



NOVEMBER 2024

Mirror, mirror on the wall, EU reciprocity standards in agri-food as a solution for all?

This policy brief reflects on the use of reciprocal sustainability standards in unilateral trade measures by the EU and its impact on the agri-food sector. The contribution is positioned within the recent calls to better protect European farmers from unfair competition and imported products that face less stringent sustainability standards, but also aims to provide a general overview of the discussion about these measures and their broader impacts. With regard to this impact, the policy brief highlights the difficulty of predicting and assessing what effect these unilateral measures will have. It calls for better impact assessments and a reflexive approach when adopting new unilateral measures. Such an approach should make it possible to set unilateral reciprocal standards when needed, but would reduce or diminish unforeseen adverse impacts.

Introduction

Over the last few years, the EU has taken a more unilateral approach to sustainable trade measures by adopting legislation that affects the sustainable production (and trade) chain within and well beyond its internal market.¹ Under the outgoing European Commission (2019-2024), the EU has approved, amongst others, the Deforestation Regulation (EUDR), the Carbon Border Adjustment Measures (CBAM) Regulation and the Corporate Sustainability Due Diligence Directive (CSDDD). An important characteristic of most of these measures is reciprocity: the idea that sustainability

standards (or their effect) in the EU should also apply (i.e. be “mirrored”)² to products that are exported to the EU by third parties. As most of these new standards are not only targeting products but also production methods, they have a substantial effect abroad.

Lately, the discussion on these measures has reached the media agenda, as a result of loud complaints about the practical difficulties of implementing one of these measures, the EUDR. Following strong calls to delay its implementation, the Commission has proposed to do so by one year, setting the

1 Ferdi De Ville, Simon Happersberger, and Harri Kalimo. “The unilateral turn in EU trade policy? The origins and characteristics of the EU’s new trade instruments.” *European Foreign Affairs Review* 28, no. Special (2023). France in particular has taken the lead in this unilateral turn.

2 The term mirroring could suggest that these standards already follow existing EU standards. In the case of the EUDR and CSDDD, however, standards are set at the same time for production methods in the EU and for products being exported to the EU via due diligence requirements for companies operating in the EU.

deadline at 30 December 2025.³ A range of other issues, besides practical implementation, however, (should) play a role in considering the introduction of these measures, as this policy brief demonstrates below.

This policy brief reflects on the increasing use of reciprocal standards in unilateral trade measures by the EU and its impact on the agri-food sector. The analysis presented is positioned within the more recent calls to better protect European farmers from unfair competition and protect them from products that face less stringent sustainability standards. Setting similar sustainability standards for these products is believed to be one way to do this. While this idea has gained prominence on the EU agenda, it can be expected that the call to set such standards will become even louder, when EU sustainability standards will be further raised and concerns about “leakage” and negative spillovers – possibly exceeding the ecological benefits within the EU⁴ – become louder.

Drawing on the recent experiences and discussions on CBAM, the EUDR and CSDDD, this policy brief, amongst other things, examines the idea that these measures will contribute to a better position for farmers. In doing so, it makes the more general argument that predicting and assessing the impact of these unilateral measures is difficult due to the complex interaction with many other conditions. Against the background of the contentious nature of introducing unilateral trade measures, we call for a more reflexive approach in adopting new unilateral measures, in which better impact assessments are used and possibilities to adjust policies in the case of unexpected effects will be possible.

3 This proposal, in turn, has raised concerns by others about a possible reopening of the regulation, and a possible lowering of its ambitions.

4 Honglin Zhong, Yanxian Li, Jiaying Ding, et al. Global spillover effects of the European Green Deal and plausible mitigation options. *Nature Sustainability* (2024).

From greening trade to green protectionism...?

