops.



(b) Second phase - Conference

27. The second phase consisted of a **virtual Conference** held on December 8th and 9th, 2020, from 9:00 a.m. to 12:30 p.m. On the first day the main focus was on the "Presentation of the Agreement and its impacts"; and on the second day it was the "Implementation of the Agreement, incentives and parties involved".
28. **At the opening of the Conference**¹², the EU Ambassador to Brazil, Ignacio Ybáñez, highlighted the central role of the environmental agenda to EU member countries, particularly in face of the climate crisis and the pandemic, and stressed the importance of the Association Agreement within this agenda. Ambassador Pedro Miguel Costa e Silva, of Brazil's Ministry of Foreign Affairs, reassured Brazil's commitment to the Agreement, to the goals of sustainable development and the reduction of deforestation. He stated that the Agreement is the most advanced with respect to trade and sustainable development, a fundamental means for cooperation in this subject area.
29. Next, in the **first Plenary Session**¹³ a detailed study of the economic, social and environmental impacts of the Agreement carried out by the London School of Economics and Political Science (LSE)¹⁴ was presented. The study is an analysis of the economic, social, environmental and human rights' impacts caused by the Agreement, both in the EU and partner countries. The professor of the LSE who was invited to present the report focused on economic and human rights impacts and stressed that the study does not predict significant environmental impacts if the goals of the Agreement are observed.
30. In **Panel I**¹⁵ which brought together representatives of the financial sector, agribusiness, and civil society, it was discussed how different players from the private sector participate and could come to participate in the socio-environmental agenda.

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12. Under the title of "Opening Panel", the main speakers were Ambassador Ignacio Ybáñez (European Union Delegation in Brazil) and Ambassador Pedro Miguel Costa e Silva (Ministry of Foreign Affairs of the Federative Republic of Brazil).
13. Under the title "Evaluation of the impact of the EU-MCS Association Agreement on sustainability", the study was presented by Maximiliano Mendez-Parra (London School of Economics - LSE) and moderated by Vera Thorstensen (Centro de Comércio Global e Investimento from the School of Economics of Getulio Vargas Foundation-FGV/SP).
14. Report "Sustainability Impact Assessment in Support of the Association Agreement Negotiations between the European Union and Mercosur". Available at http://www.eumercosursia.com/uploads/4/0/7/2/40728425/final_interim_report_publication_03oct2019.pdf.
15. Under the title: "How can the private sector contribute to the implementation of social and environmental commitments of the Agreement? The panelists were Graham Stock (BlueBay Asset Management), Marcello Brito (Brazilian Agribusiness Association - ABAG); Caio Magri (Ethos Institute) and Daniela Chiaretti (Valor Econômico magazine) as moderator.



Several initiatives were presented which the panelists claimed contribute to the sustainability agenda and to the Agreement's socio-environmental commitments.

31. In parallel, **Panel II**¹⁶ discussed initiatives aimed at the sustainable use of Brazilian biodiversity and the opportunities generated by the Agreement to foster the trade of such products on international markets, such as the EU. Focusing on experiences in the Brazilian Amazon, challenges and trade barriers that hamper the implementation of the Agreement in the promotion of sustainable supply chains for products from the Brazilian biodiversity were explained.
32. On the second day of the conference, **Panel III**¹⁷ discussed the participation mechanisms for civil society promoted by the Agreement. The experience of Ecuador in monitoring the implementation of the EU-Ecuador agreement was presented by a member of the country's government and a member of the Ecuadorian Domestic Advisory Group. This example showed how this kind of mutual participation works in practice and how the relationship between different players in monitoring the implementation of the Agreement is functioning.
33. In **Panel IV**¹⁸ civil society organizations, academia and the public sector (such as the Federal Prosecutor's Office) presented tools developed in partnership with different players to address the Agreement's socioenvironmental commitments, such as programs to track supply chains and monitor biomes.
34. In the **second Plenary Session**¹⁹, which dealt with how to ensure the implementation of the TSD, speakers defended the view that the mechanisms negotiated within the Agreement should meet the expected social and environmental objectives through

