

DEADLY EXPORTS

THE CHEMICAL INDUSTRY
LOBBIES TO KEEP EXPORTING
EVEN THE MOST DANGEROUS,
EU-BANNED CHEMICALS



PUBLISHED BY Corporate Europe Observatory (CEO) Brussels May 2024

WRITTEN BY Hans Van Scharen and João Camargo

EDITED BY Fleachta Phelan

DESIGNED BY João Camargo

Contents of this report may be quoted or reproduced for non-commercial purpose, provided that the source of information is acknowledged.

ACKNOWLEDGEMENTS

We would like to thank Nina Holland, Vicky Cann, as well as other colleagues from CEO and beyond, for taking part in discussions, commenting on drafts of the text, reviewing it in part or in total and other important support.

Corporate Europe Observatory (CEO) is a research and campaign group working to expose and challenge the disproportionate influence that corporations and their lobbyists exert over EU policy-making. CEO works in close alliance with public interest groups and social movements in and outside of Europe to develop alternatives to the dominance of corporate power.

EXECUTIVE SUMMARY

In 2020, the European Commission pledged to address the outrageous practice of exporting banned pesticides and chemicals which pose significant risks to human health and ecosystems to non-EU markets. Despite this commitment, concrete proposal has been put forth, leaving the EU still exporting tens of thousands of tons of these hazardous subs-tances every year.

This report scrutinizes industry arguments against an EU export ban, high-lighting six key arguments commonly used by lobbyists and industry:

- Economic concerns

Industry argues that an export ban would lead to economic losses and job cuts. However, studies suggest minimal impact on jobs and profits, with banned pesticides constituting only a small fraction of total exports and actual benefits in innovation from new regulation.

- Outsourcing of production: Industry suggests that banning exports will merely shift production to other countries. Evidence suggests that while outsourcing is possible, it is a decision made by companies, not an inevitable consequence of a ban, especially when less harmful alternatives are available and promoted.
- Impact on Global South agriculture Industry claims that an export ban would harm agricultural producers in third countries. However, evidence contradicts this, showing bans in

other countries have saved lives without adverse effects on agriculture.

- WTO rules incompatibility

Concerns are raised regarding compatibility with WTO rules. Legal opinions suggest an export ban could be enacted within WTO regulations, given its alignment with exceptions related to public health and conservation.

- A global approach vs. EU Ban

Industry proposes a global approach through the reformed Rotterdam Convention. However, the convention's ineffectiveness and industry influence undermine this argument, which aims at deriving the attention from new regulation.

- Risk of counterfeiting

Industry warns of increased illegal pesticide use if exports are banned. Critics argue this overlooks existing illegal pesticide usage and counterfeiting within the EU, advocating for comprehensive regulatory measures.

The urgency of ending this toxic trade remains. To keep this urgent issue high on the EU political agenda after the elections and achieve the political action that prioritizes public health and environmental protection over toxic lobbying industry interests, tactics should be exposed and minimized. This report calls for toxic free politics, a political environment free from the toxic sector's influence, allowing for the protection of peoples and the environment over industry's interests in Europe and elsewhere.

INTRODUCTION

the Three years ago, European Commission made a 'solemn promise' to develop policy proposals that would end one of Europe's most unethical trading practices: the export of huge of toxic pesticides amounts chemicals - so dangerous that they are forbidden in the EU - to third countries. These products are banned in the EU due to their negative impact on humans and ecosystems. But they are still sold to many other countries, with no regard for their elsewhere. Not only that, but these same products can end up returning to the EU, as a boomerang, in food imports that contain residues of these banned pesticides.

The EU is currently exporting dozens of thousands of tonnes of these substances abroad every year. This leads to an estimated 385 million cases of acute poisoning by pesticide every year, mainly at the neurological level - in some cases leading to death or long-lasting physical disabilities.

report we analyse communications and lobby effort that has achieved the so far successful derailment of the EU's plan to tackle this blatant case of reckless and racist double standards towards other countries. ΑII in the name maintaining the profits of agribusiness companies, regardless of the cost to the lives of people and the health of entire ecosystems.

An export ban would see chemical companies with production sites in Europe prohibited from producing or elsewhere dangerous chemicals that are banned in the EU. It would mean that European based manufacturers would lose some of their **huge profits** from the sales of these hazardous, banned chemicals in low-and-middle income These same companies, working together in European and global lobby player **Croplife Europe** (which spent around €1 million in 2022 on lobbying institutions) and Croplife International, produce a vast amount of those products both inside and outside Europe. As **Pesticide Action** Network International wrote 'CropLife members are the largest agrichemical companies in the world: BASF, Bayer Crop Science, Corteva Agriscience, FMC and Syngenta/Synochem.' They make more than one-third of their sales income from Highly Hazardous <u>Pesticides</u> — the pesticides that are most harmful to human health and the environment.

A legal proposal to ban this unethical business has still not been published by the Commission, suffering several delays. With the current attack on green measures, and the Von Der Leyen Commission's decisive shift to prioritise industry competitiveness and profit over a livable planet and human health, its future is far from certain.

The chemical and pesticide corporations have set out their opposition to such a ban almost from day one. In this report we examine the arguments put forward by industry to keep this scandalous trading practice alive, and rebut them. The report is based on the submissions made to the **public consultation** (European Commission public consultation on an export ban which ended on 31 July last year) by industry lobby groups, as well as documents obtained by Corporate Europe Observatory via Freedom of Information requests, and the opposing views of scientific researchers and civil society.



1. THE TOXIC TRADE AND ITS DOUBLE-STANDARDS

The <u>toxic trade</u> of hazardous substances produced in the EU but banned for use within the region in order to protect human health and the environment is surprisingly resilient. The production and trade in these chemicals outside the EU is as steady as it ever was.

The scope is huge. In 2018 alone, more 81,000 tonnes of pesticides 41 hazardous containing different chemicals banned for use on EU agriculture fields were exported to other countries, where safety regulations are often weaker or less strictly implemented. This means that there is little oversight over the way farmers and farm workers use these substances, and as a result ecosystems are exposed to very hazardous products. Many people are not informed about the toxicity of the products they are using, and as a result they use it in unprotected fashion. This is despite the fact that the pesticide industry itself invented the idea of protection against certain substances to bolster its claims of 'safe use'.

In 2020, Greenpeace UK's investigative unit Unearthed and Swiss NGO Public Eye published a **groundbreaking report** that first revealed the extent of the EU's hypocrisy. The EU allows the export of large amounts of the pesticides it bans in its own fields, mostly to low and middle-income countries. Companies such as Syngenta, Corteva, Bayer, BASF

and the smaller Finchimica or Alzchem play an important role in this deadly trade. A total of 41 banned pesticides were exported from the EU in 2018, posing health and environmental risks associated with death from inhalation, birth defects, reproductive or hormonal disorders, cancer and contamination of drinking water sources and ecosystem poisoning.

Some of most commonly banned pesticides in the EU that continue to be exported are 1,3 - dichloropene, acetochlor, atrazine, picoxystrobin, carbendazim, ethoxysulfuron, trifluralin, paraquat, finopril and tepraloxydim. In 2018, Belgium exported banned pesticides to Japan, Ukraine, Honduras, Morocco and Chile, France exported them to Argentina, Brazil and the USA, Germany to Vietnam, Peru and South Africa, Italy to Chile and Vietnam, while Spain exported mostly to Morocco. Syngenta exported paraguat, Corteva 1,3 dichloropropene, acetochlor and picoxystrobin, Bayer exported acetochlor and ethoxysulfuron, while BASF exported Finopril and Tepraloxydim, among others.

