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The green transition as a catalyst for policy reform: The impact of the European Green Deal on trade policy in MERCOSUR countries

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Abstract. This study aimed to identify the specific features of the institutional and regulatory changes that took place in Argentina, Brazil, Paraguay and Uruguay as a response to the European Union's greening of its market-access conditions, considering the countries' own adaptation mechanisms, the interregional agreements and the multilateral trade-law context. The study used structural-functional analysis, comparative analysis, documentary analysis, comparative-legal analysis and formal-legal analysis. Its findings indicate that the European Green Deal has extended its environmental and climate requirements to the conditions governing access to the European Union market, since deforestation requirements connect market access with traceability and the Carbon Border Adjustment Mechanism does the same in relation to emissions accounting and verification. In Argentina, traceability and certification are being introduced to meet the demands of deforestation; in Brazil, agricultural data is being integrated; in Paraguay, digital traceability is being implemented, and in Uruguay, product verification is being carried out. Nevertheless, national carbon-policy mechanisms are being developed as well, even though no direct documented link has been found between these mechanisms and the Carbon Border Adjustment Mechanism. In Argentina and Brazil, debate centres on the trade consequences of the requirements, the costs of complying with them, and the recognition of national control systems. The negotiations carried out between 2023 and 2024, along with the legal formalisation of the agreements in 2026, clarified the climate provisions, the commitments relating to deforestation, and the position taken with regard to the Paris Agreement. The treaty obligations, the European Union's autonomous rules and the rules of multilateral trade law together constitute a multi-layered trade-law architecture. The greater the structure of exports, the more important traceability becomes, whereas alternative markets reduce the uniformity of the regulatory impact. It is therefore concluded that the European Green Deal functions as an external regulatory stimulus causing institutional adaptation, and the way this adaptation is manifested at the national level should be examined in view of the institutional and sectoral context, the export structure and the role of the European market. The importance of the findings is that they can be made use of by public authorities and participants in foreign trade in the European Union partner countries when improving the mechanisms, they have for meeting the environmental and carbon requirements of the European market and for drawing up their negotiating stances on market-access conditions

Keywords: market access; embedded emissions; carbon regulation; political settlement; evolution of the treaty framework; trade-law architecture; sustainable development

INTRODUCTION

The European Green Deal has linked the EU's climate objectives to trade measures which apply environmental standards to products and production processes outside of the Union. For the countries which make up the Southern Common Market (MERCOSUR; Spanish: Mercado Común del Sur), the effect of the introduction of the European Union Deforestation Regulation (EUDR) and the Carbon Border Adjustment Mechanism (CBAM), together with the update of the EU-MERCOSUR treaty framework, is to result in altered conditions for access to the EU market. At the same time, the MERCOSUR countries are modifying their domestic mechanisms in order to meet the EU's new

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requirements, while still maintaining their own regulatory policies, economic interests and views on the allowable level of external influence. There is therefore a need to examine the impact of the EU's green transition on changes in the trade policies of these states and to find out under what conditions external regulatory requirements result in domestic political and institutional change.

The discussion among scholars regarding EU-MERCOSUR has been concentrated on the environmental effects of trade liberalisation. A.F. Trevizan *et al.* (2025) looked into the interaction between the EUDR and Brazil's domestic regulatory environment in detail. The fact that EU requirements have an impact on trade, on the activities of market participants and on the conditions for access to the European market, especially via certification, bureaucratic procedures and extra costs. This means that the "Brussels effect" should be seen not as an automatic application of EU law but as a type of regulatory influence which is mediated by market-access conditions and domestic adaptation. The impact of new traceability requirements on Argentine agricultural exports was examined in a study by M.V. Barzola (2025). Using soy, beef and timber as examples, the study showed that requirements concerning the legality of production, geographical traceability and proof of deforestation-free production are changing the conditions for Argentine products to access the EU market. Existing national control systems, in turn, provide a basis for exporters to adapt to the new trade and environmental requirements.

The environmental consequences of trade liberalisation between the EU and MERCOSUR were modelled by J.A. Mercado Cordova & Y. Koo (2023) in terms of changes in land use and greenhouse gas emissions. For Paraguay, the results link the potential expansion of agricultural production to changes in land use and the associated emissions. This points to the need to take the structure of the agricultural sector into account when assessing the trade and environmental implications for individual MERCOSUR countries. Unlike in the case of external trade requirements, the introduction of carbon taxation in Argentina and Uruguay was driven by domestic factors. A comparative study carried out by M. Rabbia (2023) found that in Argentina the measure emerged as part of a wider fiscal reform, while in Uruguay it was connected with the formalisation of an already existing implicit carbon price. This result allows the domestic development of carbon policy to be separated from the direct effect of European regulation. Domestic differences among MERCOSUR countries in their attitudes towards environmental requirements and trade priorities were examined by R. Palmieri *et al.* (2024). The authors traced the positions of Argentina, Brazil, Paraguay and Uruguay in the context of negotiations with the EU and showed that issues concerning deforestation, pesticide use and sustainability standards intersect with differences in the countries' foreign-trade interests of the MERCOSUR states. The scope of the analysis of the EU's regulatory influence is extended from the individual national adaptation measures to the political and trade disagreements existing within MERCOSUR. According to K. Shyrokykh & O. Melen-Zabramna (2025), the Europeanisation of Ukraine's environmental and climate policy involves both the fulfilment of existing obligations and anticipatory adaptation to Green Deal standards. It is thus possible to identify the way in which external EU requirements interact with domestic policy, although the Ukraine-specific logic of future integration cannot be directly applied to the MERCOSUR countries.

It is still not clear how Argentina, Brazil, Paraguay and Uruguay have adapted normatively and institutionally differently in response to the EU's new trade and environmental requirements, and to what extent these changes can be linked to the EUDR and CBAM. At the same time, a separate comparison is also required between the countries' adaptation mechanisms and the development of the EU-MERCOSUR treaty framework, the multilateral trade-law environment, and the interaction between EU regulatory influence and other export markets. Therefore, the study aimed to determine the specific features of the restructuring of national regulatory mechanisms in the four countries under the influence of the new environmental conditions governing access to the European market.

