

Sustainability Impact Assessment of EU-Mercosur Trade Negotiations – Overall Preliminary SIA

Comments and Responses – Public Consultation

Civil Society Comments	Consultants' Reply
Public Consultation Meeting (19th July 2007)	
<i>Royal Society for the Prevention of Cruelty to Animals</i>	
References to animal welfare disappeared in the translation of the Mid term Executive Summary to Portuguese and Spanish.	This applies also to the English version of the MTR. Included in the final report.
There seems to be an inconsistency in the fact that SIA projects no impact on animal welfare but does project a significant impact on the intensification of land use for animal production	Amended in final report
<i>Confederation of Food and Drink Industries</i>	
More emphasis should be given to the processed food sector rather than to raw materials eg distinguish between instant coffee and raw coffee.	Noted
<i>Association of German Chambers of Industry and Commerce</i>	
It would be instructive to take into account the possible impact of the trade agreement not only on Mercosur and EU but also on third parties that might be affected	Noted
<i>Latin American Associations of NGOs</i>	
The Mitigation and Enhancement procedures are too general and should be more focused on the specific problems in the Mercosur region, particularly with respect to adjustment cost mitigation measures. .	The overall SIA has been revised to include fuller reference to the specific measures discussed in the sector SIAs.
The reports should clarify if Venezuela was included in the SIA	This has been clarified in the revised report
Comments Received via Website	
FDCL (Berlin)	
Detailed comments on the main section of the report, which challenge the main findings of the report. It is suggested that 'the more sophisticated alternative is not to sign an EU_Mercosur agreement in the way it has been negotiated so far'.	The detailed comments have been considered and where evidence has been provided this has been either noted or incorporated into the revised report.
RSPCA, WSPA, CIWF, Eurogroup for Animals	
References provided to studies	This have been consulted in revising the final report
Point 1: Absence of animal welfare in Spanish and Portuguese translations of the Mid-Term reports In the English version of last April's 'Update on the Overall Preliminary Trade SIA EU-MERCOSUR	The executive summary covered only the major impacts identified (in English as well as the other

<p>Mid-Term Report’, animal welfare was mentioned on pages 129, 130 and in the table on page 138. In the relevant ‘Agriculture Sector Study’, the same mentions were on page 34, 35 and in the table on page 41; also, the input sent by us on animal welfare was mentioned on page 43.</p> <p><i>In the Spanish and Portuguese summaries of the two reports, all references to animal welfare disappeared. According to your reply at the 19 July meeting, there was no reason to exclude animal welfare from the Spanish and Portuguese translations, and it should be rectified.</i></p> <p><i>The animal welfare points should be kept in the translation of the new and future documents, too.</i></p>	<p>languages). Animal welfare has been included in the executive summary of the final report</p>
<p>Point 2: Absence of animal welfare in Table 6.1 of the ‘Agriculture Sector Study Final Report consultation draft’</p> <p>The same references to animal welfare of the Mid-Term Reports are made on page 89, 90 and in the table on page 92 of the ‘Update on the Overall Preliminary Trade SIA EU-MERCOSUR Final Report consultation draft’ and on pages 66 and 67 of the ‘Agriculture Sector Study Final Report consultation draft’. The only difference is that animal welfare disappears in Table 6.1 on page 69 of the ‘Agriculture Sector Study Final Report consultation draft’, while it was present in the relevant study of the Mid-Term Report.</p> <p><i>There is no evident reason for this deletion, which should be corrected.</i></p>	<p>Specific reference included in final report</p>
<p>Point 3: Impact on animal welfare of intensification of animal farming activities in the MERCOSUR countries</p> <p>The case study on beef meat shows increase in production and intensification in farming activities in the MERCOSUR countries. Data presented on page 26 and 27 of the ‘Agriculture Sector Study Final Report consultation draft’ present a constant overall growth of production of meat and animal products in MERCOSUR.</p> <p><i>No data are provided about the production systems adopted over the years and the study does not contain references to the impact on animal welfare of the legislation in place on farming, transport and slaughter in the MERCOSUR countries and in the European Union.</i></p> <p>On page 83 of the ‘Update on the Overall Preliminary Trade SIA EU-MERCOSUR Final Report consultation draft’ it is written that ‘there are potentially significant adverse effects (on natural resources) from both intensification and expansion’ of beef production. A</p>	<p>Included in the final report</p>