These banned pesticides are often old chemical molecules. In many cases it took decades for them to be banned in Europe and even longer periods to be banned in third countries. Still now they cause havoc all over the Global South, a facet of institutional racism.

The exporting companies justify this continued trade, arguing that their products are safe and they are committed to risk reduction. They claim that:

- they respect the laws of the countries in which they operate;
- each country has the sovereign right to decide which pesticides best meet the needs of its farmers;
- many pesticides are sold abroad but not in Europe because different regions have different conditions and agricultural needs.

In November 2022, over 300 organisations from all around the world demanded that the EU end the export of banned pesticides and other hazardous chemicals. They called for an end to double standards, arguing that the EU Commission must live up to its commitment to lead by example. These organisations called for the export ban to be put into effect by either proposing specific EU legislation or amending the EU PIC (Prior Informed Consent) Regulation, and said the ban should apply to all countries.

In 2023, the German NGO BUND für Umwelt und Naturschutz Deutschland (BUND) supported an export ban of hazardous chemicals and pesticides that are prohibited or severely restricted in the EU, quoting European Chemicals Agency (ECHA) figures showing the enormous level of EU exports of dangerous chemicals - not only pesticides. This trade has even increased in recent years. According to the 2022 **European Chemicals Agency** annual report: "the trade of certain hazardous chemicals that are banned or severely restricted in the EU shows a 19 % increase in exports from the EU in 2021 com-

BOX 1: Prior Informed Consent Regulation

The objective of the PIC (Prior Informed Consent) Regulation is to "promote shared responsibility and cooperative efforts in the international movement of hazardous chemicals to protect human health and the environment from potential harm" and "contribute to the environmentally sound use of hazardous chemicals." Prior Informed Consent basically means that an importing country must agree to an EU country exporting a chemical to it that is banned from use in the EU itself. Last September, 35 hazardous chemicals were added to EU's Prior Informed Consent Regulation - PIC Regulation 649/2012 concerning the export and import of hazardous chemicals, which is Europe's legal transposition of the International Rotterdam Convention. This international agreement is meant to create safety breaks in the international trade in toxic chemicals. The European PIC Regulation governs the trade of hazardous chemicals banned or severely restricted in the EU, and places obligations on companies that export these chemicals to non-EU countries or import them into the EU. The primary obligation placed on companies is to provide information on the exported substance.

pared to 2020. Overall, 791.576 tonnes of PIC chemicals were exported during the year." BUND stated that these exports came from 532 EU-based companies and "of those, industrial chemicals made up 560,381 tonnes, examples being nonylphenols (NPs) and nonylphenol ethoxylates (NPEs). The EU suspects NPs and NPEs to cause embryonic damage and negatively affect reproductive capacity."

This is a double-standard that enables and perpetuates serious and widespread violations of human rights, according to several reports of the UN special rapporteur for the right to food and the UN special rapporteur on toxics and human rights. Marcos Orellana, the UN Special Rapporteur on toxics and human rights called the export of banned hazardous chemical "environmental racism" in a statement issued at the end of an official visit to South Africa in 2023, "In the Western Cape province, I heard from women farm workers who were routinely exposed to hazardous pesticides and denounced serious adverse health impacts in their communities." According to a recent study by Le Basic (a French think tank and research centre - the "Bureau for the Appraisal of Social Impacts for Citizen information") South Africa ranks fifth on the list of top importers of banned pesticides from the EU. For example in 2018 it imported 1,700 kilos, out of a total of 28 tonnes of pesticides imported globally from the EU.

A legal opinion <u>written in 2023</u> by CIEL, the Center for International Environmental Law, considers European Union states that export pesticides they have themselves banned to be in breach of their international obligations under several conventions, namely:

- Bamako Convention* in Africa and the Central American Agreement**;
- the Basel Convention***;

- Obligations of the exporting states (EU exporting to Angola, Benin, Burkina Faso, Cameroon, Costa Rica, Côte d'Ivoire, Egypt, Ethiopia, Guatemala, Mali, Morocco, Nicaragua, Panama, Senegal, Sudan, Tanzania, Tunisia, and Togo could be illegal);
- Obligations under international human rights law (EU member states must ensure that their policies do not result in the infringement of the right to health of the residents of African and other States by exporting banned or unapproved pesticides from European countries on the grounds of their toxic nature, according to the International Covenant on Social, and Cultural Economic, Rights, as well as the Maastricht Principles on the Extraterritorial Obligations of States in the Area of Social, and Cultural Economic, Rights).

Not only do these hazardous chemicals harm people ecosystems outside the EU, but they also return to Europe, in the form of residues in food imports. What goes around comes around, as the 2018 "Banned and Hazardous Pesticides in **<u>European Food</u>**" report by Pesticide Action Network Europe explained. The report detailed how 74 pesticides that are banned in the EU can be found in 6.2% of the food imported into the region. Concerningly, 41 of these 74 pesticides still manufactured are inside the EU, and then exported.

^{*} The Bamako Convention on the Ban of the Import into Africa and the Control of Transboundary Movement and Management of Hazardous Wastes within Africa is a treaty of 12 African nations prohibiting the import of any hazardous waste.

^{**} Central American Regional Agreement on the Transboundary Movement of Hazardous Waste to ban the import of hazardous waste in 5 countries in Central America.

^{***} Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal, which regulates the international trade of hazardous waste, with 53 members.

2. BRIEF HISTORY OF THE EU'S EXPORT BAN PROPOSAL: MISLEADING BY EXAMPLE?

In October 2020, the Von der Leyen Commission political made a double commitment to end this standard as part of the **Chemicals Strategy for Sustainability** (CSS). The Commission said that the EU would "lead by example, in line with international commitments to promote due diligence for the production and use of chemicals within the upcoming initiative on sustainable corporate governance."

In December of the same year, the Commission confirmed that it was "currently considering the various options for implementing this objective, including a revision of the legislation" planned for 2023 to prevent the export of hazardous chemicals that had been banned in the EU.

At that time there was overwhelming public and political support for an EU export ban on banned chemicals and pesticides. The commitment of the European Commission was welcomed by dozens of civil society organisations in an open letter. Almost 70 MEPs also wrote to the President of the Commission, welcoming the promise, while stressing that "concrete actions are urgently needed."

Croplife Europe, the leader of the corporate campaign to undermine stronger regulation, meanwhile, used remarkably cynical arguments to

protect its commercial interest. For example encouraged it Commission to "conduct a thorough impact assessment before making any proposal. This is a complex exercise for which information from outside the EU is essential (e.g., why a substance is needed in a certain country, what are the measures put in place there to ensure safety, what are the trade flows which would be impacted in a given receiving country, etc.)." As if they didn't know perfectly well that the Commission was already obliged conduct assessment. Yet, no assessment has even seen the light of day, with the export ban proposal ultimately being junked.

In March 2021, the European Council stated that it "expressly welcomes" the initiative of the new Chemical Strategy to address "the production for export of harmful chemicals not allowed in the European Union." National bans have also been under development in France and Belgium to stop the export of banned chemicals produced within their borders.

But years went by without much progress, and no law proposal was published by this Commission.