MATERIALS AND METHODS

The study was theoretical and analytical in nature and was based on the synthesis and comparison of legal, institutional, economic and scholarly approaches to the external regulatory influence of the European Green Deal on MERCOSUR countries. The body of legal and regulatory sources was divided into four groups. The first group comprised EU legislative acts and strategic documents concerning the green transition, trade policy and sustainable development (European Commission, 2021; 2022). The EUDR and CBAM were analysed as regulatory mechanisms governing access to the EU market: Regulation of the European Parliament and of the Council No. 2023/1115 "On the Making Available on the Union market and the Export from the Union of Certain Commodities and Products Associated with Deforestation and Forest Degradation and Repealing Regulation (EU) No 995/2010" (2023), and Regulation of the European Parliament and of the Council No. 2023/956 "Establishing a Carbon Border Adjustment Mechanism" (2023). The second group comprised national legislative and official sources from the MERCOSUR countries. For Argentina, the sources included F. Cossio (2023), Resolution of the Secretariat of Agriculture, Livestock and Fisheries of Argentina No. 50/2024 "Directory of Agro-Industrial Differentiation Schemes – Establishment. Official Gazette of the Argentine Republic" (2024), and Office of the President of Argentina (2024). The carbon-regulation context in Argentina and Brazil was characterised using Resolution of the Ministry of Environment and Sustainable Development of Argentina No. 385/2023 "National Strategy for the Use of Carbon Markets" (2023), Law of Brazil No. 15,042 "Establishing the Brazilian Greenhouse

Gas Emissions Trading System (SBCE) and amending Laws No. 12,187 of December 29, 2009, No. 12,651 of May 25, 2012, No. 6,385 of December 7, 1976, and No. 6,015 of December 31, 1973" (2024), and the Ministry of Finance of Brazil (2024). For Brazil, the Ministry of Agriculture and Livestock of Brazil (2025) was also used. For Paraguay, the sources included Resolution of Ministry of Industry and Commerce of Paraguay No. 368/2024 "Establishing the Steering Group for the Implementation and Evaluation of Socio-Environmental Traceability Systems to Guarantee the Competitiveness and Full Access of Paraguayan Goods and Products to International Markets, and Repealing Resolutions No. 344/2024 and No. 363/2024" (2024) and the Ministry of Environment and Sustainable Development of Paraguay (2024). The legal regulation of carbon credits in Paraguay was examined on the basis of Law of Paraguay No. 7190 "On Carbon Credits" (2023). For Uruguay, the sources included Law of Uruguay No. 19,996 "Approval of the Accountability Report and Budget Execution Balance for Fiscal Year 2020" (2021), Resolution of the General Forestry Directorate No. 733/024 "Removal of Property Designation due to Deforestation" (2024), and Resolution of the Ministry of Livestock, Agriculture and Fisheries of Uruguay No. 182/025 "Requirements for Segregation and Traceability of Bovine Meat, Meat Products, and By-Products Exported to the European Union in Compliance with Deforestation and Forest Degradation Regulations" (2025). The third group comprised international trade agreements and official notifications of the World Trade Organization (1994a), the Agreement on Technical Barriers to Trade, and the official notification concerning the discussion of the EUDR at the World Trade Organization (1994b; 2023). The fourth group consisted of the Joint Declaration of the MERCOSUR… (2024). For the analytical context, additional scholarly studies on the EU's external regulatory influence and sustainable development were included (Krämer, 2021; Harrison & Paulini, 2024; Lima *et al.*, 2026). Institutional and sectoral aspects of adaptation were further specified using the studies by S.E Cesar de Oliveira *et al.* (2024), S. Perdana *et al.* (2024), and J. Dürr *et al.* (2026). The negotiating context was supplemented by the study of N. Pose-Ferraro (2026) and the analytical study by J. Hagemejer *et al.* (2025). The economic and trade context was characterised using official Eurostat (2025).

Methods and criteria of analysis. Structural-functional analysis was used to establish the relationship between the strategic orientations of the European Green Deal and trade and regulatory mechanisms. Comparative and comparative-legal analysis was employed to compare the EUDR/CBAM requirements with the national mechanisms of Argentina, Brazil, Paraguay and Uruguay, as well as to compare the EU-MERCOSUR treaty framework in 2019, 2023-2024 and 2026. Documentary analysis was used to identify forms of political and negotiating responses, while formal-legal analysis was applied to determine the multilateral trade-law context. Bolivia was not included in the interstate comparison because it is not a party to the EU-MERCOSUR agreements under consideration, concluded by Argentina, Brazil, Paraguay and Uruguay. The analysis was conducted according to the following criteria: the scope of regulatory influence, the type of national instrument or response, the adaptation mechanism, the level of political response, the treaty and legal status, and the nature of the link with EU requirements. A "direct documented link" was the only case in which an official source had explicitly mentioned the EUDR, CBAM or the need to comply with the market-access conditions connected with the EU market. When no such confirmation was available, national measures were regarded as examples of indirect contextual influence and were not seen as reforms resulting from the EUDR or CBAM. The economic conditions underlying adaptation were described using statistical indicators rather than being used to determine a causal relationship. The study has limitations due to the selective nature of the documentary corpus, the fact that official sources predominate, the use of overall MERCOSUR statistics, and the early stage at which the new rules have been implemented.

RESULTS

External regulatory influence and national adaptation in MERCOSUR countries

The European Green Deal should be viewed not only as an internal EU decarbonisation programme but also as a strategic framework that has gradually acquired an external economic dimension. The European Green Deal (2019) document links climate neutrality with economic modernisation, changes in production and consumption patterns, and increased resource efficiency. Given the EU's integration into global production chains, the pursuit of these objectives is connected not only with internal regulation but also with the characteristics of goods, raw materials and production processes outside the Union. As a result, the green transition has gradually become one of the factors shaping the EU's external regulatory environment. In this study, the transformation of trade policy is understood in a functional rather than purely tariff-related sense, namely as a change in the governmental rules, institutions and administrative mechanisms that determine the conditions under which exported goods gain access to foreign markets. Such changes include the development of traceability and certification systems, export-chain controls and emissions verification, insofar as these are linked to market-access conditions. The concept of political reform is used here to denote reforms of public policy and its institutional mechanisms in the field of foreign trade, rather than reforms of the political regime or constitutional system of MERCOSUR countries.

The external dimension of this transformation does not consist in the formal transposition of EU legislation into the legal systems of third countries, but in changing the conditions of interaction with the European market. Compliance with environmental and climate requirements is increasingly taken into account alongside traditional

parameters of trade policy, such as tariffs, quotas and rules of origin. The EU establishes the rules governing the operation of its own market, while states and producers outside the Union determine domestic means of ensuring compliance with these conditions. Therefore, the external regulatory effect of the Green Deal is best understood as an effect mediated by market access rather than as the direct implementation of EU law in the legal systems of MERCOSUR countries (Harrison & Paulini, 2024; Lima *et al.* 2026).