Several developments have contributed to the adoption of unilateral (or autonomous) measures by the EU. They include the rise of state interventions, an impasse of the multilateral trading system, increased sustainability ambitions and changing preferences within key Member States of the EU.⁵

When it comes to Member States’ preferences, we see that public opinion, overall, has become more sensitive to the risks of international trade.⁶ In the food and agricultural sector this sentiment is strongly felt and expressed in public and policy discourse. At both the EU level and Member State level there is a sense that European farmers should be better protected against “unfair” competition. Even in the Netherlands, which relies heavily on the import of agricultural products⁷, international agri-food trade is more critically evaluated, as exemplified by the sentence in the recent Dutch coalition headline agreement that reads that “...we do not want to import [agricultural products] [t]hat we are not allowed to produce in the Netherlands”.⁸

While this particular phrasing reflects the presence of the Farmer-Citizen Movement (a member of the EPP group in the European Parliament) in the governing coalition, this sentiment finds broader support in the Dutch Parliament. In relation to the ongoing negotiations on a trade agreement with the Mercosur (Argentina, Brazil, Paraguay, and Uruguay), a majority of the Dutch Parliament, for example, made clear in 2020 that it would

5 Ferdi De Ville, Simon Happersberger, and Harri Kalimo. “The unilateral turn in EU trade policy? The origins and characteristics of the EU’s new trade instruments.” *European Foreign Affairs Review* 28, no. Special (2023).

6 Michael A. Mehling, Harro Van Asselt, Kasturi Das, Susanne Droege, and Cleo Verkuijl. “Designing border carbon adjustments for enhanced climate action.” *American Journal of International Law* 113, no. 3 (2019): 433-481.

7 The value of such imports in 2022 was 84 billion euros; about 40% of these imports emanate from outside the EU.

8 Coalitiepartijen PVV, VVD, NSC en BBB. “[HOOP, LEF EN TROTS - Hoofdlijnenakkoord 2024 – 2028](#)”, 2024, p. 11.

block any agreement if it would include any arrangements on farming.⁹

The argument that there should be a level playing field on which farmers can operate also becomes louder in relation to several unilateral measures that were originally introduced to increase the sustainability of trade.

Also at the EU level, the focus on unilateral measures has shifted. Since the farmers' revolts in Brussels in early 2024, several unilateral measures have been linked more explicitly to the protection of European farmers. In the Council's statement attached to its draft compromise on the CSDDD it was stated, for example, that the directive "would protect agricultural producers in the Union against unfair competition and against harmful practices by operators established not only inside but also outside the Union".¹⁰ These examples reflect a broader sentiment among EU Member States and institutions. In the Agriculture and Fisheries Council Conclusions of June 2024 "the imperative of conducting a well-balanced management of trade instruments (...) to ensure fair and sustainable trade and to take into account the interests of domestic agricultural producers and consumers" was stated.¹¹ In the mission letter for the incoming Agricultural Commissioner this imperative is also stressed, with a clear instruction from the Commission President to "work towards reciprocity and an international level playing field".¹² These calls to do so will increase when EU sustainability standards (sooner or later) will have to be raised further to meet its international commitments and ambitions.

From a diplomatic perspective this framing is precarious as (green) protectionism is one of the main objections by countries confronted with these measures. This critique has been put forward in relation to the CBAM and, more recently, the EUDR. Under the EUDR, companies can only sell several products (cattle, cocoa, coffee, palm oil, soya, rubber and wood) in the EU if their suppliers can issue a "due diligence" statement that indicates that the products do not come from land deforested after 31 December 2020. Several countries in the Global South have argued that the EUDR is not in line with World Trade Organization (WTO) agreements and feel that they have not been sufficiently consulted in the development of these measures.¹³

According to the Commission the WTO does provide room for this autonomous measure; based on existing rules, states can impose health and environmental requirements (including animal welfare preconditions) on the production of exported products. The Commission does recognise, however, that such measures can be controversial, especially as they reflect standards that have been established by developed countries.¹⁴ While it is recognised that these measures can be challenged under the WTO dispute settlement system, the Commission appears to anticipate that this would not result in the elimination of these measures. At most, as pointed out by Vidigal, this could lead to negotiation on their permissible scope and acceptable level and possible exemptions.¹⁵ The contested nature of these measures could, however, lead to retaliation or put pressure on diplomatic relations or other trade negotiations. That this fear is not unwarranted was shown in September 2024 when Brazil called upon the EU to "reassess" its approach to deforestation.