By 2022 the chemical industry and its political allies had worked hard to instrumentalise the Covid-19 pandemic and the war in Ukraine to change change political dynamics to undermine Green Deal objectives. On the other hand, 326 civil society organisations, institutions and trade unions from across the globe published a **Joint Statement** at a high-level event in Brussels, demanding the export ban. Furthermore, 267,000 people signed a petition supporting the export ban and thousands of EU citizens expressed their support through the **public consultation organised by DG Environment** in 2023.

On several occasions, the Commission announced that the legal proposal for the export ban would be delayed. Eventually, when it was not listed in the Commission's Work Plan for 2024, civil society organisations from around the world responded in an open letter, calling on the Commission to stick to its promise to end the export of banned chemicals. However, no reply from the Commission ever came.

So how did the chemical industry respond to the export ban under development?

EU chemical lobby organisations like CEFIC (European Chemical Industry Council) and Croplife initially didn't deny that there is a problem with the international trade of these banned **CEFIC** pesticides. firstly said understood "the reasons and the intent behind this action." It stressed the need for using "the most effective policy instrument. We ask that the action is implemented in a way that substantially contributes to both the protection of health and the environment, particularly in third countries while ensuring a global level playing field."

This reflected the chemical industry's standard initial response to the parts of the EU Green Deal most impacting on their business - the Chemical Strategy for Sustainability (CSS) and the Farm to Fork Strategy; at first embrace them, and then over time obstruct and derail them. For example, a study **commissioned in 2022 by CEFIC** recognised the CSS as a way "to provide a new long-term strategy for chemicals policy, in line with the aims of the EU Green Deal. The CSS strives for a toxic-free environment, where chemicals are manufactured and used in a way that maximises their contribution societal but avoids causing harm to the environment or the population, now and in the future."

In practice, however, over time this reaction was followed by a significant campaign by agribusiness and its lobby vehicles designed to derail and kill the EU ban on the export of its most dangerous chemicals. Specific events that followed further showed the need for a European export ban.

Recently, however, in an event in April 2024 hosted by the Belgian titled "Tomorrow's presidency, Chemicals Policy", a groundbreaking declaration about the export ban was made by Juergen Helbig, international chemicals policy team leader at DG Environment: "We understand that we are requested to first take domestic action and this would be banning the production for export." Such a step would be an important advance, simplifying and objectively achieving the purposes of the proposed export ban.

The Belgian government **shares** the

position of civil society that an export ban "seems to be the most promising option." but adds: "introducing a prohibition to produce hazardous chemicals that are not approved or prohibited for placing on the market and/or use in the EU, will for sure contribute to the development of safer and sustainable alternatives and will give the EU industry a competitive advantage in the global transition to green economy."

In May 2023, the European Commission launched a 12 week public consultation process, to prepare a regulation to ban the production for export of certain chemicals banned in the EU. The consultation received 2,668 replies. Some of these replies have been used in our research. The final results of the public consultation would be available last autumn, but they have still not been published.

BOX 2: An historic ruling: no derogation for seeds coated with neonics

In January 2023, the European Court of (ECJ) Justice confirmed in an historic ruling that EU member states would no longer be allowed to grant derogations temporarily permitting the use of seed treated with "expressly banned" plant protection pro-ducts by EU law. The court ruled that the states should "take all necessary measures to promote low pesticide-input pest management, giving wherever possible priority to non-chemical methods" and that "the objective of protecting human and animal health and the environment should 'take priority' over the objective of improving plant production." Though not directly connected to the export of banned pesti-cides, this ruling directly targeted the loophole via which many companies and member states were circumventing the prohibition of certain hazardous pesticides even within the EU - in this case neonicotinoids.

BOX 3: The Paraquat model: old molecules, delay and never-ending profits

Paraquat - a very toxic, old herbicide which causes acute poisonings even in small doses - was first commercialised in 1961. The chemical induces Parkinson's disease and provokes DNA damage, causing an array of complications that include acute respiratory distress syndrome, renal failure, hepatotoxicity and pulmonary fibrosis. It was outlawed in Sweden and Finland in the 1980's, followed by more EU countries in the 1990s, and finally it was banned in the EU in 2007. After that, countries in Asia and Latin America also started to ban paraquat. Brazil finally banned this highly toxic product only in 2021, four decades after Sweden. Those forty years of delay, disease and death were brought about by the industry being unwilling to give up on even a small share of its massive profits.

The Paraquat Papers showed that Syngenta and its predecessor corporate entities for many years rejected changes proposed by its own scientists to the formulations of Gramoxone - Syngenta's paraquat-based product. Safety concerns were less important than to a desire to protect profits. In 2018, Syngenta was still exporting 28 thousand tonnes of paraquat from the United Kingdom to countries like India, Colombia, Indonesia, South Africa, the USA or Guatemala.

Many similar 'old molecules' have been on the market for decades, despite having been shown to be highly harmful. Some of the key substances affected by an EU ban would include Paraquat (Gramoxone), Propisochlor (Proponit), Ethalfluralin (Sonalan), Ethoxysulfuron (Sunrice, Riceguard, Hero), Trifluralin (Crisalin, Elancolan, Trust), 1,3-dichloropropene (Telone), Tepraloxydim (Aramo), Chlorate (Atlacide, Defol, Leafex), Acetochlor (Harness, Keystone, Warrant), Atrazine (Aatrex, Fezprim, Maizine), Carbendazim (Bavistin, Benguard, Yamato) and neonicotinoids such as Thiamethoxam (Actara, Tandem, Caravan, Raid) or Imidacloprid (Confidor, Admire, Winner).

The fact that corporations like Bayer, BASF, Syngenta and Corteva are fighting so hard to protect their profits and markets for even the most hazardous chemicals and pesticides, including very old substances, undermines their claims to be innovative industries contributing to a sustainable economy and agriculture, as they like to portray themselves.

After decades of more and more countries banning paraquat, the chemical is now finally on the agenda of the Rotterdam Convention, potentially to be put on the Annex III list. This shows how slow and inert the international process of regulating the trade in toxic products is (see more on this below).

3. BOOMERANG – RESIDUES OF BANNED CHEMICALS RETURN HOME

As long as the EU keeps exporting chemicals it prohibits from use and consumption at home, it will keep exposing the environment and the people it is supposed to protect, to their effects. Moreover residues are being found on food within the EU constantly. As part of its food safety tools approach, the EU Rapid Alert System for Food and Feed (RASFF) established to ensure the exchange of information between EU countries to support swift reaction by food safety authorities in case of risk to public health resulting from the food chain, such as pesticides residues. A quick search in this database shows that residues from banned substances are very commonly found on vegetable and fruit imports to the EU from third countries: unauthorised Fipronil was reported 23 times in the past three years, banned neonicotinoids dozens of times, often in combination, as well as hundreds of notifications in just a few years for residues of chlorpyrifos in a cocktail with other banned substances produced in and exported from Europe. Very often the European Commission dubs these findings 'serious' or 'potentially serious'. The most significant residues of forbidden pesticides produced in the EUfinding their way back onto our plates were of Carbendazim, Chlorfenapyr, Chlorate, Fenpropathrin, Fenbutatin-Oxide, Tricyclazole, Propargite, Carbofuran, Cyfluthrin, Diazinon and Flufenoxuron.

The industry argument about leakage of production should be actively fought off by the EU taking action against food imports grown with banned pesticides. example, in early 2023, European Commission released new rules that lowered the minimum allowable residue limit for neonicotinoid pesticides. So if a company decided to relocate the production of banned pesticides outside the EU, those pesticides could no longer be used on agri-food products exported to the Union. Crucially, the EU is one of the largest importers of agri-food products worldwide.