The institutional integration of the green transformation with the EU's trade strategy was progressively consolidated in Trade Policy Review: An Open, Sustainable and Assertive Trade Policy (European Commission, 2021) and The Power of Trade Partnerships: Together for Green and Just Economic Growth (European Commission, 2022). The former document incorporated sustainable development into the objectives of the EU's updated trade policy alongside openness, competitiveness and the protection of the Union's economic interests. In The Power of Trade Partnerships: Together for Green and Just Economic Growth, further attention was devoted to the implementation of trade and sustainable development commitments, as well as to mechanisms for monitoring compliance with them. In the EU–MERCOSUR relationship, this implied a growing role for environmental and climate provisions in the negotiating and institutional context of the trade agreement, preliminary assessments of which pointed to the limited nature of the mechanisms for enforcing its environmental provisions (Krämer, 2021).

In 2023, the external regulatory dimension of the European Green Deal received concrete regulatory form through two EU mechanisms. The first was Regulation of the European Parliament and of the Council No. 2023/1115 (2023). The EUDR establishes requirements for placing specified commodities and products associated with deforestation and forest degradation on the EU market and links access to the market for such products to requirements concerning the legality of production, geolocation, traceability and due diligence. The second was Regulation of the European Parliament and of the Council No. 2023/956 (2023). The CBAM links the economic conditions of trade in specified sectors to the carbon intensity of production and to the need to measure and verify embedded emissions. Thus, the EUDR and CBAM incorporate characteristics of the production process into the conditions governing the interaction of external suppliers with the EU market, but create different types of adaptation requirements.

One can see a gradual strengthening of the connection between EU climate and trade policy from 2019 to 2023. The European Green Deal set out the strategic framework for the green transformation, the review of EU trade policy included sustainable development among its external economic priorities, and the later revision of the approach to trade agreements resulted in greater attention being paid to compliance with environmental and climate commitments. The introduction of the EUDR and CBAM changed this relationship so that it moved from one of strategic objectives to that of specific regulatory measures capable of influencing the conditions governing product access to the EU market. Consequently, the external impact of the European Green Deal is seen in the alteration of market-access conditions, which in turn provide new incentives for producers and partner countries to modify their domestic procedures and institutions. The European Green Deal should be considered as one of the external regulatory factors in the wider context of adaptation, just as export structure, the features of individual sectors, national institutions and the economic significance of the EU market.

In this study, the catalytic role of the European Green Deal does not lie in carrying out reforms from nothing, but in altering the external incentives and the functional direction of institutional adaptation. The EUDR makes this mechanism especially clear in that the requirement to produce documentary evidence showing that products meet the deforestation requirements turns traceability, the interoperability of information systems and the verification of origin from desirable features of supply-chain management into practical necessities if access is to be maintained to the EU market. Research into the supply chains of Brazilian beef and soy is described as involving the cross-border linkage of governance systems, the result of which depends, together with other factors, on combining private adaptation with public policy and institutional support (Dürr *et al.*, 2026). A similar analysis of the readiness of Brazilian commodity supply chains to meet deforestation requirements indicates that in order to retain market access it will be necessary not only for exporters to take action but also for domestic policies, regulations and technical infrastructure to be aligned (Cesar de Oliveira *et al.*, 2024). Hence, the term "catalyst" in this context refers to the effect of changes in external market-access conditions in speeding up and redirecting institutional adaptation, not to the idea that the various changes would not have taken place at all in the absence of the European Green Deal.

When the EUDR and CBAM systems are compared, it becomes clear that the way in which they might affect regulatory changes within the MERCOSUR countries is different. With regard to the EUDR, the connection is more direct since access to the EU market for certain products is conditional on verifying their origin and geolocation, as well as their traceability and compliance with due diligence requirements. There is therefore a requirement for procedures relating to the collection and exchange of data, as well as for certification and control measures which enable documentary proof to be given that the established requirements have been met. With regard to CBAM, however, the nature of its impact is more indirect. Its operation is connected to the carbon intensity of production and to the necessity of accounting for and verifying the embedded emissions in certain sectors. At the same time, the fact that national emissions accounting systems or other carbon-regulation measures have been developed does not prove that the relevant changes were due to the CBAM, since such systems might also be based on domestic climate,

industrial and economic factors. The EUDR and the CBAM therefore provide different kinds of incentives for domestic adaptation. In the case of the EUDR, a direct documented connection with particular procedures can be made if official documents clearly state that they are intended for the purpose of implementing the requirements of the EUDR or the market-access conditions linked to the EU market. With regard to the CBAM, a direct documented link with a specific domestic reform also demands that there be corresponding evidence in official sources. A comparison of Argentina, Brazil, Paraguay and Uruguay reveals different forms of domestic responses to EU regulatory requirements. The differences concern not only the sectors involved and the instruments used, but also the nature of the direct documented link between an external requirement and a domestic change (Table 1).

Table 1. Comparative characteristics of direct adaptation to the EUDR and the broader national context of carbon regulation in Argentina, Brazil, Paraguay and Uruguay

Direct adaptation to EUDR requirements				
Country	**Scope of influence**	**National instrument/ response**	**Adaptation mechanism**	**Nature of the documented link with EU requirements**
Argentina	Agribusiness exports	VISEC; Resolution 50/2024; official response to the EUDR	Traceability and certification of deforestation-free products; institutionalisation of schemes for differentiating agribusiness products	The link between VISEC and the EUDR is explicitly stated; Resolution 50/2024 takes the EUDR into account among external requirements but has a broader purpose
Brazil	Agricultural supply chains	Agro Brasil+Sustentável	Integration of data and verification of compliance of agricultural products	The link with the EUDR is explicitly stated, although the instrument has broader functions
Paraguay	Agricultural exports	Environmental Traceability Platform; socio-environmental traceability system; Resolution No. 368/2024	Digitalisation of traceability, integration of government data, and institutionalisation of mechanisms for verifying the characteristics of exported products	The link between the traceability system and EUDR compliance is documented; Resolution No. 368/2024 formalises the institutional basis for developing the respective systems
Uruguay	Exports of beef and products of animal origin; deforestation control	Resolution No. 182/025; Resolution No. 733/024	Segregation, identification, traceability and official verification of products; development of administrative procedures for deforestation control	The link between Resolution No. 182/025 and compliance with EUDR requirements is explicitly established; Resolution No. 733/024 complements the national regulatory framework for deforestation control
Broader national regulatory context of carbon policy				
Country	**Regulatory area**	**National instrument**	**Regulatory mechanism**	**Nature of the documented link with CBAM**
Argentina	Carbon markets and climate policy	Resolution 385/2023 – National Strategy for the Use of Carbon Markets	Establishment of a strategic framework for the use of carbon markets	No direct documented link with CBAM has been established
Brazil	Emissions-intensive sectors and carbon regulation	Law No. 15,042/2024; Ecological Transformation Plan	Development of an emissions trading system and broader carbon-regulation instruments	No direct documented link between the respective reforms and CBAM has been established
Paraguay	Carbon markets	Law No. 7190/2023 on Carbon Credits	Legal regulation of carbon credits and establishment of the corresponding institutional framework	No direct documented link with CBAM has been established
Uruguay	Carbon pricing	Law No. 19,996, Article 326	Taxation related to CO_2 emissions	The instrument was introduced in 2021, before the adoption of CBAM; no direct documented link with CBAM has been established

