

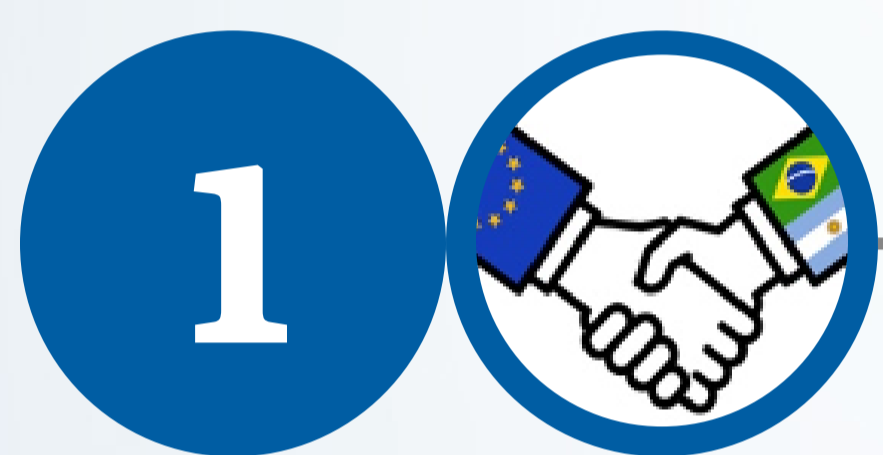
THE EU-MERCOSUR AGREEMENT

A UNIQUE OPPORTUNITY TO FOSTER TRADE AND SUSTAINABLE DEVELOPMENT

FACTSHEET 1. EXECUTIVE SUMMARY

Brazilian business is committed to the Agreement in line and beyond with its Trade and Sustainable Development disciplines. Brazil is also committed to cooperate both on the environmental and labor agendas.

CNI and other business associations launch a brochure tackling two main issues:



The EU-Mercosur advanced rules

The Agreement has the most advanced rules on trade and sustainable development.



Brazil is a key player on the sustainable agenda

Brazil has an ambitious sustainable agenda that places the country as an international leader on this topic.



What is the importance of the Agreement to sustainability?

The Trade and Sustainable Development Chapter of the Agreement is a turning point in terms of rules and disciplines that regulate and monitor sustainable development and trade. Its implementation will enable an agenda of cooperation aimed at aligning trade with key Sustainable Development Goals (SDGs), and will become a reference in sustainability for other bilateral, regional and multilateral trade agreements.



Why is Brazil a key leader on sustainability?

Brazil had and has a crucial role in the conformation of the multilateral environment agenda. The regulation of several environmental issues gained place in Brazil in topics such as pollution reduction, forest conservation, water, biodiversity, renewable energy, and climate change. The country has been adopting and implementing rules regarding all the most relevant multilateral treaties on environment since the 1970s and recently, including the Nagoya Protocol.

Key facts and assets of sustainability in Brazil



Land use and native vegetation

Around 62% of Brazil's territory is covered with native vegetation. Brazil is the second country with the greatest extension of native vegetation. Together, land used for agriculture and pastures reaches 26% of its territory. This result is due to the implementation of strict domestic regulations to conserve native vegetation, such as the Forest Code, that are hardly seen around the world.



Climate change commitments

Since 2009, Brazil has a National Policy for Climate Change. Public commitments include 13 main goals, from deforestation and renewable energy to public transportations. Brazil was the first developing country to voluntarily propose an absolute economy wide target to reduce 37% of its emissions below 2005 levels up to 2025, and 43% up to 2030. Recently, Brazil anticipated these goals to become carbon neutral.



Actions on deforestation

Estimates indicate that 90% of Amazon deforestation is illegal and around 70% takes place over public lands. Curbing illegal deforestation in the Amazon is the most effective action for Brazil and is presented in its commitments on the Paris Agreement. International cooperation is essential to tackle it, and the Mercosur-EU agreement has the right framework for achieving it.



Low carbon agriculture and productivity

Between 2010 and 2018, low carbon agriculture technologies were implemented in 52 million hectares, an area compared to 1.5 times Germany's territory. This is pivotal to improve productivity, to allow adaptation and to reduce emissions. Productivity growth and technologic development are the key needs to expand agricultural production. It is estimated that, in 2019/2020, approximately 138 million hectares were preserved due to increase in productivity.



Renewable energy

The production and use of renewable energy represents 48% of Brazil's total energy mix, with sugarcane products representing 19% of the total. Brazil has well succeeded policies, such as RenovaBio, to increase the share of renewable fuels in the national energy matrix and to reduce its carbon footprint.



Private initiatives

Brazilian businesses is committed with the SDGs at the national and international levels. The Brazilian network is in the third position at UN's Global Compact Local Networks, aimed at advancing the implementation of the Ten Principles. Recycling, adopting renewable energy and taking actions on deforestation (such as the soybean moratorium) are also business examples of commitments and initiatives.



Labor standards

Brazil has implemented 90% of the International Labour Organization's Fundamental Conventions. In comparison to countries with which the EU has trade agreements, Brazil is the country that has implemented more ILO Conventions.



CALL TO ACTION

The implementation of the Agreement is a **steppingstone** towards fostering sustainable development. With the entering into force of the Agreement, the EU and Mercosur have the opportunity to strengthen the current cooperation, monitor and work together to push forward trade as a response to common goals in sustainability.



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