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16. Entitled "How the Agreement can favor the sustainable use of the Brazilian biodiversity?"; the panelists were Nurit Bensusan (Instituto Socioambiental - ISA); Patrícia Cota Gomes, Coordinator (IMAFLOA); Raimunda Rodrigues (Project "Origens Brasil" – Local Production Community, Mini power plant on the Iri River in Xingu/PA); Paulo Amaral (IMAZON – Institute of Man and Environment of the Amazon); Gizele Odete de Sousa (C.A.M.T.A – Mixed Agricultural Cooperative of Tomé-Açu); moderated by Veronica Goyzueta (Rainforest Journalism Fund - Pulitzer Center).
 17. Entitled "What are the mechanisms for participation of civil society and the private sector in the implementation of the Agreement?"; the participants were John Bazill (General Directorate of Trade, European Commission); Luigi Benincasa (Internal Consulting Council of Ecuador); Dulce Maria García (Vice Ministry of Foreign Trade of the Government of Ecuador); Alberto do Amaral Júnior (University of São Paulo – USP) and the moderator was Vivian Rocha (Women Inside Trade Brazil – WIT).
 18. Entitled "What tools can contribute to the accomplishment of the Agreements commitments?"; the panelists were Raoni Rajão (Federal University of Minas Gerais - UFMG); Rafael Rocha (Prosecutor from the Federal Prosecution Office); Marcos Rosa (MapBiomas); Mércia Silva (InPACTO) and the moderator was André Guimarães (Amazon Environmental Research Institute - IPAM).
 19. Entitled "Ensuring the effective implementation of the Sustainable Development Chapter". The participants were Councilor Clarissa Nina (Chief of Staff of the Secretary of Bilateral and Regional Negotiations of America, Ministry of Foreign Relations); Madelaine Tuininga (Head of Unit, General Directorate of Trade, European Commission) and the moderator was Marina Amaral Egydio de Carvalho, (Women Inside Trade Brazil - WIT).



joint work and dialogue, stressing that such mechanisms are preferable to trade sanctions.

35. In the **third Plenary Session**²⁰, the EU representatives presented programs carried out in Brazil to support civil society and the private sector in promoting sustainable development in the country.
36. In the **final Plenary Session**²¹, civil society was given the opportunity to discuss what type of network should be created to follow up issues related to the implementation of the Agreement. From the speakers' perspective, Brazilian civil society is organized and interactive and has already developed tools that can contribute to the implementation of socio-environmental commitments and to the maintenance of the standards incorporated into the Agreement. However, according to the participants, greater clarity is needed on how to ensure that the socio-environmental commitments of the Agreement will be upheld, especially in face of the challenges imposed by the current Brazilian political context.
37. The **closing of the Conference** was attended by the Brazilian Ambassador, Pedro Miguel Costa e Silva, and the EU Ambassador to Brazil, Ignacio Ybáñez, who again highlighted the importance of the sustainability agenda for the EU, stressing that the EU-Mercosur Agreement is aligned with the main strategy of the European bloc, the Green Deal, which meets the goals of reducing greenhouse gas emissions provided by the Paris Agreement.

20. Entitled "How to support the role of civil society and the private sector?"; the speakers were Stefan Agne and Maria Rosa Sabbatelli, both from the European Union Delegation in Brazil.

21. Entitled "How can society and private sector organizations strengthen their own instances of articulation to participate in the implementation of the Agreement"; the main speakers were Adriana Ramos (Instituto Socioambiental - ISA); Athayde Mota (Brazilian Association of NGOs for the Defense of Rights and Common Goods - Abong); Natalie Unterstell (Talanoa Institute); Marcelo Linguitte (Brazilian Network of the Global Compact) and the moderator was Caio Borges (Climate and Society Institute - ICS).



(a) First phase – Workshops²²

39. In relation to the **profile of the first phase's registrants**, what stands out is:

40. Regarding the **participation in the first phase of the initiative**, the average participation in the three workshops was 45% of the total people registered (98 participants per event).

41. The **participation per meeting** was as follows:

- i. opening panel with 99 participants;
- ii. thematic workshop 1, "Environment, Climate and International Trade", 101 participants;
- iii. thematic workshop 2, "Decent Work Conditions, Value Chain Management and International Trade", 98 participants; and
- iv. thematic workshop 3, "The Participation of Civil Society in the Monitoring and Implementation of the Agreement", 97 participants.

22. For detailed graphs on the participation characteristics, see the Final Report of Phase 01: Annex 02: Registration, Participants Profile and Participation.

42. The Conference had 550 people enrolled, from 21 countries and 13 Brazilian states. From the total number of registered people, 335 (61%) were actually present in the Conference, including 39 panelists and moderators. The majority of participants (55%) were women. On December 8th, 255 people and 15 panelists and moderators participated; on December 9th, 219 people, besides 24 moderators and panelists. Some of the registrants only participated either in the first day or in the second day, but 169 participants were present on both days of the Conference.