9 [Motie van het lid Ouwehand c.s. over het blokkeren van een EU-Mercosur-verdrag waarin de landbouw is opgenomen en het actief steun vergaren voor deze positie bij andere lidstaten.](#)

10 Maria Simon Arboleas, "[Revised due diligence law adds farmers' protection in food chain](#)," Euractive, March 8, 2024.

11 Maria Simon Arboleas, "[Revised due diligence law adds farmers' protection in food chain](#)," Euractive, March 8, 2024.

12 Ursula von der Leyen, "[Mission letter to Christophe Hansen, Commissioner-designate for Agriculture and Food](#)" September 17, 2024.

13 Sean Goulding Carroll, "[Brussels refutes Indonesia's claims on EU anti-deforestation law](#)," Euractive, June 12, 2023.

14 See also Geraldo Vidigal, "The Unilateralization of Trade Governance: Constructive, Reconstructive, and Deconstructive Unilateralism." *Legal Issues of Economic Integration* 50, no. 1 (2023).

15 Geraldo Vidigal, "The Unilateralization of Trade Governance: Constructive, Reconstructive, and Deconstructive Unilateralism." *Legal Issues of Economic Integration* 50, no. 1 (2023).

It stressed that doing so is needed to avoid any negative impact on its trade relations, hinting at possible safeguard measures for the import of European electric vehicles in a possible trade agreement between the EU and Mercosur. In a reaction to this, the German Chancellor Olaf Scholz called for a delay in implementing the EUDR.¹⁶

Unilateral measures still on the table...

Despite these concerns about unilateral measures, the possibility to use them remains on the table, particularly in relation to agri-food products. In 2022, a Report by the Commission made clear that “the EU will continue its efforts at the multilateral level to gain support and reach global consensus on the need for action and internationally agreed standards” for agri-food products. It also stressed, however, that the EU “is able to take measures autonomously when necessary to address global environmental concerns or animal welfare issues”.¹⁷ The recently published report by the Strategic Dialogue on the Future of EU Agriculture appears to follow this argumentation by calling for new efforts to overcome the stagnation of multilateral reform “and to achieve a more coherent global standard setting at the interface of trade and environmental issues.” At the same time, the option is left open to make use of (unilateral) reciprocity models, if necessary.¹⁸

When it comes to the introduction of new (unilateral) agri-food reciprocal standards, those for the use of chemical pesticides are more widely discussed. While its proposal for a regulation on the Sustainable Use of Pesticides was withdrawn by the Commission at the end of its previous term (2024), two recent proposals to adjust the limits for residues of EU-banned

chemicals on imported food products were voted down in September 2024 by the EP. The main reason for doing so was that the Commission only lowered the standards, instead of banning these products completely, as demanded by a large majority of the EP.¹⁹ Another area in which autonomous measures could play a role, at least in the long run, is the field of carbon emissions by the agricultural sector. In the likely case that the agricultural sector is confronted with stricter GHG emission standards or other sustainability policies that will lower the yields of EU croplands, discussions on carbon leakage and ways to prevent that will take centre stage. While this would be addressed ideally via multilateral standard setting, it is not unlikely that the EU must resort to autonomous carbon adjustment measures.

It is increasingly recognised that the introduction of new (autonomous) mirror measures should be based on a careful analysis and consider a broad range of interests. In the Strategic Dialogue we find a more general call “to adopt a comprehensive strategy for agri-food trade”, that should “consider all positive and negative externalities that agri-food trade may have on environmental sustainability, competitiveness of EU producers, animal welfare, and labour standards, as well as on price and choice for the consumer.”²⁰

There is also a clear call in the Strategic Dialogue to make the trade-offs between these concerns based on and informed by evidence about the impact of the measure on these concerns. While the need for better “evidence-informed” policymaking is a common thread throughout the Strategic Dialogue, the need for better insights seems a legitimate one for the impact of trade measures. Especially for autonomous measures, it is hard to tell how the EU’s trading partners will respond to new standards.

16 Camille Gijs, “[We don’t want your EVs, Brazil tells EU as trade talks hit crunch time](#)”, Politico, September 16, 2024.