Note*:* the first block covers national instruments and procedures for which official sources document a direct link with EUDR compliance or with related EU market-access requirements. The second block covers broader national carbon and climate policy instruments relevant to analysing the regulatory environment in which CBAM operates. In the absence of an explicit reference in official documents, these instruments are not interpreted as reforms caused by CBAM

Source: compiled by the authors based on Law of Uruguay No. 19,996 (2021), F. Cossio (2023), Law of Paraguay No. 7190 (2023), Resolution of the Ministry of Environment and Sustainable Development of Argentina No. 385/2023 (2023), Resolution of the Secretariat of Agriculture, Livestock and Fisheries of Argentina No. 50/2024 (2024), Office of the President of Argentina (2024), S. Perdana *et al.* (2024), Law of Brazil No. 15,042 (2024), Ministry of Finance of Brazil (2024), Resolution of Ministry of Industry and Commerce of Paraguay No. 368/2024 (2024), Ministry of Environment and Sustainable Development of Paraguay (2024), Resolution of the General Forestry Directorate No. 733/024 (2024), Ministry of Agriculture and Livestock of Brazil (2025), Resolution of the Ministry of Livestock, Agriculture and Fisheries of Uruguay No. 182/025 (2025)

The comparison showed different levels of directness in the external regulatory influence. This is most apparent in the case of the EUDR, since in all four countries the development of traceability systems, certification, data integration or administrative controls is connected with the requirement to show that the products exported comply with the new conditions relating to access to the European market. At the same time, each country has its own trajectory of carbon regulation: Argentina is developing a strategic framework for the use of carbon markets; Brazil is developing an emissions trading system and broader instruments of ecological transformation; Paraguay is establishing a legal framework for carbon credits; and Uruguay has adopted a CO_2 emissions taxation instrument. The available documents, however, do not provide sufficient grounds for automatically interpreting these broader mechanisms as national reforms caused by CBAM.

It thus enables the division of national instruments into two categories for analysis. The first group consists of specialised mechanisms which are directly related to meeting the external requirements applicable to particular export supply chains, such as traceability, certification, geolocation, verification of origin and the integration of information systems. A direct documented link with the EUDR can be created in each instance if the pertinent evidence is given in official sources. The second group includes more general climate and carbon-policy measures, such as emissions trading systems, carbon markets, carbon credits and tax mechanisms. Here, the CBAM is part of the external regulatory environment, while at the same time the domestic changes are influenced by the countries' own climate, industrial, fiscal and institutional priorities.

When Argentina, Brazil, Paraguay and Uruguay are compared, there is no single model of adaptation. In Argentina, the various instruments used for distinguishing and certifying agribusiness products exist alongside a strategic development of carbon markets; in Brazil, the information infrastructure of the agricultural supply chains is combined with a more institutionalised carbonregulation system; in Paraguay, the development of socio-environmental traceability systems is supplemented by a legal framework for carbon credits; and in Uruguay, specialised procedures for controlling exported products function together with the carbon taxation which was introduced earlier. The European Green Deal does not act as a general source of uniform reforms but rather serves as an external regulatory influence that interacts with the existing national institutions and the current trajectories of climate policy. The most clearly documented example of its catalytic effect is to be found in the areas of traceability, certification and control regarding compliance with the EUDR requirements on deforestation and the protection of access to the EU market. On the other hand, the wider carbon regulatory systems in Argentina, Brazil, Paraguay and Uruguay form a separate regulatory environment; yet the study has not established any direct documented link between the introduction of these systems and CBAM.

Political, negotiating, legal and economic dimensions of EU-MERCOSUR interaction

National adaptation to EU regulatory requirements does not imply automatic political agreement with their substance or manner of application. Documentary evidence of this distinction is available for Argentina and Brazil. In 2023, Argentina joined the common position of a group of Global South countries concerning the EUDR, which raised issues related to the trade implications of the new requirements, the costs of compliance, and the recognition of national regulatory systems (Cossio, 2023). In September of the same year, Brazil, on behalf of a group of 17 developing countries, raised the issue of the EUDR in the World Trade Organization's Committee on Agriculture. The discussion concerned the potentially discriminatory effects of the new requirements, additional costs for producers, and the need to take into account the economic and institutional circumstances of developing countries (World Trade Organization, 2023). What the objections reveal is that political contestation involves not only the environmental aim of the regulation but, more specifically, the manner in which that aim is achieved by means of the conditions for access to the EU market. The need to keep records, verify the origin of products and ensure due diligence leads to extra data being collected, ongoing monitoring and documentary proof of compliance taking place in the countries where the products are produced. Consequently, some of the administrative and financial costs connected with complying with EU rules occur outside the Union.

This means that the regulatory interaction has a distributive aspect to it. The EU sets the conditions for access to its own market, and producers and public institutions in the other countries have to share some of the costs associated with proving compliance with those conditions. The political debate therefore involves not just the environmental requirements themselves, but also the way the costs of adaptation are distributed, the acknowledgement of the present national control systems, and the extent of the parties' regulatory autonomy. In the case of relations between the EU–MERCOSUR, this issue is also connected with the asymmetry of economic and regulatory capacities in the North-South relationship (Harrison & Paulini, 2024; Herten-Crabb, 2026). The fact that the EUDR issue has been transferred to the institutions of the World Trade Organization shows that the way in which the EU deals with external regulation can go beyond national adjustments and bilateral relationships. When countries from the Global South coordinate their positions, the matter becomes the subject of a multilateral trade discussion in which the effects of European rules on producers in third countries and the extent to which these rules are in line with the principles of international trade are disputed.