44. The **participation reached considerable positive numbers**. And the audience was active in both phases, asking questions and contributing with their comments in the chat and during Q&A.

V. Results achieved

(a) Participation

45. The Initiative ensured the participation of a representative number of civil society organizations and from the private sector in both phases, having reached a variety of regions and sectors.

46. In the **first phase** some challenges had to be faced regarding the methodology of a virtual workshop, but ended up ensuring the following:

- i. regular weekly events, with a representative participation of organizations throughout the four events;
- ii. participation of a significant number of executive directors and area coordinators of civil society organizations;
- iii. significant input from participants, which was integrated into the content of the events by applying a dynamic that valued questions and comments left in the chats and on the drive, which was made available for this purpose²³; and
- iv. weekly adaptation of the virtual environment and utilization of several tools from the zoom platform.

(b) Promotion of dialogue

47. The **first phase** allowed:

- i. organizations to present and clarify their doubts on various aspects of the Agreement;
- ii. good interaction of the organizations among themselves and with the EU members, due to the option of using a moderated chat instead of Q&A; and
- iii. the EU to collect adequate information to structure the Conference.

48. During the **second phase** the dialogue continued and addressed the main points discussed and questioned by civil society in the first phase, such as issues relating to economic, social and environmental impacts and the activity of civil society in participation mechanisms.

23. For details on the compiled and systematically organized content of the discussions, comments and suggestions, see the Final Report of Phase 01: Annex 04: Questions, Comments and Documents from the Chats; Annex 05: Several chat comments and Annex 06: Questions and Comments left in the Drive.

49. Opportunities and means of dialogue were created, which is evidenced by the volume of inputs given by participants through comments and questions²⁴, by the level of interest that was maintained and the weekly regularity of events during the first phase, as well as the number of participants present in the second phase.

(c) Dissemination of knowledge and information about the TSD chapter

50. The increase of knowledge and information on the Trade and Sustainable Development chapter of the EU was driven by the content conveyed during workshops, panels and plenary sessions, by means of qualified information on TSD, information and Q&A sessions, and by making materials available in the Drive folder created in the first phase, as well as by the subsequent public dissemination of all the content of the initiative via DELBRA's YouTube channel.

51. The initiative succeeded in stimulating Brazil's civil society, private sector and academic organizations to identify challenges inherent in the Agreement in general and the TSD chapter in particular.

52. The evaluation questionnaires indicated an increased understanding of the challenges and potential opportunities generated by the Agreement with respect to TSD, and showed how such opportunities can potentially reinforce the actions of the participating organizations²⁵.

53. Representatives of civil society organizations and the private sector assessed that they were able to deepen their knowledge on TSD and understand the possibilities of participation in the implementation and monitoring processes of the Agreement.

54. The results of the evaluation indicate that the content of TSD has been revisited satisfactorily, although the criticism towards the Brazilian political environment is challenging the effectiveness of the Agreement.

24. The results of the contributions, criticisms and suggestions of the organizations, following the dialogue process promoted by the EU, can be found in the annexes to the Report of the first phase.

25. For details on the survey and evaluation results see the Final Report for Phase 01: Annex 07: Feedbacks through Whatsapp; Annex 08: Zoom Survey; and Annex 09: Answers to the Evaluation Form.

VI. Difficulties encountered

(a) First phase – Workshops

55. The engagement of participants in the first phase had to overcome the challenge of communicating the initiative and attracting the largest number of registrants and participants as possible.

56. The theme of the Agreement was not well known (and politically controversial) to some organizations, and the engagement achieved depended on the acknowledgement of the importance and timeliness of the initiative by their higher-ranking officials.

57. To overcome the skepticism towards the Agreement, bilateral meetings were held in the first phase to explain the objectives of the initiative and gather input from the participants in order to get them more actively involved in the central role of planning the content of the workshops.

58. As to the difficulties concerning the format of the events and their technical operation, it was mentioned that in view of the innovation introduced by the virtual environment, the format of the events had to be redesigned and structured from scratch, including the topics for discussion with EU experts, the details of texts to be inserted in the chat, the opening addresses, timed and the detailed scripts for each of the events and the elaboration of several new forms to be used.

59. The virtual environment demanded appropriate dynamics and the introduction of a few novelties to maintain the interest and focus of the audience.