In 2017, the UN **Special Rapporteur on** the right to food warned "pesticide residues are commonly found in both plant and animal food sources, resulting in significant exposure risks for consumers. Studies indicate that foods often contain multiple residues, thereby resulting in the consumption of a "cocktail" of Although pesticides. the effects of pesticide mixtures are still not fully understood, it is known that in some cases, synergistic inter-actions can occur that lead to higher toxicity levels. High cumulative expo-sure of consumers to pesticides is particularly worrying."

EU rules include a ban on particularly hazardous substances in pesticides, for instance those that are carcinogens or endocrine disruptors. These substan-ces are so dangerous that EU regulators believe that, unlike other chemicals, there is no safe level of exposure to them. Yet pesticide producers like Bayer, BASF and Syngenta, as well as third countries like the US and Canada, have fought the EU pesticide rules tooth and nail, with some success. The alleged negative impact of these regulations on international trade is deployed by lobbyists to fight against the EU's plan to ban these products, laid out via the so-called hazardbased criteria. These criteria aim to ban particularly dangerous substances, such as carcinogens and endocrine disruptors, from being included in pesticides that might ultimately end up in the food chain.

Documents show that companies lobbied hard against stronger Maximum Residue Levels (MRLs). In a **July 2022** letter, CropLife Europe, European Coffee Federation and Tea & Herbal Infusions Europe wrote to then vicepresident of the European Commission Frans Timmermans, and Commissioners Kyriakides (Health and Food Safety) and Sinkevičius (Environment, Oceans and Fisheries), complaining that the Commission's plans for MRL import restrictions including all substances "already banned in the EU" was much broader than previously indicated in January 2021.

Croplife added the familiar argument that EU's Maximum Residue Levels policy "is likely to contradict EU law and international rules". This, they argued, might create "trade disruptions, legal disputes and reciprocal market access measures from other countries" that in turn "could have a negative impact on both EU imports of agricultural goods

and exports of higher value-added foods and drinks, agricultural development around the world and consumer choice (and prices)." The pesticide lobby ends by saying that different countries with different crops/climates might need pesticides not registered in EU. The threat to citizens' health and the environment by dangerous pesticides and chemicals is as significant in any other region or country as it is in the EU, so it is hard to understand why these companies think it is okay to continue these exports.

When the European Commission planned to prohibit residue of pesticides banned in Europe being present in food and feed imports, they were bombarded with endless of visits by chemical industry lobbyists arguing that this would be an infringement of World Trade Organization (WTO) rules, as well as complaints and threats at the WTO by the US, Canada and other countries. Barely a year later, the European Commission gave in and dropped the plan. Corporate Europe Observatory's 2020 report Residues through the backdoor provides detailed evidence of this cynical lobby campaign. This argument has resurfaced again, now aimed at the export ban.

An export ban might not guarantee the complete disappearance of hazardous residues on food and other products imported into the EU, but it would certainly have an impact through reducing the availability of these products in the global market. To be fully effective it should be accompanied by an adequate ban on the import of food and feed containing residues of these banned substances.

Further, a ban on the import and production of pesticides banned in Europe would help to severely limit this toxic international trade and prevent the boomerang effect previously described.



4. INDUSTRY LOBBYS TO SAFEGUARD ITS PROFITS FROM EXPORT OF BANNED CHEMICALS

Since the onset of the proposal, the chemical industry has deployed a range of arguments designed to pressure EU and national regulators not to proceed with the ban. Despite many different arguments raised with the Commission against the implementation of the ban in any format, we focus on the most frequently used (and often then adopted by the Commission and EU member states) arguments in our analysis. These have been frequently used in correspondence with the Commission, in the Public Consultation and in public communications by industries and their lobbyists.

According to industry's lobby claims:

- 1. An EU export ban would lead to economic and job losses
- 2. If the EU bans these exports, third countries will source them from other countries
- 3. It will harm agricultural producers in third countries
- 4. An EU export ban would not be compatible with international trade rules as set by the WTO
- 5. A global approach is better than a legally binding EU export ban "A

reformed Rotterdam Convention does a better job"

6. Banning chemical exports from the EU would increase the risk of illegal and counterfeit pesticides being used.

To deliver this toolbox of arguments, chemical corporations lobbied via their lobby associations, most notably pesticide lobby group Croplife (Europe and International), CEFIC (the umbrella lobby for chemical industries in Europe) and seeds lobbyists Euroseeds and ECCA (European Crop Care Association, the lobby group of producers of generic pesticides), as well as regional and national chapters of the same organisations.

These umbrella organisations for different issues (Croplife agriculture, **CEFIC** for chemicals, Euroseeds and ECCA specifically for production) represent interests of their members, which include BASF, Bayer, Corteva, FMC, SUMITOMO Chemical and Syngenta. At the national level, there was noticeable effort by pesticide lobby groups such as Belplant (Belgium), Federchimica (Italy) and ANIPLA (now Croplife Portugal), which are members Europe, Croplife as well Kemianteollisuus (Finland) member of CEFIC. The arguments of the big lobby groups **<u>CEFIC</u>** and <u>**Croplife**</u>, were reproduced at national member level.

Box 4: Chemical Lobby firepower

The chemical industry has huge amounts of money available to wage its lobby campaigns. As a **study** by Corporate Europe Observatory of the top 50 highest-spenders on EU lobbying based on **LobbyFacts** data showed, Big Toxics - major chemical industry players - now out-spend Big Tech in their EU lobby firepower. Moreover these number are an undervaluation, as the submission of information about lobby expenditure is neither mandatory nor necessarily accurate, so the spending figures are highly likely to be significantly higher.

Seven chemical corporations and lobby groups are in the top 50 highest-spenders on lobbying EU institutions: four companies (Bayer, ExxonMobil Petroleum & Chemical, Dow Europe, and BASF) and three lobby associations (CEFIC, the German chemicals industry lobby Verband der Chemischen Industrie, and Plastics Europe). Between them they declared €33.5 million expenditure on lobbying the EU institutions in the most recent year, more than either Big Tech or Big Energy players in the top 50.

These 7 Big Toxics have declared lobby spending of around €293 million in total over the past 10 years. They have also enjoyed 495 European Parliament access passes and 249 meetings since December 2014 with staff at the highest levels of the European Commission.

Of the 50 highest-spending lobbyists in today's register, 21 are actively promoting a corporate-friendly agenda on chemicals policy, including the seven Big Toxics listed above, 12 lobby consultancies, and two wider industry lobby groups. Beyond these figures, documents recently published by companies like Bayer show that more money is very likely to have been spent on lobbying - €49 million at global level (including €6.6 million in the EU, and €3 million in Germany) and €26.3 million in trade association fees (including €4 million for the EU, and €5.5 million in Germany).



INDUSTRY ARGUMENT 1: AN EU EXPORT BAN WOULD LEAD TO ECONOMIC AND JOB LOSSES



In response to the **public consultation** on the EU plan to prohibit the production for export of chemicals already banned in the EU Croplife Europe stated that: "banning chemical from the EU would exports compromise EU competitiveness, jobs and investment in innovation in the sector." Belplant, the Belgian agrochemical arm, also argued the export ban would lead to **heavy job losses**, saying it "could also lead to a complete relocation of production sites and their related services."