In this situation, practical adaptation and political contestation are by no means opposite reactions. A state can set up the traceability, certification or control systems necessary to ensure that its products retain access to the EU market while at the same time challenging specific

elements of the relevant regulation, its costs or the procedure by which it was developed, as shown by the positions taken by Argentina and Brazil on the EUDR (Cossio, 2023; World Trade Organization, 2023). It cannot be considered proof of political support for those rules simply because a country has adapted to EU rules. This shows the limitations of EU regulatory influence, since the economic significance of the European market may lead countries to make procedural and institutional adjustments outside the Union, but it does not guarantee that their political positions will converge automatically. Regulatory convergence at the practice level can therefore exist alongside political controversy regarding the substance, the costs and the way in which European requirements are applied. The impact of the European Green Deal shows itself not only as a prompt for domestic adaptation but also as the cause of new political and multilateral disagreements about the conditions for international trade.

Alongside the national level of adaptation and the multilateral contestation of individual EU measures, a distinct interregional negotiating level should also be identified. The Joint Declaration of the MERCOSUR… (2024) state that after the agreements reached in 2019, the parties restarted an intensive round of negotiations in 2023 with the aim of adapting the agreement to the new challenges at the national, regional and global levels. The reaction to changes in the external regulatory environment was not merely the result of individual decisions made by Argentina, Brazil, Paraguay and Uruguay, but also involved a collective negotiating arrangement in which the MERCOSUR countries dealt with the EU on the merits of the future interregional agreement. This does not mean that there is a single supranational model of domestic adaptation among the MERCOSUR countries: the national measures still differ from one another in respect of their content, extent and the way they are documented in relation to EU requirements. At the same time, the negotiating format introduces a particular degree of political interaction into the analysis by bringing together the issues of market access, sustainable development, and the industrial and regulatory autonomy of the various parties. In this respect, MERCOSUR is not simply a collection of states adjusting their own procedures, but rather an interregional negotiating platform on which responses to new trade and environmental conditions become incorporated into the wider process of restructuring relations with the EU (Pena *et al*., 2023; Pose-Ferraro, 2026).

The interregional negotiating process, however, cannot be reduced to MERCOSUR's response to the EU's environmental requirements. The revival of negotiating momentum in 2023-2024 took place amid the simultaneous influence of geopolitical incentives and domestic political and economic factors. In particular, growing EU geopolitical interest after 2022 and changes in the configuration of domestic opposition to the agreement contributed to renewed momentum towards concluding the negotiations (Pose-Ferraro, 2026). Thus, the greening of the trade framework interacted with the EU's broader geo-economic objectives rather than replacing them. Meanwhile, the trade aspect is included within a more extensive interregional framework which also involves political dialogue and cooperation (Malamud, 2022). It therefore follows that the impact of the European Green Deal on relations between the EU-MERCOSUR should be seen as just one element of a wider negotiating process in which the EU's regulatory power comes into play alongside geopolitical interests, marketaccess aims, and the various efforts made by the parties to keep open room for independent economic policy.

The changes identified at the national level are complemented by the transformation of the treaty framework governing EU-MERCOSUR relations. This transformation does not consist in the introduction of environmental and climate provisions after 2019, but rather in their further specification and strengthening. The change can be traced through three stages: the outcome of the 2019 negotiations, the revision of the arrangements in 2023-2024, and their legal formalisation in 2026 (Table 2).

Table 2. Evolution of the EU-MERCOSUR treaty framework, 2019-2026

Parameter	2019	2023-2024	2026
Negotiating and legal status	Negotiations on the trade part of the agreement were concluded	Negotiations resumed in 2023; on 6 December 2024, their conclusion and agreement on an updated outcome were announced	The EU-MERCOSUR Partnership Agreement and the Interim Trade Agreement were signed on 17 January 2026; from 1 May 2026, the Interim Trade Agreement has been provisionally applied between the EU and Argentina, Brazil, Paraguay and Uruguay
Trade and sustainable development	A separate chapter on trade and sustainable development already contained environmental, climate and labour commitments	Additional and more specific provisions on sustainable development were agreed	In the final trade framework, the relevant provisions are set out in Chapter 18 and Annex 18-A
Paris Agreement	An obligation to effectively implement it was envisaged	Its legal status within the treaty framework was strengthened	The Paris Agreement is established as an essential element of the partnership
Deforestation	Forest and environmental protection were already covered by the commitments, but these were less specific	More specific commitments to combat deforestation were agreed	Strengthened deforestation provisions were incorporated into the final treaty framework

Table 2. Continued

Parameter	2019	2023-2024	2026
Mechanism for implementing sustainable development commitments	Intergovernmental consultations and the possibility of convening a panel of experts were provided for; the special procedure was not based on sanctions	The strengthening concerned primarily the substance and specificity of the commitments rather than replacing the special procedure with a sanctions-based mechanism	The special procedure for consultations and review by a panel of experts has been retained; a subsequent review of the effectiveness of the implementation mechanism is envisaged
Relationship with the EU's autonomous regulation	The EUDR and CBAM had not yet been adopted	The negotiations took place after the adoption of the EUDR and CBAM, which had established a separate regulatory context for access to the EU market	Treaty provisions and the EU's autonomous rules operate in parallel; in particular, the EUDR continues to apply to products imported under the agreement

Source: compiled by the authors based on L. Krämer (2021), J. Harrison & S. Paulini (2024), MERCOSUR Signatory States and the Joint Declaration of the MERCOSUR… (2024), J. Hagemejer *et al.* (2025), European Commission (2026)

The environmental aspect was not introduced for the first time as a result of the legal change in 2019. Provisions relating to trade and sustainable development, climate commitments and a special dispute-settlement procedure had already been included in the 2019 agreement. In the period 2023-2024, the specificity of some of the substantive commitments was increased, especially those relating to climate change and deforestation; in 2026, these provisions were then included in a legally binding treaty framework. The enhanced status of the Paris Agreement is of particular importance. The fact that effective implementation had already been incorporated into the earlier framework of commitments was nonetheless reinforced by the updated outcome, which served to confirm the Paris Agreement as a key component of the partnership. Meanwhile, the commitments regarding the fight against deforestation became more specific. The change consists not in moving from there being no such provisions to there being ones, but rather in the increased legal certainty and greater substantive specificity of the existing relationship between trade, climate and environmental protection.