<p>couple of lines below, it is said that ‘Production is likely to be intensified’. A similar reference to ‘intensification of beef production’ is made on page 84. In other parts of both the Overall and Agriculture reports there are indications of a further increase in animal productions as a result of the Agreement. <i>Table 5.6 on page 92 then shows that no significant impact is expected on animal welfare. This seems inconsistent with the expected intensification reported throughout the document.</i></p>	
<p>Point 4: Aggregation of plant diseases and animal welfare</p> <p>In Table 5.6 on page 92 of the ‘Update on the Overall Preliminary Trade SIA EU-MERCOSUR Final Report consultation draft’, like in the correspondent tables in the Mid-Term Reports, animal welfare is aggregated to plant diseases.</p> <p><i>It seems to us that these two matters cannot be compared or aggregated.</i></p> <p>All Free Trade Agreements involving trade in animals or plants include a chapter on Sanitary and Phyto-Sanitary (SPS) measures, which addresses questions related to animal health and plant health. In this respect, an aggregation of animal diseases and plant diseases could be justified, but the expected impact on animal diseases was not included in the table.</p> <p>While animal health has to be considered in the SPS chapter, the choice to include animal welfare in the Agreement is the outcome of political negotiations. <i>Animal health is not the same as animal welfare, and in our opinion it should be addressed in a different line of the table.</i></p>	<p>Agreed. Amended in final report.</p>
<p>Quakers and Kindred Animals, UK</p>	
<p>We are concerned about the frequent absence of references in the Agriculture Studies to the welfare of the livestock involved in the production of both meat and other animal products. In view of the enlightened policies which the EU is seeking to introduce in its own member countries in this regard, we would expect them to take a more robust line over the duty of care which falls on human beings rearing animals for commercial purposes. We ask you, with respect, to reconsider this aspect of the Draft Final Reports.</p> <p>2. Regarding the expected year-on-year increase in the raising of beef and the intensification of production in the MERCOSUR countries, no information is given about the methods of production to be employed or the impact on animal welfare. We feel these matters need to be clarified.</p>	<p>Reports amended as discussed above</p>

<p>3. It is our view that the convention of treating animal health and animal welfare as if they are the same thing is highly misleading. Health issues can too easily be reduced to whether or not they affect the quality of the meat on your plate, whereas there are many other issues which influence the well-being of animals – both in rearing them and on their journey to the slaughterhouse. The two considerations should always be addressed quite separately.</p>	
<p>Eucofel, Brussels</p>	
<p>Information on production levels and trends.</p>	<p>Noted</p>
<p>Representation of ALOP in Europe</p>	
<p>. Overall, we consider that the final reports have certainly improved the analysis of the mid-term ones. Notwithstanding, we want to express our concern regarding the fact that some important issues that were discussed in the meeting held on 19th December 2006 and consequent written comments, have not been taken into account in the draft final reports. In somecases, even when the issues were addressed, this was done in an insufficient way.</p> <p>We would like to express the following key concerns regarding the SIA draft final reports. We request that you take these into account in the revised final version:</p> <ul style="list-style-type: none"> • There are no Spanish or Portuguese translations of the draft final reports or their executive summaries, despite a request to this effect. Therefore, we urge that the revised final reports be translated into both languages. This has been a very serious obstacle for many civil society organisations of MERCOSUR to be able to engage adequately in the SIA process. • The analysis of the flanking measures on health, education and social sectors should be improved. Considering that the econometric system allows for estimates in quantitative terms of the tariff revenue effects on MERCOSUR countries (table 4.17 and 5.17 of the overall report), it is important that the revised final reports consider in more detail what direction the EU–MERCOSUR cooperation programmes should take in order to mitigate the negative impact on these areas. Particularly, it should consider the role that the EU assistance could play in financing the “Structural Convergence Fund of MERCOSUR”. Furthermore, it is essential to 	<p>Will be addressed.</p> <p>The potential contribution of the EU Development Cooperation programme has been included in the discussion of flanking measures.</p>