But a **<u>recent study</u>**, presented at the Tomorrow's Chemical Policy event organised by the Belgian presidency of the EU, shows that in fact, a pesticides export ban would not cause significant job losses or large financial losses for the industry. The study, by French collective Le research Basic, commissioned by a group of NGOs, showed that the number of jobs in Europe connected to the production of banned pesticides is very limited. Further, the percentage of banned pesticide exports, compared to all chemical and pesticide exports, is also relatively limited.

Seven key exporting countries (France, Italy, Netherlands, Belgium, Germany,

Spain and Hungary) were responsible for 92% of the total volume of EUbanned pesticides exported from the EU in 2018 and 2019 (according to data from Eurostat Prodcom and Comtrade, Unearthed compiled by and PublicEye). The Le Basic study reveals the export of EU-banned pesticides accounted for only 5% in 2018 and 2% in 2019 of the total volumes and value of agricultural pesticides exported from these key exporting countries. The total exports products turnover of these remained low in France, Germany and Belgium in 2021 and 2022, although higher than in 2018 and 2019. This is most likely due to the addition of new pesticides to the list of products banned in the EU, such as chlorpyfos or neonicotinoids:

- Total exports from France increased from 7,663 tonnes in 2018 up to 28,371 tonnes in 2021.
- Total exports from Germany increased from 8,079 tonnes in 2018 up to 9,268 tonnes in 2021 and 18,360 tonnes in 2022.
- Total exports from Belgium increased from 5,132 tonnes in 2018 up to 5,746 tonnes in 2019 and 15,447 tonnes in 2022.

Le Basic estimated that the total number of jobs potentially at risk because of an EU export ban across the seven EU countries was 133 jobs in 2018, 213 jobs in 2021, and 173 jobs in 2022. This number is extremely low.

CEFIC, in a report commissioned in **2021**, claimed that the Chemical Strategy for Sustainability (which includes the export ban), might lead to a loss of up to 40,000 jobs by 2040, compared to a baseline that they themselves created. Yet, there is a concrete case to evaluate: France. Phyteis, the French pesticide lobby group, inflated the number of jobs threatened by the national pesticide export ban. They claimed that 19 production sites would be affected, and 2,700 jobs were at <u>risk</u> if the French export ban was implemented. In fact, four organisations (Transparency International, Foodwatch, the Veblen Institute and Friends of the Earth) accused Phyteis of lying about job losses and filed a complaint with the High Authority for Transparency in Public Life, and the ethics committees of the Assemblée Nationale and the Senate. The Le Basic study reveals that in fact the French export ban only impacted 12 temporary contracts, and did not result in the loss of any permanent staff. The export ban thus had hardly any negative impact on activities or jobs in France.

Even when it comes to financial losses for the pesticide corporations concerned, the impact of an export ban will be rather limited, because banned pesticides represent only a small fraction of the total pesticide export. In 2018, the EU exported 81,000 tonnes of banned pesticides to non-EU

countries, according to an investigation based on data obtained from the European Chemical Agency. According to Food and Agricultural Organisation statistics cited in the Le Basic report, the EU exported a total of 1,778,020 tonnes of pesticides that year. In other words the volume of banned pesticides exported by the EU in 2018 represented just 4.5% of the total pesticide export.

Examining the evolution of the profitability of four top pesticide producers from 2018 to 2022 alone, their argument about the risk of economic losses is exposed as ridiculous: Bayer Crop Science's profitability rose 159%, BASF Agricultural Solution's rose by 66%, Corteva Crop Protection's rose 54% and Syngenta's 32%. These four companies' profitability has doubled in four years, reaching a total of 11 billion euro. Even if they were prohibited from producing EU-banned chemicals, they have ample financial resources to redirect investment towards non-toxic alternatives, and create jobs there.



INDUSTRY ARGUMENT 2: IF THE EU BANS THESE EXPORTS, THIRD COUNTRIES WILL SOURCE THEM FROM OTHER COUNTRIES



The outsourcing argument is pushed by many who want to defeat the export ban. CEFIC argued that "a unilateral ban on EU exports would not solve the issue at hand, since non-EU suppliers would be able to step in and supply the respective substances."

Belplant meanwhile claimed that "the proposed legislation therefore risks pushing factories and production lines out of Belgium to other countries outside Europe."

The morally problematic nature of this argument is clear. It is analogous to someone who is committing fraud arguing that if they didn't, then somebody else would. Such an argument cannot be taken seriously when practices are so evidently harmful.

An investigation by Public Eye and Unearthed examining the impact of the French export ban showed that almost half of the banned pesticides no longer exported from France are not exported from anywhere else in the EU, and that the impact of the French ban was in effect a major reduction of the production of these banned products. But the investigation also uncovered evidence that some multinational pes-

ticide companies with subsidiaries in numerous EU countries did shift their banned pesticide exports to other member states, in response to the French ban. The most noteable example of this is the Swiss-headquartered agrochemical giant Syngenta, which now exports a number of banned pesticides from Germany, which it had previously exported from France. This shows on the one hand that outsourcing production elsewhere is indeed possible, but that it is a decision made by the companies themselves. This example also reinforces how important and necessary a EU-wide ban of export, import and production of these pesticides is.

The EU, ironically, is the biggest global producer of the chemicals it has itself banned. An EU export ban, instead of leading to a shift to other countries producing these banned substances, could support and spur the development of non-harmful alternatives (that could be developed from the EU and by the very same companies resisting the ban). The issue with leakage is in fact in the hands of, and could be addressed by, the companies warning against it! The fact that EU-based companies continue to sell harmful

Box 5: The historical benefit of chemical regulation

Although CEFIC and its chemical companies battled heavily against a previous major overhaul of EU chemical legislation (REACH), many recognise the multiple benefits of that legislation. The ECHA's five-yearly report on the operation of REACH and CLP (Classification, Labelling and Packaging), gives a detailed picture of its impact: "Over the last five years, the operations of REACH and CLP have advanced the protection of worker health, consumer health and the environment in the EU. They have also positively contributed to innovation, competitiveness and the functioning of the internal market within the EU."

REACH has undoubtedly positively influenced chemicals regulation around the world. Korea, India, Turkey and China all followed suit with their own national versions of REACH. This is particularly important for chemical companies importing to the EU, as they need to have registration information available and in many cases to have conducted testing on the products traded. Thanks to the REACH legislation, the EU has also been influential in introducing new aspects of chemicals regulation globally under the **Strategic Approach for** Chemicals Management, in particular flagging **emerging policy issues** on an international level.

According to a Price Waterhouse Cooper report on the challenges the Chemical Sustainability Strategy poses for the chemical sector "these challenges also present the chemical industry with a particularly powerful set of opportunities to position itself as a key partner in the sustainability-driven transformations of its customers' industries." They add that "companies that prepare early to comply with more rigorous environmental, social, and governance (ESG) standards will build an advantage. And their response to address ESG pain points will spur important innovation."

EU policy has often set the tone in the international markets when it comes to chemical regulation, leading to a stronger level of regulation.

and often deadly chemicals and earn substantial income from it is simply unacceptable.

If the EU also banned (as it had previously intended) residues from banned pesticides in imported food and feed, this would effectively eliminate the risk of 'leakage'. The effect would be that overall, worldwide, less hazardous pesticides would get used in agriculture. If companies decided to maintain their usage of banned pesticides, they would lose access to EU agri-food market. The lobby battle by the industry and its lobbyists shows their bad faith in this regard.