60. The idea of using breakout rooms during Workshop I was quite difficult to handle operationally. Although this methodology would allow for more interaction among participants, it ended up not being adopted. In contrast, the alternative was to open the microphones for all after making sure that the participants were previously prepared for this type of communication, which was positively evaluated by all.



(b) Second phase – Conference

61. The challenge of the Conference was to promote the understanding of how the participating organizations can effectively take ownership of the information received.

62. Some organizations that participated in the first phase of workshops publicly declared being against the Agreement, organizing public demonstrations and a petition which was led by the *"Front of Brazil's Civil Society Organizations against the MERCOSUR-EU Agreement"*²⁶.

63. As for the difficulties referring to the format of the second phase, there was little opportunity given to the audience to engage in the format of the Conference. Some participants expressed their disappointment about the short time dedicated to answer their questions or not being answered at all. Even though some questions were answered, it was not possible to cover all the questions received.

64. Still, regarding the format, it was observed that the migration of people to their breakout rooms was a challenge, which might have been the reason for a smaller number of participants reaching those parallel rooms.

65. Regarding the technical-operational difficulties, it was noted that some panelists had trouble with their equipment. This is quite common in virtual events, but the fact that the platform chosen did not allow participants to connect before the scheduled time and stay in waiting rooms where they could test their audio and video functions, caused them to only detect occasional problems when they went "live". This slightly delayed the beginning of the panel.

66. Another technical difficulty lay in forwarding the surveys to participants after the first panel on the first day of the Conference. This invalidated the overall purpose of the instrument intended to assess if the goals of the day were met, since on the next day there were no data to be compared. The problem itself was fixed and the final survey, redesigned, was forwarded to the participants on the second day.

26. Available at: <https://www.inesc.org.br/mais-de-100-organizacoes-assinam-carta-contra-acordo-mercosul-ue/>.



VII. Recomendações

67. The following recommendations are made to DELBRA considering the possibility of continuing the initiative of promoting the dialogue on the EU-Mercosur Agreement in Brazil:

(A) Information/Advertising/Communication

- i. Keep the channels of dialogue with civil society open, by means of a web page that advertises the initiative and makes all documents produced during the 1st and 2nd phases available, as well as maintaining the dialogue channel active.
- ii. Define a straightforward communication strategy that allows the presentation of suggestions to the Brazilian population of topics pertaining to TSD, based on qualified and clear information.
- iii. Constantly post reports and updates on the initiative, in order to avoid misunderstanding on the part of Brazilian organizations. As it became evident from some of the questions and comments received, some members of civil society organizations seemed to have the expectation that the Initiative would be like a public consultation, the results of which could be incorporated into the text of the Agreement. It is important to point out that the Initiative's purpose is to inform civil society about the Agreement and about opportunities to participate in the mechanisms provided by TSD, emphasizing that it is up to the Brazilian government to choose the organizations that will participate in the Domestic Advisory Group (DAG).
- iv. Outline strategies to publicize and disseminate the provisions of the Agreement that affect the participation of civil society in the Agreement's monitoring and implementation processes.

(B) Support the elaboration of studies and research

- v. Produce studies and information content on the enforceability of the TSD commitments. Since the chapter does not provide for trade sanctions, once the specific mechanism for dispute settlements of the TSD is defined and made public, it will be important to clarify what mechanisms will be available to ensure compliance with the commitments.
- vi. Improve knowledge about policies and practices that promote tools and safeguards which will halt the marketing of products resulting from



deforestation, as well as measures that ensure that no more deforestation will occur for the purpose of clearing land for growing agricultural commodities.

- vii. Identify good practices that stimulate the economy of socio-environmental biodiversity in indigenous areas, maroon and riverine communities, (*comunidades indígenas, quilombolas e ribeirinhas*) establishing the link to the mechanisms provided for in the Agreement which are meant to prevent the risk of negative impacts on traditional populations, helping to promote the export of local and regional products and products of socio-biodiversity.
- viii. Identify case studies that focus on environmental commitments and on the guarantees that they will be complied with; also, case studies on the consequences of non-compliance, especially in terms of the challenges to effectively implement MEAs - Multilateral Environmental Agreements (The Paris Agreement and their NDCs and Biodiversity).
- ix. Support initiatives oriented towards the effective implementation of international instruments, such as the ILO Convention Nr.169, as well as measures that are needed to promote decent work, which should ensure the effectiveness of the TSD terms.
- x. Support actions that define indicators on the degree of fulfillment of socio-environmental commitments in the Agreement, and mechanisms for promoting and monitoring that fulfillment.
- xi. Support studies on product supply and distribution chains that promote positive impacts on people's lives.