<p>consider the negative impact separately on a national and regional basis and outline the main guidelines that the European assistance should follow.</p> <ul style="list-style-type: none"> • The “Adjustment Cost Mitigation” section (section 6.3.1 of the overall report) should also be further developed. The general proposal that “the EU and MERCOSUR countries should initiate discussions on modalities for providing support to workers in MERCOSUR made redundant as a result of the EU-MERCOSUR trade liberalisation adjustment process”, is too diffuse and vague. The revised final reports should make more concrete recommendations for the reintegration of these workers into the job market, paying particular attention to which sectors they could be reintegrated into and how this process would work. • The proposal of a Regulatory Impact Assessment should be more complete. The revised final report should note that the assessment on trade and investment regulation must also consider the social impact. Furthermore, the technology transfer rules affecting the industrial sector in MERCOSUR (especially intellectual property rules) should also be addressed in this assessment. • Considering that MERCOSUR countries - especially Uruguay and Paraguay- have a differentiated regime of liberalisation as part of the asymmetries treatment (with exception lists, different time-scales and rules of origin, such as shown by the Dec. CMC nr. 29/03, Dec. CMC nro. 31/03, Dec. CMC nr. 32/03, Dec. CMC nr. 33/03, Dec. CMC nr. 34/03 among others), the final report should consider specifically the extent to which these protected sectors could be affected by the signing of the association agreement with the EU. • As we have said in previous comments, the Commission should implement a monitoring system to supervise the extent to which the recommendations of the SIA are taken into account by the negotiators of the agreement EU-MERCOSUR. • The unsystematic inclusion of Venezuela in the study needs to be justified. The revised 	<p>The revised report retains this proposal and suggests that it should be incorporated in the EU’ development cooperation programme for 2007-2013</p> <p>The methodology for RIAs includes assessment of potential social impacts</p> <p>It has not been possible to conduct the overall SIA at this level of disaggregation. However, phase 2 will include detailed sector level analyses.</p> <p>This is one of the recommended flanking measures</p> <p>Venezuela is not included in the SIA, which was initiated</p>
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<p>final reports should have a section explaining how this will affect the results.</p> <ul style="list-style-type: none"> The consultation process with stakeholders needs to be improved. The revised final reports should specify how and on what issues, stakeholders' considerations have been taken into account. <p>II. Following the meeting held on 19th July 2007, where researchers welcomed proposals for case studies and new issues to be addressed, we would like to suggest further research on the following issues:</p> <ul style="list-style-type: none"> The potential impact of the EU's target of increasing the share of biofuels used in transport to 10% by 2020 on MERCOSUR countries, particularly Brazil. The potential impact of displacement of informal farmers, peasants and indigenous people as a result of the expansion of commercial farming, particularly in Paraguay. The potential impact of the intensification of soya beans production on biodiversity and consequent reduction of natural areas, particularly in the Amazon and Cerrado. 	<p>before Venezuela became a member of Mercosur</p> <p>A detailed list of comments and responses will be placed on the website. It is intended to hold a consultative workshop in the region at the commencement of phase 2.</p> <p>These suggestions will be considered in the process of selecting sectors for study in phase 2.</p>
<p>Dr Shashi Kumar, Bangalore University</p>	
<p>In brief, the draft report offers a solid introduction and analysis to the insights of EU-Mercosur trade performance as well as an interesting first hand account on their future trends. On the whole, it is a nice presentation on technical change, innovation, and entrepreneurs. The report is certainly be of value to scholars of economics, management, business and economic analysts</p>	<p>Comments noted</p>
<p>World Society for the Protection of Animals (WSPA)CANT OPEN FILE</p>	
<p>Embajada Argentina ante la Union Europea</p>	
<p>'Reflections from an academic perspective' (in Spanish)</p> <p>The tariff data in Table 1.2 includes tariff positions with zero tariff negotiated through WTO. The EU offer therefore covers a lower proportion of total imports</p> <p>The limitations of the GTAP data should be noted</p>	<p>This point has been noted in the report</p> <p>These are recognised in the revised report</p>