In terms of the growing importance of Environmental, Social and Governance (ESG) standards for investors, the double standards applied regarding the EU export of banned pesticides might well cause adverse effects for EU of companies. The risk both reputational damage and leakage (companies moving production outside the EU) would be mitigated by thorough application of the (however weakened) Directive on **Corporate Sustainability <u>Diligence (CSDDD)</u>** which was recently agreed by the EU. If correctly applied, the Directive will require EU companies (and non-EU companies active in the EU) to identify adverse human rights and environmental impacts linked to their activities, to act to prevent potential impacts, and to end actual impacts.

According to <u>analysis</u> by German law firm NOERR, the CSDDD will apply to large companies with more than 500

employees and a net worldwide €150 turnover of over million. Companies with more than 250 employees and a net turnover of more than €40 million will be subject to the CSDDD if they generate at least €20 million in a high-risk sector. High-risk sectors include "agriculture including forestry and fisheries, (iii) manufacture of and wholesale trade in food (...)".

The CSDDD also applies to some companies from outside the "companies that have not been established under the laws of an EU Member State are likewise subject to the CSDDD if they have over €300 million net turnover generated in the EU, three years from the entry into force of the directive. The Commission has announced that it will publish a list of such companies. (...) The due diligence obligations will also address environmental concerns, e.g. harmful soil change, water or air pollution, harmful emissions or excessive water consumption." This should prevent companies from selling pesticides and other hazardous chemicals banned in the EU to low income countries where the risks are higher and such chemicals cannot be safely used.

Furthermore, in 2020 the EU made a commitment to "use all its diplomacy, trade policy and development support instruments" to promote the "phasing out" of the use of pesticides no longer approved in the EU and "to promote low-risk substances and alternatives to pesticides globally." This could be achieved by establishing, in cooperation with Food and Agriculture Organisation, World Health Organisation, United Nations Environmental Programme and International Labour

Organisation, a new UN mechanism to promote a global phase-out of highly hazardous pesticides in agriculture by 2030.

Moreover the FAO /WHO International **Code of Conduct on Pesticide Mana**co-signed by pesticide gement, companies, says they should "ensure pesticides manufactured that formulated by a subsidiary company meet appropriate quality requirements and standards. These should be consistent with the requirements of the host country and of the parent company." These multinational corporations have also committed to uphold high standards in less or weaker regulated countries, so any leakage would occur due only due to their own choice to start producing the products banned in the EU elsewhere, in spite of the above commitments.

INDUSTRY ARGUMENT 3: AN EU EXPORT BAN WILL HARM AGRICULTURAL PRODUCERS IN THIRD COUNTRIES



This industry argument against the export ban is connected to the previous one. Croplife Europe claimed that an EU export ban will "inadvertently have a greater impact on third countries' environment and workers." Their concerns in this regard was because the production of these substances would shift to less controlled production sites in countries with weaker regulations and enforcement. This effectively means that Croplife members themselves would choose to

move their production to countries with weaker regulation and enforcement, rather than upholding their commitment to the EU standards of production.

One of the most outlandish contributions to **the EC public Consultation** on an export ban came from **EU-seed lobby Euroseeds**, which argued that the coating of seeds with synthetic pesticides aims to protect workers in third countries.

Box 6: ECJ rules against dangerous seeds

Euroseeds states that "by using treated seed, farmers in third countries no longer have to handle or mix the actual chemical substances themselves this practically eliminates any risks of unwanted exposure."

This depiction of seeds and pesticides companies as humanitarian organisations benevolently protecting people in third countries obfuscates the hypocrisy of what is proposed, and hides all the harm done to people's health and pollinators by the products used for coatings – neonics in particular. Neonicotinoid insecticides were banned in the EU after a long lobby fight. The impacts of neonicotinoids have been shown to be pervasive, with long duration. They are indeed a problem of 'global environmental concern'. Euroseeds does not acknowledge the detrimental effects on ecosystems of these products, despite the fact that exported seeds are often coated with neonics.

A 2016 report from the Center for Food Safety 'Net Loss—Economic Efficacy and Costs of Neonicotinoid Insecticides Used as Seed Coatings' based on information from the United States and Europe, showed that the economic and environmental losses associated with widespread overuse of certain pesticide seed coatings greatly outweigh any potential gains. In a ruling on 19 January 2023 the European Court of Justice declared that providing derogations for the treatment and use of seeds with a banned pesticide is not in line with EU law. The Court also clarified that the use of EU-banned pesticides to treat seeds is illegal, even when the seeds are exported to third countries. In other words, the export of seeds treated with banned neonicotinoid insecticides was declared illegal by the Court.

According to the **Centre for Pesticide** Suicide Prevention, from the University of Edinburgh "evidence from countries that have implemented bans on HHPs |Highly Hazardous Pesticides|, including Sri Lanka and Bangladesh, shows that lives can be saved with no adverse impact on agriculture. |...| Most pesticides used in LMIC Low and Middle Income Countries are imported, including from the EU. includes pesticides banned for use within the EU." The hazardous products exported to third countries will clearly harm the health of agricultural producers, as they have done for decades. Historically, this damage has been done all over the world. Now some EU farmers are protected from this by law, while pesticide companies plan to continue doing harm elsewhere.

The other argument raised in a **posi**tion paper published last November, by Croplife Africa Middle-East (CLAME - the regional branch of the pesticide lobby), is that an export ban would "negatively affect smallholder farmers in the Africa Middle East region, by reducing their toolbox of solutions, limiting options to combat pests and diseases, and to manage resistance, which will negatively impact food security, trade, and their livelihoods." This claim is reiterated by **Croplife Europe**, which says that "some of these substances are registered and used in third countries for other important societal reasons, like vector control, other than crop protection."

The argument that these pesticides support food production and the interest of farmers outside Europe is not based on science nor on practical experiences. More than 700 scientists called in 2022 for the reduction of pesticide use both in and outside the EU: "the heavy use of pesticides in agri-culture is strongly linked declines in insects, birds, biodiversity in terrestrial and aquatic systems and detrimental impacts on global public health. For that reason, the global reduction of pesticides use was one of the key negotiation points during the UN Biodiversity Summit (COP15) in Montréal." According to them the political argument in favour of the delay and/or watering down of the EU pesticides regulation relies on questionable 'food security' and 'resilience' concerns. The scientists stated that "the undelayed realisation of the Farm to Fork and Biodiversity Strategies' pesticides reduction objectives remains of utmost importance to stop and reverse the decline of biodiversity." This scientific analysis, confirmed at COP15, is in stark contrast with statements of EU exporting pesticide comwho claim that non-EU panies, countries need the banned pesticides for food production and security. The "Potsdam Statement", signed a few months earlier by over 600 scientists from the Potsdam Institute for Climate Impact Research and others, stressed the need to take demand-side actions in order to future-proof the EU's food system, mitigating pressures on global biodiversity and sustaining the foundation for long-term food security.

Many studies have shown that sufficient food production is perfectly possible without the use of synthetic pesticides. This approach is all the more important when considering long term sustainability. A global rise in organic agricultural practices illustrate

that farming with less or without any pesticides is feasible. Studies such as 'Agriculture at a Crossroads' by the International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD), have indicated that agroecology is capable of delivering sufficient yields to feed the entire world population and to ensure that everyone is adequately nourished.