At the same time, the fact that environmental and climate commitments have been strengthened as a result of the agreement does not mean that the EU's own regulatory measures are being replaced. The EUDR still applies to products which enter the European market pursuant to the agreement, and CBAM keeps its position as a separate EU legal instrument for the sectors falling within its scope. Hence, in the context of EU-MERCOSUR relations, the treaty obligations agreed by the parties and the EU's own internal market rules function side by side. This complements the findings of the national comparison. At the level of Argentina, Brazil, Paraguay and Uruguay, national adaptation encompasses changes to procedures, information systems and control instruments, whereas at the interregional level, changes can be observed in the substance of the treaty obligations between the EU and MERCOSUR. National adaptation and changes to the treaty framework therefore constitute distinct but interrelated manifestations of regulatory interaction.

Regulatory interaction is not limited to the national and interregional levels, as the fact that the EUDR was discussed within the World Trade Organization (1994a; 1994b; 2023) demonstrates that the implications of EU environmental regulation have become the subject of multilateral trade debate. The arguments put forward focused on the possible trade consequences, the extra costs this would involve for producers, and the necessity of considering the economic and regulatory situations in developing countries. The legal framework within which these discussions take place is provided by multilateral trade law. The World Trade Organization (1994a) lays down the general rules for trade and, subject to certain conditions, includes exceptions relating, among other things, to the protection of life and health and to the conservation of natural resources. The Agreement on Technical Barriers to Trade (TBT Agreement) lays down rules for the application of technical requirements and for conformity assessment procedures. However, this study does not assess the legal compatibility of the EUDR or CBAM with the various provisions of these agreements, since reaching such a conclusion would call for a separate legal analysis.

The study thus shows that it is not the case of a hierarchical spread of EU rules, but rather the emergence of a multi-layered trade-law structure within the present international framework. In this structure, the mutually agreed EU-MERCOSUR provisions on trade and sustainable development coexist with the EU's own internal market rules, while World Trade Organization law offers a multilateral framework within which the effects of such measures can become the subject of discussion between states. This system also extends the range of trade regulation to include, in addition to tariffs, quotas, and the origin of goods, the characteristics of production processes, traceability, due diligence and emissions verification. At the same time, the fact that both treaty-based and autonomous measures are used leads to questions about how the responsibilities and the costs of environmental modernisation should be shared among the various parties (Harrison & Paulini, 2024; Dykha *et al.*, 2024), and the fact that sustainable development is incorporated into trade governance does not by

itself remove the structural imbalance in North-South relations (Herten-Crabb, 2026).

The fact that the European Green Deal exercises external regulatory pressure is due not only to the EU's right to set the conditions for the functioning of its own market but also to the economic significance of that market for the MERCOSUR countries. The extent and organisation of mutual trade led to situations in which alterations to the EU's market-access conditions may encourage producers and public institutions to make adjustments. In 2024 the EU acquired goods worth 56.0 billion EUR from the four original MERCOSUR countries, its exports to these countries being 55.2 billion EUR. EU imports from the region rose by 50.3% compared with those in 2014, and its exports went up by 25.1% (Eurostat, 2025). The size of these trade flows implies that changes in the conditions for access to the European market could lead to strong economic incentives for exporters to adjust to the new regulatory requirements.

The extent to which trade flows are structured also affects the nature of this influence. In 2024, primary commodities made up 81.3% of the EU's imports from MERCOSUR, and 86.6% of the EU's exports to that region were manufactured goods (Eurostat, 2025). The major types of goods imported by the EU were petroleum products, animal feed, coffee, cocoa, ores and oilseeds. Moreover, agricultural products made up 46.2% of MERCOSUR's exports to the EU in 2024. It should be noted, however, that not all agricultural or primary products are automatically covered by the EUDR, since the rule applies only to a specific list of commodities and derived products. At the same time, the nature of this trade system makes traceability, geolocation, verification of origin and due diligence more important for the sectors concerned by the regulation. In this regard, the traceability, certification, data integration and product verification mechanisms noted in the national cases have a particular economic role since they enable companies to show that they are meeting the requirements of external markets in those sectors where compliance with those requirements has an effect on export capacity. Although the significance of the EU market by itself is not enough to allow a causal link to be established between its regulations and changes in domestic institutions, it can be seen as one of the external incentives leading to adaptation.

With regard to CBAM, the scope is more limited when looking at individual sectors. It is not possible solely on the basis of the overall export structure of MERCOSUR to assess the extent of its impact, as the mechanism applies only to certain categories of products. Hence, in this study the impact of CBAM is mainly examined in relation to certain emissions-intensive sectors in Brazil. Its importance is determined by the structure of the particular production activities, by the carbon intensity of the products and by the position of the EU market for that sector. Model estimates for Brazil indicate that, since its energy-intensive industries have a relatively low carbon intensity, this could even lead to an improvement in their trade balance under the CBAM, and thus the effects of the mechanism should be seen as varying from sector to sector rather than as uniformly restrictive (Perdana *et al*., 2024). The European market has still been of great economic importance since the new green regulatory measures were introduced. In 2025, the four MERCOSUR countries exported a total of EUR 56.1 billion to the EU, whereas EU exports to MERCOSUR were EUR 53.3 billion. The EU is still the second-largest trading partner of MERCOSUR in terms of goods after China. Chinese demand provides an alternative destination for certain export supply chains, which may reduce the uniformity of the EU's regulatory influence. In the case of Brazilian soybean exports, differences have been identified between export exposure to EU and Chinese markets: greater exposure to European demand was associated with lower deforestation, whereas greater exposure to Chinese demand was associated with higher levels of deforestation; at the same time, the orientation of some trade flows towards the Chinese market expands opportunities for their redirection beyond the regulatory reach of the EU (Oliveira *et al*., 2025). Taken together with the collective contestation of certain EUDR requirements by Global South countries discussed above and the transfer of the relevant debate to World Trade Organization institutions, this indicates that EU regulatory power operates in a context characterised by competition from alternative markets and multilateral political contestation. Thus, the availability of alternative demand may limit the spread of adaptation incentives beyond supply chains directly oriented towards the EU market.

