

Regulating Biofuel Supply Chains: The EU Deforestation Regulation and EU-Mercosur Energy Trade

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Extended Abstract

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Abstract Summary

The European Union's energy transition increasingly relies on renewable transport fuels, including biodiesel linked to soy-based supply chains originating in Mercosur countries. At the same time, Regulation (EU) 2023/1115 on deforestation-free products (EUDR) introduces binding due diligence, geolocation, and country-risk benchmarking requirements for commodities placed on the EU market, thereby reshaping the regulatory conditions under which biofuel inputs may enter European renewable energy value chains. This paper examines how the EUDR restructures the legal framework governing EU-Mercosur biofuel trade and asks whether the existing EU-Mercosur framework provides sufficient legal coordination for unilateral sustainability measures that condition market access for renewable fuel supply chains. Through a structured doctrinal analysis of EU energy, climate, and trade law, the paper analyses how compliance obligations are allocated along biofuel supply chains, how risk-classification mechanisms affect legal certainty for exporters, and how these developments interact with the sustainable development commitments embedded in the EU-Mercosur framework. It argues that the EUDR reflects an emerging model of supply-chain-based climate governance that strengthens environmental integrity within renewable energy policy while simultaneously redefining the legal parameters of cross-border energy trade. Although the EU-Mercosur framework provides cooperative and procedural interfaces for sustainability measures affecting trade, it does not establish substantive coordination or automatic regulatory alignment with unilateral market-access instruments such as the EUDR. As a result, a coordination gap persists at the EU climate-energy-trade interface, raising questions of coherence, predictability, and strategic positioning in renewable energy markets.

Presenting Author Biography

Aline Michelle Alves Fulgencio is a PhD Fellow at Copenhagen Business School and an attorney admitted to the Brazilian and Portuguese Bar Associations. She holds master's degrees from Lund University, the University of Zurich/University of Lausanne, and the Catholic University of Louvain. Her academic work focuses on EU law, with particular interest in climate, energy and trade regulation, and includes a 2025 conference paper on the EU Carbon Border Adjustment Mechanism.