17 European Commission, “[Report from the Commission to the European Parliament and the Council: Application of EU health and environmental standards to imported agricultural and agri-food products](#)”, June, 2022, p. 22.

18 Members of the Strategic Dialogue, “[Strategic Dialogue on the Future of EU Agriculture; A shared prospect for farming and food in Europe](#),” September, 2024.

19 Angelo Di Mambro, “[MEPs urge EU to end tolerance for pesticide residues in imported food](#),” Euractive, September 18, 2024.

20 Members of the Strategic Dialogue, “[Strategic Dialogue on the Future of EU Agriculture; A shared prospect for farming and food in Europe](#),” September, 2024.

In its 2022 Report, the Commission seems to underestimate the impact of these measures on trade. On the one hand, it recognises that “complying with the EU standards governing agri-food imports may be challenging for some food business operators in third countries”. On the other hand, it also stresses that “they are rewarded by access to an open market of over 400 million consumers, a set of trade facilitating measures and higher prices paid by EU consumers compared to other markets.” For these reasons, it argues, “exports to the EU continue to show an increasing trend.”²¹ In relation to the impact of several autonomous sustainability measures on developing countries, Weinhardt and De Ville make a similar observation on the expected “Brussels effect” and note that “there seems to be hope amongst EU policy-makers that the fears about negative impacts (...) will be overblown and that the market will help these countries adapt.”²² Several *ex ante* studies, however, show that the impact of these measures on trade could be more considerable for specific sectors and countries / regions. A recent modelling study of the impact of several measures mirroring new policies under the Green Deal shows that key agri-food producing countries, including Brazil, China, Canada, and the United States, might not choose to implement these measures. Their products, as a result, could move to other trade destinations.²³ Considering these country or region-specific effects is relevant in relation to the EU’s ambitions to strengthen its food security

“by diversifying the supply of critical imported products”, including animal feed.²⁴

A commissioned study by the European Parliament on reciprocal standards in the agricultural sector from 2018, also shows that these standards affect trade, either in a positive or negative way, or both, depending on the nature of the standards and the products affected. More importantly, the study shows that the impact depends on a range of other factors, including the economic development of countries, their comparative advantage in producing certain products, consumer preferences and the (international) markets institutions and (IT) infrastructure. This complexity makes it hard to assess the impact of mirror standards, let alone to model these impacts *ex ante*. These different effects, moreover, provide an incentive for vested interests to distort information on the impacts, even further complicating the decision-making process.²⁵

How these different (and uncertain) trade impacts in turn affect the position and protection of EU farmers and the competitiveness of EU producers is therefore also difficult to predict. A study on the possible impact of new pesticide reduction measures by the EU shows that this will lead to a loss of income for EU farmers, but with the introduction of a mirror clause, the EU farm income loss is slightly diminished.²⁶ The impact of different measures, however, can be very different for different parties in the agri-food chain. Stricter conditions for soy producers abroad, for example, could lead to

21 European Commission, “[Report from the Commission to the European Parliament and the Council: Application of EU health and environmental standards to imported agricultural and agri-food products](#),” June, 2022. p. 19.

22 Clara Weinhardt and Ferdi De Ville. “The Geoeconomic Turn in EU Trade and Investment Policy: Implications for Developing Countries.” *Politics and Governance* 12 (2024). It is worth pointing out that most autonomous mirror measures refer to global objectives to which most countries have committed themselves. This also seems to support the idea that countries will make an effort to meet these standards as it can help them meet international commitments.

23 Jayson Beckman, Maros Ivanic, and Jeremy Jelliffe. “Market impacts of Farm to Fork: Reducing agricultural input usage.” *Applied Economic Perspectives and Policy* 44, no. 4 (2022).

24 Alberico Loi, Mario Gentile, Dylan Bradley, Maria Christodoulou, John Bracken, Marja Knuutila, Jyrki Niemi and Henrik Wejberg, “[Research for the AGRI Committee - The dependency of the EU’s food system on inputs and their sources](#),” March, 2024.