<p>The CGE model assumes constant level of employment</p> <p>The relationship between trade and poverty and trade and inequality is not convincingly established</p> <p>There is no reliable household data on rural unemployment for the Mercosur countries</p> <p>The report does not provide sufficient evidence to support the assessment of positive dynamic effects of liberalization offsetting the negative static reallocation effects in manufacturing eg automobiles</p>	<p>This is noted in the report</p> <p>The difficulties of establishing a causal chain from trade liberalisation to poverty indicators are discussed at length in annex 2 to the report</p>
<p>H Birnbaum, DFID, UK</p>	
<p>1. In the EU-Mercosur Overall SIA Study (June 2007), the report mentions multiple times that the gender impacts of the agreement are expected to be mixed, but relatively small and insignificant. However, there does not seem to be sufficient, research-based justification in the report that the impact will be minimal. Additionally, the statements that do discuss the agreement's effect on women tend to be broad, and are rarely underpinned by evidence. This occurs in both the Overall SIA Study mentioned above, and most previous drafts. For example, in the Executive Summary of the Revised Midterm Reports (April 2007), it is mentioned that there may be a significant gender differential impact at the sub-sectoral level, where female employment is contracted. However, no further analysis is done here. Later on, in the same section of the report, it is suggested that small-scale farmers may be significantly negatively impacted by a liberalisation, but no evidence or more detailed explanations are given. Is the lack of evidence and significant analysis a result of the absence of sufficient data? This would be surprising, given the relative wealth of data that exists in Mercosur countries. On what basis were these conclusions reached?</p> <p>of an 2. Over the course of the many drafts of the EU-Mercosur SIA, from 2002 up through 2007, the general stance on gender evolves and changes. In the October 2002 Preliminary Assessment, it is clear that gender is considered to be an important indicator of sustainability, and it seems that gender analysis is intended to be a central aspect of the SIA. However, in</p>	<p>The preliminary screening and assessment indicated that the gender impacts of trade liberalisation were unlikely to be significant. However, it is accepted that the impact may be significant at the subsector level and this will be investigated in more detail in phase 2.</p> <p>The current contractors were not responsible for the 2002 report. In the SIA methodology, gender is recognised as one of the core sustainability indicators.</p>

later versions, gender equity and analysis do not emerge as focuses. Is there a comprehensive approach to gender across the different stages of an SIA? What is the over-arching vision for how gender analysis should be included in all drafts SIA?

3. In the Trade SIAs on the WTO Negotiations, gender seems to be more integrated into the analysis than in the SIA on the EU-Mercosur agreement, in which gender analysis is often placed under the Social Impact category, or mentioned on a relatively ad-hoc basis, rather than being mainstreamed in the entire body of the report. What accounts for this difference?

4. In the records of civil society consultations and dialogues listed on the EU SIA website, no gender equality or women's organisations are recorded as having been consulted. How were gender perspectives represented in the consultation process?

5. In the October 2002 Draft Final Report of the Preliminary Assessment of the EU/ Mercosur-Chile SIA, the report identifies areas where data on employment or asset and land ownership by gender cannot be found. In some cases, the authors recommend further research in order to assess the impact of the agreement on gender equity and women in this area. In this case, was extra digging done, and were the results ultimately included in subsequent drafts of the EU-Mercosur SIA?

6. In October 2002, Women in Development Europe (WIDE) produced a civil society communication in response to the SIA of the negotiations for an Association Agreement between the European Communities and Chile. Did WIDE's criticisms and suggestions regarding gender analysis generate a response, or changes in approach, in the trade SIA on the EU-Mercosur Negotiations? WIDE's comments are still applicable because, at the time they were made, Chile was part of Mercosur. If so, where in the multiple drafts of the EU-Mercosur SIA is this evidenced?

The same methodology is used in both studies.

A number of gender NGOs have attended the consultation meetings and have communicated with the consultants. Where there has been contact in relation to the EU Mercosur study, this will be recorded in the minutes of the consultation meetings.

Thank you for drawing our attention to this source. It will be consulted in preparing the Phase 2 reports.