Thus, the economic context of the EU's external regulatory influence is determined by the scale of trade relations, export structure, the sectoral scope of the EUDR and CBAM, and the availability of alternative markets. The aggregate indicators of EU-MERCOSUR trade presented above make it possible to characterise the general economic conditions underlying this influence, but not to establish differences in its intensity among Argentina, Brazil, Paraguay and Uruguay. At the sectoral level, regulatory incentives vary depending on whether the products concerned fall within the scope of a specific EU instrument, the role of the European market in their sale, and the compliance requirements applicable to them. Against this economic background, the national responses of Argentina, Brazil, Paraguay and Uruguay can be compared in terms of the nature of the instruments introduced, the mechanisms of adaptation and the degree of their documented links with EU regulatory requirements, but not in terms of the intensity of regulatory influence.

DISCUSSION

The theoretical synthesis and comparative analysis show that the external regulatory influence of the European Green Deal on MERCOSUR countries should be understood not as the direct transposition of EU rules, but as the adaptation of domestic procedures to the conditions of access to the European market. At the same time, the

comparison of national approaches provides grounds for viewing such adaptation as differentiated. The differences identified may be interpreted as being associated with the characteristics of national institutions and the organisation of the respective export sectors. This agrees with the study by J. Grabs (2025), since that study found that adherence to the EUDR in global coffee supply chains is linked to the establishment of producer databases and traceability systems, and that the exact way in which compliance is organised depends on the way functions are distributed between public authorities and participants in the supply chain. A similar kind of dependence is seen in the results of this study: Argentina, Brazil, Paraguay and Uruguay make use of different institutional mechanisms to ensure compliance with the EUDR requirements. The study by J. Solar *et al.* (2025) also found that the implementation of the EUDR in Peru's coffee and cocoa sectors is linked to geolocation, the assignment of regulatory responsibilities, compliance costs, and the coordination between public and private actors. This finding is in keeping with the relationship established in the current study between the requirements of the EU market and the development not only of technical traceability tools but also of the administrative and information mechanisms necessary to support them. At the same time, R. Muradian *et al.* (2025) pointed out the limitations of the EUDR's regulatory impact, stressing that ensuring compliance with its requirements along individual commodity chains is not in itself enough to get rid of the wider factors which cause deforestation. This therefore puts the results of the current study into perspective: the observed changes in traceability, certification and control can be seen as a response to the conditions for accessing the EU market, but this does not mean that such a response can be regarded as equivalent to a thorough transformation of a country's environmental policy. The present study goes beyond the results of these authors by means of a comparison across countries in South America, focusing on Argentina, Brazil, Paraguay and Uruguay. The situation thus makes it possible to demonstrate how the same external regulatory requirements take on different institutional forms and to identify the procedures that are directly connected with the EUDR from those relating to broader areas of national environmental and climate policy.

In this study, the external impact of the European Green Deal is seen as being mediated by the market, since the EU alters the conditions that govern access to its own market and the MERCOSUR countries develop their own domestic methods of adapting. The way in which the various forms of adaptation differ can be understood by referring to the export structure, the particular features of each sector and the national institutions. M.G. Bastos Lima & A. Schilling-Vacaflor (2024) investigated the extent of this influence and found that the distribution of supply chains among different markets may prevent European requirements from being applied beyond those exports aimed at the EU. This agrees with the results of the current study on the conditional, not automatic, character of EU regulatory influence. The reasoning behind this is developed in J. Harrison (2023) study, which examines various methods of incorporating sustainability requirements into the regulation of global value chains. His approach matches the understanding of trade-policy transformation used in the present study; that is, it involves changes in procedures, institutions and compliance mechanisms rather than just changes in tariff conditions. L. Eicke *et al.* (2021) added another level of differentiation by connecting the effects of CBAM on third countries to trade dependence, carbon intensity and adaptive capacity. The current study builds on these methods by comparing the cases of Argentina, Brazil, Paraguay and Uruguay, thereby allowing an examination of how the same external regulatory environment interacts with different kinds of domestic adaptation. It thus enables the interpretation of the catalytic effect of the European Green Deal as a change in the external incentives for adaptation rather than as the simple transposition of European rules.

The comparison of the national cases made it possible to distinguish the nature of the influence of the EUDR and CBAM on domestic regulatory changes. In the case of the EUDR, the link with specific compliance procedures is more direct, whereas the development of carbon-regulation instruments in itself does not provide sufficient grounds for establishing a causal link with CBAM. T. Beaufils *et al.* (2023), in analysing different CBAM design options, identified variation in its impact on EU trading partners depending on trade structure and the degree of exposure to the European market. This is consistent with the findings of the present study regarding the sectoral and country-level differentiation of regulatory influence, but does not provide grounds for extending this relationship into a causal explanation of specific national reforms. This line of analysis was further developed by Z.-Y. Chen *et al.* (2025), who modelled the effects of CBAM in China and identified a combination of effects on the risk of carbon leakage and the redistribution of part of the costs of decarbonisation. This is consistent with the distinction adopted in the present study between the external regulatory incentive and domestic decisions that may be shaped by several factors simultaneously. C. Böhringer *et al.* (2022) proposed a broader framework for interpreting these findings by systematising the potential effects of carbon border adjustment mechanisms in terms of carbon leakage risk, competitiveness, economic efficiency, fairness and international cooperation. Unlike model-based assessments of particular CBAM configurations, the authors also considered the practical and legal constraints of such mechanisms. Taken together, the studies of these authors support the cautious interpretation adopted in the present study: the existence of an economic or regulatory impact of CBAM does not in itself mean that a specific domestic reform was caused by CBAM. Unlike studies focusing primarily on the economic, sectoral and regulatory effects of CBAM, the present study explicitly distinguishes between the broader regulatory context of CBAM and cases

involving a direct documented link with specific national instruments in Argentina, Brazil, Paraguay and Uruguay. No such direct documented link with CBAM was established for broader national reforms in the field of carbon regulation, whereas it was documented in official sources for certain procedures adapting to the EUDR.