25 A. Zezza, F. De Maria, M. R. Pupo D’Andrea, J. Swinnen, G. Meloni, S. Vandeveldel, A. Olper, D. Curzi, V. Raimondi and S. Droguè, “[Research for AGRI Committee - Agricultural trade: assessing reciprocity of standards](#),” May, 2018.

26 Alexandre Gohin, and Alan Matthews. “Adding mirror clauses within the European Green Deal: Hype or hope?.” *Applied Economic Perspectives and Policy* (2024).

a better position for European soy producers (e.g. in France and Italy). At the same time, however, these higher standards could lead to increased feed prices in Member States with large livestock populations, such as the Netherlands.²⁷ With farmers operating in different chains and in different positions in these chains, it is therefore hard to decide what standards should be mirrored to create a level playing field.

A more careful and reflexive approach

These uncertainties and complexities with introducing unilateral trade measures should not be used as an excuse for inaction in moving towards a more sustainable trade, the prevention of leakage or a better protection of EU farmers. It does require a more careful, integrated and reflexive approach in developing and implementing these autonomous (mirror) measures. Such an approach should rely, first of all, on better impact assessments that take into account the complexity and uncertainty of predicting the impact of these measures on a broad range of concerns. In doing so, policymakers should not only consider different policy options, but also make better use of different scenarios to take into account the different responses by third countries. These scenarios can help in making better assessments and assist in a more balanced decision-making process. At the same time they will not remove all uncertainties. The suggested approach therefor also requires the close monitoring and evaluation of the implementation and effects of these measures.

This would make it possible to implement adjustments in legislation along the way. In a way this is already the case for some of these measures. The CSDDD directive, for example, draws on the OECD Due Diligence Guideline for Responsible Business Conduct and the experience with several voluntary schemes. The EUDR draws on the experiences of the Timber Regulation, which it repeals, and started off with a modest scope; in the future, the scope could be extended to other products and other natural ecosystems, such as wetlands, based on evaluations by the Commission. Unforeseen and unwanted effects, however, will likely take place and cannot always wait for legal changes and solutions. It is therefore crucial that the EU can and will also turn to other policy instruments to mitigate effects. Again, the EU is taking steps in this direction, for example, by establishing a Joint Task Force to discuss the EUDR with Indonesia and Malaysia and by the launching of a Team Europe Initiative on Deforestation Free Value Chains that focusses on better coordination, technical assistance and capacity building.²⁸ At the same time, there has been criticism of strong siloes (and even conflict) within the Commission, which could undermine the effectiveness of these initiatives.²⁹ Next to providing input for making adjustments to the specific measures under review, to conclude, it is crucial that these insights are also translated and drawn upon in relation to possible other initiatives for setting (unilateral) reciprocal standards. As mentioned, it is likely that new reciprocal standards will be considered in the future. Making use of earlier experiences will play a crucial role in rationalising and structuring the debate on unilateral measures.

27 European Commission, "[Staff working document Impact Assessment: Minimising the risk of deforestation and forest degradation associated with products placed on the EU market](#)", November 17, 2021. Compare p. 55 and 58.



28 European Commission, "[Global Gateway: EU and Member States launch global Team Europe Initiative on Deforestation-free Value Chains](#)," Press announcement, December 9, 2023.

29 Fern, "[EU-Indonesia-Malaysia Joint Task Force must step up its game](#)", press release, October 7, 2024; see also Honglin Zhong, Yanxian Li, Jiaying Ding, et al. Global spillover effects of the European Green Deal and plausible mitigation options. Nature Sustainability (2024).

About the Clingendael Institute

Clingendael – the Netherlands Institute of International Relations – is a leading think tank and academy on international affairs. Through our analyses, training and public debate we aim to inspire and equip governments, businesses, and civil society in order to contribute to a secure, sustainable and just world.

www.clingendael.org
info@clingendael.org
+31 70 324 53 84

 @clingendaelorg
 The Clingendael Institute
 The Clingendael Institute
 clingendael_institute
 Clingendael Institute
 Newsletter

About the author

Dr. Pieter Zwaan is a Senior Research Fellow at the EU & Global Affairs Unit of the Clingendael Institute and an Assistant Professor Public Administration at the Radboud University. He is specialised in EU agriculture and food policies.