The public consultation on the export ban also saw support from social movements and academics from countries in the Global South where banned pesticides are imported. The Division of Environmental Health at the University of Cape Town in South Africa, for instance, in its response to the public consultation stated that it "is critical that the EU supports legislation prohibiting the production and export chemicals." EU-banned submission demystifies the industry argument: "Firstly, there is no research which directly links the need to use banned pesticides to promote food security in a country. The lack of food security is often more of an access production than issue issue. a there are less toxic Furthermore, alternatives available for agricultural production, particularly in light of increased pest resistance to many of the EU-banned pesticides, for example."

In many third countries the use of toxic pesticides is often linked to a capital intensive, monoculture and exportoriented agriculture - such as banana, lime or pineapple production in Latin-America, soy and maize production for animal feed, or grape production for

South-African wine. In other words, this kind of agriculture is often wasteful and is not essential to feed the local population. Resistance in those countries to the import of EU-banned chemicals and pesticides is also increasing. For instance, the Agrotoxin People's Tribunal from South Africa, wrote in its submission that there are extensively documented "health impacts of agrotoxins on women farmworkers and farm dwellers, including cancers and respiratory problems, as well as the human rights injustices on farms. These include lack of training, protective gear, washing and ablution stations and access to medical care and workers compensation."

Moreover, Women on Farms Project, a South African NGO, indicates that the problem **has only increased**."There has been a significant surge in the utilisation of pesticides in South Africa in recent years, mainly due to the expansion of agricultural areas and the intensification of cropping systems (OECD-FAO, 2016). It is a matter of great concern that many of the Current Use Pesticides (CUPs) presently being used in South Africa are albanned the EU." ready in The organisation called on the EU to stop the export of all harmful chemicals in order "to ensure a healthy and sustainable environment for all people in all countries."

INDUSTRY ARGUMENT 4: AN EU EXPORT BAN WOULD NOT BE COMPATIBLE WITH INTERNATIONAL TRADE RULES SET BY THE WTO

In July 2023 CEFIC argued that an EU export ban "faces a significant risk of violating" free trade rules set by the World Trade Organisation (WTO). The requirement to adhere to free trade rules is often used by industry to oppose new social or environmental legislation by any country or region. As happened with the Commission's plan to ban residues of pesticides banned in Europe in food imports, the lobbyists have pulled out the WTO card again.

But in fact, an EU-wide prohibition on the export of banned pesticides and other hazardous chemicals (as well as bans at national level) is compatible with WTO rules. This is shown in the legal opinion written by Andrea Hamann, Professor of Public Law of the University of Strasbourg, France, commissioned by PublicEye and Corporate Europe Observatory. Hamann argues that an export ban would qualify under the general exceptions granted by the WTO if members wish to ban the export of a certain product.

These exceptions are: protection of public morals; protection of human, animal or plant life or health, conservation of exhaustible natural resources. All of these exceptions, it is argued, apply in the case of an EU export ban of chemicals banned in the EU.

Professor Hamann, in her presentation of the legal opinion at an event held by

the Belgian presidency, Tomorrow's Chemical Policy, asserted that "WTO law leaves sufficient margin for the EU to effectively adopt an export ban on chemicals already prohibited in the EU." She concluded that "one cannot but wonder under what legal standard interpreted in good faith it could be upheld that the right of importing countries to import chemicals causing severe harm to humans and the environment must supersede the right of a WTO Member to regulate its exports in order to stop itself – and only itself - from contributing to causing the very same harm in third countries that it is actively preventing from occurring on its own territory."



INDUSTRY ARGUMENT 5: A GLOBAL APPROACH IS BETTER THAN AN EXPORT BAN - A REFORMED ROTTERDAM CONVENTION

Chemical companies and their lobby groups have tried to divert attention away from an EU ban towards doing something at international level. CEFIC argued that "global issues should be tackled with global solutions: given the global nature of trade, only global initiatives like the better implementation of the Rotterdam Convention can tackle the issue. This will help to ensure adequate regulation while providing a level playing field." The Rotterdam Convention is an international treaty agreeing shared responsibilities regarding the import and export of hazardous chemicals.

Federchimica, the Italian Chemical Industry Federation suggests that "among the measures that could be to increase globally used protection of human health and the environment and to apply uniform measures in all EU countries, the possibility of modifying the Rotterdam Convention (improving it) mentioned in the Commission's document. In our opinion this could instead be a valid alternative to the mere revision of the PIC regulation." However, this appeal to a "global solution" is merely a lobby tactic aiming to distract attention from an EU export ban.

These are classic lobby arguments trying to prevent the EU from actually taking responsibility by proposing stringent legal measures. Rotterdam Convention would seriously benefit from improvement, but that is not what the pesticide corporations are aiming for here. They are rather looking to delay and derail, shifting the attention to another decision making forum (the Rotterdam Convention). A forum that has, coincidentally, often proven ineffective in achieving its objectives.

The Rotterdam Convention does not limit or prevent the export of toxic products, its object is merely to codify international obligations to exchange information about chemicals. It is thus clearly not the right tool for any export ban. This Convention has not delivered sufficient protection for people around the globe, as industry and some countries have successfully blocked the listing of hazardous chemicals and pesticides under it, thus enabling the continuation of this deadly trade. The 'Report of the UN Special Rapporteur on the right to food' (A/HRC/34/48) on pesticides and human rights' clearly references the failures of the Convention, namely "its consensus-based decision-making

process, allowing one country to obstruct the listing of hazardous pesticides." The rapporteur further affirms that "States have also delayed listing of hazardous pesticides under the Stockholm Convention, and they have the ability to accept or reject a global "ban" through opt-in and optout provisions." The report observes that "the pesticide industry's efforts to influence policymakers and regulators obstructed reforms have paralysed global pesticide restrictions globally." The author also states that "companies often contest scientific evidence of the hazards related to their products. with some even standing accused of deliberately manufacturing evidence to infuse scientific uncertainty delav and restrictions."

The 'international solution' argued for by CEFIC has been in effect for two decades (the Rotterdam Convention entered into force on 24 February 2004.) Given the very serious and widespread nature of the health problems linked to toxic exports, the Convention has not succeeded in reducing and regulating these deadly The Convention risks. has shortcomings (see Box), and yet the attempts to reform it seem to be paralysed or extremely slow. If the European chemical lobby feels that a reform is needed, a PIC reform is already ongoing, aiming to make it easier to add toxic substances to the Annex III list. The current consensus rule is applied to Annex III - the list of pesticides and industrial chemicals for which, for health or environmental

Box 7: Rotterdam - A paralysed convention?

UN special rapporteur 2023, Orellana stated that though "the Rotterdam Convention is an important advance the right to information and effectively prevent exposure of people, soil, and water resources to toxics", the Convention also suffers from "a paralysis". This is because for a hazardous chemical to be subject to the Convention's socalled Prior Informed Consent procedure, all countries that are a party to the Rotterdam Convention must agree on this by consensus. The result is = that it often takes extremely long for banned chemicals to be put on the 'Annex III PIC-list'. The Annex III is a list of chemicals which are subject to a "Previous Informed Consent", or PIC procedure,

due to the danger they pose. Exporting countries are required to provide detailed information about products on this list, and importing countries are required to formally indicate to the Convention that they want to continue importing the dangerous substances.

In another letter last year on the reform of the Rotterdam Convention, Orellana claimed that "despite the desire and efforts of the majority of the Parties to strengthen the Rotterdam Convention, a handful of countries have persistently blocked the listing of hazardous chemicals." He observed that the consensus requirement allows for the formation of complete blockades "over the voices of the vast majority and the recommendations of the Convention's Chemical Review Committee." The consensus-based decision-making process in the Rotterdam

Convention is a big shortcoming: one country on its own, out of in total 165 parties to the Convention, can obstruct the listing of hazardous pesticides. For example paraquat hasn't been listed in over a decade, due to the opposition of India and Guatemala, nor has acetochlor.