The comparison also makes it possible to distinguish practical adaptation to EU regulatory requirements from political attitudes towards them. In Argentina and Brazil, documentary evidence shows that the adaptation of procedures to EUDR requirements has coexisted with objections to particular aspects of the regulation, the costs of compliance, and the recognition of national control systems. This is consistent with the study by H.E. Nesadurai (2026), which examined Malaysia's and Indonesia's contestation of the EUDR as a dispute over regulatory authority and sovereignty. At the same time, the analysis shows that political contestation of the EUDR may coexist with the strengthening of national regulatory frameworks, which operate alongside EU requirements and may contribute to their implementation. In this respect, the findings of H.E. Nesadurai correspond to the distinction identified in the present study between practical adaptation to European requirements and political acceptance of them. Whereas H.E. Nesadurai focuses on contestation over regulatory authority, H. da Silva Hyldmo *et al.* (2024) broadened the discussion by analysing the external distributive effects of the European Green Deal. The authors identified a tension between the stated commitment to a just transition and the insufficient consideration in EU policy of the social and environmental consequences arising beyond the Union. This broadens the context of the distributive dimension of EU external regulation identified in the present study, but does not directly substantiate the findings concerning the costs of EUDR compliance in MERCOSUR countries. B. Lin & H. Zhao (2024) further specified the economic dimension of this issue. Their modelling showed that the effects of CBAM are distributed unevenly: for non-OECD countries, reductions in production volumes and increases in production costs are greater than for OECD countries. These results do not establish the causes of political contestation of European regulation, but they are consistent with the distributive aspect identified in the present study, relating to the costs of adapting to new trading conditions. In the context of EU-MERCOSUR relations, the present study complements the approaches discussed above by comparing regulatory adaptation and political contestation within a single analytical framework. This makes it possible to specify their relationship in the MERCOSUR countries and to distinguish between the practical implementation of procedures required to maintain access to the EU market and political attitudes towards the substance, costs and manner of application of the relevant regulatory requirements.

Comparing the national, interregional and multilateral levels leads to the conclusion that the transformation of EU-MERCOSUR relations should be seen not as a simple application of European rules, but as an interaction among various regulatory mechanisms. The EU's own autonomous instruments operate alongside its commitments in the area of sustainable development, and at the same time the application and effects of these commitments are included in the multilateral trade relations. One aspect of this change was examined by C. Bertram & H. Van Coppenolle (2024), who studied the way in which commitments to implement the Paris Agreement have been incorporated into EU preferential trade agreements. There is a step-by-step transition from collective declarations of intent to legally binding clauses in the more recent agreements. This aligns with the results of the current study showing that the climate commitments within the EU-MERCOSUR treaty framework are more specific, but it does not mean that all the mechanisms for ensuring their implementation have been uniformly strengthened. This point is made clearer by the research of D. van 't Wout (2022). When the trade and sustainable development chapters of the EU agreements with South Korea, Canada and Japan were compared, no improvement in the mechanisms for ensuring compliance with the respective commitments was found at the stage under review. The greater legal force of some of the climate provisions identified by the author cannot be regarded as automatically implying a strengthening of the procedures for their implementation. The fact that this distinction is in line with the results of the current study lies in the fact that the greater specificity of the environmental and climate provisions of the EU-MERCOSUR agreement is set apart from the question of the nature of the special mechanism for implementing them. M. Garcia (2025) study changed the focus of the debate from the formal structure of agreements to the practical way in which joint committees on trade and sustainable development function. The author pointed out the committees' informationsharing, cooperation and monitoring roles, the first two of which were more prominent, while implementation requirements were more often seen in cases where there was a clear asymmetry between the parties. Meanwhile, these committees can offer a means of interaction between the treaty mechanisms and the EU's independent trade and environmental measures. This is in line with the simultaneous operation of the EU-MERCOSUR treaty obligations and the autonomous EUDR and CBAM measures mentioned in the current study. This study adds to the approaches mentioned above by examining the interrelationship between these mechanisms in the case of EU-MERCOSUR relations at a number of levels – namely, through national adaptation, the development of treaty commitments, and engagement with EU autonomous regulation and the multilateral trade framework. It thus allows the catalytic effect of the European Green Deal to be described as a change in the regulatory environment and in the incentives for adaptation rather than as the simple application of European rules to the policies of the MERCOSUR countries. The conclusions therefore indicate that EU external regulatory influence on the MERCOSUR countries should be seen as being both

economically and sectorally differentiated, taking into account the significance of the European market, the range of products covered by the EUDR or CBAM, the adaptation costs and the availability of other markets.

CONCLUSIONS

The study suggests that the European Green Deal can be regarded as an external regulatory influence on trade policy by altering the conditions for access to the European market. Its catalytic role does not lie in introducing new reforms but rather in modifying the incentives and the direction in which institutions adapt. The impact is most clearly seen in the requirements concerning deforestation, which connect market access with traceability, geolocation, verification of origin and due diligence. The carbon border regulation, on the other hand, acts in a more selective and indirect way; it therefore cannot be assumed that general national carbon regulation mechanisms are the result of it without having direct documentary evidence. When Argentina, Brazil, Paraguay and Uruguay were compared, it was found that there is no single model of adaptation to European environmental requirements. In Argentina, the traceability and certification of agribusiness products are combined with the development of carbon markets. In Brazil, the integration of agricultural supply-chain data exists alongside more institutionalised carbon regulation and emissions trading. In Paraguay, the digitalisation of socio-environmental traceability is supported by legal regulations concerning carbon credits. In Uruguay, specialised procedures for the control of exported products function together with the carbon tax, which was introduced earlier on. The fact that these arrangements differ proves that external requirements do not lead to the standardisation of national systems but rather interact with the existing institutional and climate policy paths. The fact that adjustment to European rules can go hand in hand with political debate regarding their costs, the way they are applied and the recognition of national control systems – as has been the case in Argentina and Brazil – means that regulatory interaction has a distributive aspect, since some of the administrative and financial costs involved in showing compliance are shouldered by producers and public institutions outside the EU.

Practical adaptation to market requirements is not equivalent to political support for the regulation concerned, and some of the resulting tensions are transferred to the multilateral level of international trade. The process of negotiating between different regions supports national adaptation by providing a form of cooperation in which issues such as market access, sustainable development, regulatory autonomy and geopolitical interests are all addressed. After 2019, the development of the treaty framework mainly involved specifying the existing commitments relating to climate and the environment, especially those regarding deforestation and the position of the Paris Agreement, not introducing these commitments for the first time. The parallel existence of treaty commitments, autonomous European market rules and multilateral trade law forms a multi-layered trade-law architecture, while the identified differences in regulatory influence can be interpreted in light of the sectoral coverage of the EUDR and CBAM, the role of the European market and the availability of alternative trade destinations. Overall, the catalytic influence of the European Green Deal is most clearly documented in traceability, certification and control procedures related to EUDR compliance. Broader national carbon-regulation mechanisms constitute a parallel regulatory context; however, no direct documented link between their introduction and CBAM was established within the study. Future research should focus on assessing the persistence of the identified adaptation models after the new environmental and carbon requirements have become fully applicable, and on determining their impact on the further transformation of trade policy in MERCOSUR countries.

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