(C) Political dialogue and mechanisms of participation and monitoring

- xii. Include new opportunities for participation of the public: after comparing the two phases of the initiative and bearing in mind its objective of promoting a dialogue with civil society, we recommend that for a possible next phase new opportunities for public participation are included, such as the format of permanent workshops or forums, in order to take advantage of the experience and capacity to influence of participating organizations.
- xiii. Seek to establish dialogue channels with scholars and members of environmental organizations that have produced critical studies on the environmental impact of the Agreement, as well as with organizations that are part of the *"Front of Brazil's Civil Society Organizations against the MERCOSUR-EU Agreement and EFTA-Mercosur Agreement"*.



- xiv. Clarify how the DAGs will be set up and function, so that it is clearly understood how the EU will ensure this space of dialogue with civil society as well as to subsidize the mobilization of civil society organizations in their actions to exert pressure on the government, so that the establishment of a truly representative and independent group is achieved.
 - xv. Promote forums of dialogue between Brazil's and the EU's civil societies, in addition to other countries and regions that have signed agreements with the EU, so that members of Brazil's civil society can have a clear idea of what the practice of implementing the Agreement is about. This action may contribute, on one hand, to dispel fears that lead civil society to view the Agreement with suspicion. On the other hand, it can help to identify points that will require more focused work from the EU, both in relation to this Agreement as with regard to future agreements.
68. As for the continuation to develop the subject of trade and sustainable development – even if not linked to a specific TSD initiative – we recommend **supporting studies and discussions** on the following topics:
- i. Sustainable investment and projects related to socio-biodiversity, traditional territories, maroon and indigenous people – focusing on projects that protect the environment and local communities;
 - ii. Strengthening ESG aspects of the investment criteria of European investment funds; and in the criteria of companies purchasing Brazilian products;
 - iii. The contribution of trade to the accomplishment of multilateral agreements on the environment and labor conditions;
 - iv. Commercial actions and climate change;
 - v. Fair trade and just transition;
 - vi. Sustainable forest management and sustainable management of fisheries and aquaculture activities;
 - vii. Harmonization of social, health and environmental protection standards between the EU and Mercosur considering higher standards (e.g. regarding the use of pesticides);
 - viii. Promotion of socio-environmental compliance; focusing on priority sectors to work on socio-environmental parameters, promoting them and requiring socio-environmental assessments;
 - ix. Mechanisms to link decent work conditions, value chain management and international trade; and promoting diversity and equality in labor relations;



- x. Traceability mechanisms as a tool to implement high level standards;
 - xi. Responsible business conduct and due diligence in human rights, as a means of anticipating, mitigating and remedying human rights violations in the business context; underlining the possibility created by the Association Agreement to change the parameters of commercial activities;
 - xii. Identifying trade barriers to green and sustainable products;
 - xiii. Indicators to monitor sustainable development commitments linked to trade and association agreements;
 - xiv. Mechanisms for the participation of civil society in association agreements.
69. Finally, **project financing** is recommended, in order to:
- i. Create a line for funding and capacity building to strengthen trade and sustainable development actions that produce examples of how to implement the Agreement in practice, addressing the issues raised as crucial by the organizations which participated in the Initiative. To support existing projects and initiatives is a way to contribute to concrete local actions in territories that ensure sustainability on a daily basis.
 - ii. Set up a commission to write a bid notice and public call to support projects of civil society organizations, private sector and academia, with funding lines for the following themes:
 - a. value generation of sustainable products: how to make sustainable products more accessible and attractive for entering the European market?;
 - b. "compliance": how do the production and distribution phases meet the existing socio-environmental requirements and function so that products abide by these rules?;
 - c. democracy and civil society: how to provide conditions for the effective participation of Brazilian organizations, creating spaces for dialogue and mobilization? This approach also involves aspects such as governance, participation, democracy and resilience of organizations vis-à-vis the current Brazilian political environment;
 - d. monitoring of socio-environmental commitments: support actions of organizations that do the mapping of topics related to trade and climate change, international mechanisms, production and distribution of agri-food products; and
 - e. training and certification of small producers (capacity building) - training grassroots organizations on their interests and on the opportunities that the



topic generates; and/or initiatives to promote and raise the visibility of local and sustainable products and producers to European buyers.