Acetochlor, a herbicide widely used to control weeds in corn, soybean, and sugar beet cultivation, has been **banned for use in the EU** since 2017, because studies **have shown** that it has environmental hormone effects and long-term exposure poses a threat to human health. For several years, and increasingly so, it is being exported on a massive scale from the EU to Ukraine without any opposition. This is despite the fact that in October 2017 it was proposed to be **added to the PIC-list**. Last year the EU again proposed to put acetochlor on the list, but as the consensus decision making slows down the process, a briefing from the **secretariat of the Convention** indicates that the decision is still pending. In the meantime Belgium alone exported a staggering 6,400 tonnes of acetochlor to Ukraine between 2018 and 2021, as well as smaller amounts to Kenya, Egypt and Kazakhstan.

At the last COP of the Convention, in May 2023, some hope was offered through the decision to draft a report on how to improve its effectiveness by Autumn 2024. The COP "urges Parties and observers to provide information to the Secretariat on the potential direct and indirect trade and socioeconomic impacts, as well as the financial implications, caused by or anticipated as a result of the listing of chemicals in Annex III, including the costs of inaction, by 30 June 2024; Also urges Parties and observers to provide information to the Secretariat on the benefits and challenges of introducing alternatives to chemicals recommended for listing in Annex III, and on action to address such challenges, by 30 June 2024."



reasons, specific trade related requirements are in place. Only through agreement of all 165 parties can new substances be added to this list. In 2023 only one substance was added to the list: terbufos (for which an extremely high hazard to terrestrial organisms had been identified).

A proposed reform suggests the creation of an Annex VIII, for substances that did not make it to Annex III, but could already be subject to more strict regulation. In 2022 several countries proposed adding a new Annex VIII to the Rotterdam Convention - a list it would be easier to add substances to. as consensus would not be required. This **proposal for a practical reform** is supported by the Special Rapporteurs of the Human Rights Council of the UN: "the proposed addition of Annex VIII could unblock the paralysis of the Rotterdam Convention. Under the proposal, where consensus on adding a chemical to Annex III is not reached, States can list the chemical in Annex VIII via a three-fourths majority vote procedure. However the addition of Annex VIII would only apply to the have ratified countries that amendments." This proposal was not accepted one year ago. Despite the EU stating it is in favour of such a reform. the creation of Annex VIII was voted down in a secret ballot. In an email exchange with the Secretariat of the Basel, Rotterdam and Stockholm Conventions, it was confirmed to Corporate Europe Observatory that the European Union did not co-sponsor the proposal, and the reform proposal was not adopted.

According to the secretariat no new or similar reform proposal for the Rotterdam Convention, has been tabled by the EU or any other country for the upcoming Conference of the Parties in autumn 2024.

The total number of "banned pesticides" in the EU listed by the European Chemical Agency (ECHA) is now 220. This does not mean, however, that these are all included on Annex III of the Rotterdam Convention, let alone that they cannot be exported.

INDUSTRY ARGUMENT 6: BANNING CHEMICAL EXPORTS FROM THE EU WOULD INCREASE THE RISK OF ILLEGAL AND COUNTERFEIT PESTICIDES BEING USED



In its November 2023 position, Croplife Africa and Middle-East claimed that an export ban "may also lead to an increase in use of counterfeit and illegal pesticide", repeating an earlier position of Croplife Europe. Croplife International recognises that illegal pesticides already account for 14% of the EU market itself. The lobby group would go on to deploy the argument in meetings with the European Commission to support its push against an export ban, claiming that prohibiting export of the banned products would lead to them being counterfeited.

This is indeed a bold argument, which once again can theoretically be made against any form of legislation that restricts or forbids the production or trade of any dangerous product, from weapons to deadly drugs. The 2023 Silver Axe VII operation by Europol targeted, among others, illegal imports. Of the 2,040 tonnes of illegal pesticides impounded, how many were chemical products already banned in the EU? The head of Europol said "these clandestine chemicals may come with a low price tag, but they take a heavy toll on the environment, public health, agricultural livelihoods and even the well-being of our vital bee colonies."

Until very recently industry was <u>still</u> <u>lobbying – and winning derogations</u> – to continue effectively using these banned pesticides.

Counterfeiting chemicals is widespread, and also happens in the EU, but this is not a reason to not ban a toxic product. The risk of illegal and counterfeit pesticides being used can only be reduced through training and information, strict regulation and inspection by public authorities, and the development of alternatives to toxic pesticides.

5. CONCLUSION: TIME FOR AN END TO TOXIC POLITICS

Despite overwhelming political support for an EU ban of the export of outlawed pesticides, no law proposal has yet seen the light of day.

When they are exported to non-EU markets, these substances bring hazard and harm to people and the environment in other countries. Moreover, the same banned products then find their way back to our tables, our environment and our bodies, via the import of products contaminated with residues from the same pesticides.

In this report, CEO has scrutinised industry's arguments, as presented in their submissions to the Commission's public consultation, to keep exporting pesticides that are so toxic they are banned in the EU.

Our conclusion? The arguments put forward by industry are too feeble to stand up to even minimal scrutiny – but given the chemical industry's lobby budgets, even very misleading claims can make their way into the mainstream political debate. With these flawed arguments, corporations try to scaremonger decision makers about economic and job losses, to

convince them an EU export ban would not be effective, or to provide a distraction by shifting the debate to another forum.

The chemical industry, for once, does not even deny that huge problems exist with the global trade in toxics. Meanwhile the several existing international schemes and codes of conduct are not fit for purpose. The chemical industry is, as always, putting easy profits from old, toxic molecules and substances before people and planet.

All of the industry arguments in recent years could be refuted in a simpler way: if these chemicals and pesticides are forbidden for use in the EU, they could also be banned from the EU altogether, as was recently suggested. What if, instead of an export-ban, there was a production and import ban, effectively achieving the purposes of people protection of and environment, while ridding us of the shameful double-standard toxic trade once and for all? It's clearly another scenario to contemplate.

The chemical industry knows well that this issue is mainly about keeping old molecules on the market as long as possible. An EU export ban would have positive impacts for the rest of the world, in terms of human health, protecting ecosystems, promo-ting sustainable agriculture and more 'upto-date' regulation in all countries. It incentivise the chemical would industry to move away from these old toxic chemicals, and to instead invest in the development of less harmful solutions. Such an export ban would not even entail major adjustments nor big losses in profits to corporations. Yet the industry refuses to change course, and is irresponsibly lobbying to keep these exports of banned chemicals alive.

The European Commission under the leadership of its president and EPP top candidate for the '24 EU Elections Ursula Von der Leyen, has abandoned almost all of the European Green Deal, showing an opportunistic sliding towards the right that aims to brush any key advances under the rug.

But people in Europe and communities around the world, affected by these outrageous and troublingly racist double-standards, will fight back. Corporations and their lobby groups have opposed moves to make an end to these double standards. A handful of multinational corporations cannot be allowed to maintain unacceptable grip over the political and regulatory apparatus.

It is therefore necessary to keep the political discussion and negotiation on the upcoming law proposal free from their influence. The need for a toxic-free politics, in which decision makers are not exposed to lobbyists that undermine any step forward for the environment, people or public health, is clearer than ever.

