

The EU and Latin America and the Caribbean: towards a stronger partnership?



ABSTRACT

In the course of the past two and a half years, the European Parliament, the European Commission and the High Representative of the Union for Foreign Affairs and Security Policy, and the Council of Ministers have presented strategic documents on the EU's relations with Latin America and the Caribbean (LAC) and the direction they should take in the coming years.

This in-depth analysis aims to present the main points of view of the three EU institutions and the Member States on the future of EU-LAC relations. Its second half includes a critical assessment of some aspects of the bi-regional relationship as it has developed in recent years, particularly the institutional links and trade issues, and the challenges it may face in the coming years. Here, the focus is on the political divisions in the LAC region, the uncertainty about regional cooperation and integration and the possible challenges to multilateral policies.

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1 Introduction

In the course of the past two and a half years, **all three EU institutions have presented a strategic view on the EU's relations with Latin America and the Caribbean (LAC)**. First, the European Parliament (EP) passed a comprehensive [resolution on the political relations between the EU and Latin America in September 2017](#). It was followed by the [Joint Communication from the European Commission and the High Representative of the Union for Foreign Affairs and Security Policy in April 2019](#) on the future of the EU's relations with LAC, the first such contribution in ten years. The Council of Ministers adopted [conclusions on the EU-LAC relations in May 2019](#) in response to the Joint Communication, adding only few elements that were not already included in it. With these documents, the EU institutions and the Member States set out their vision on the direction the relationship between the EU and Latin America and the Caribbean should take in the coming years — fittingly marking the 50th anniversary of the Council's first statement on the relations with Latin America, from October 1969, and the 20 years passed since the first EU-LAC summit in June 1999.

The **EP resolution, the Joint Communication and the Council conclusions have much in common**. Central to all of them is the notion of **the EU and LAC as like-minded allies sharing fundamental values and a long-standing and comprehensive partnership**. They also express the **need to work for a deeper EU engagement with the region and an even stronger partnership**. Above all, they stress the need to work together with Latin America and the Caribbean to tackle **global challenges** on the basis of a **shared commitment to international cooperation and multilateralism**.

This in-depth-analysis **presents the main points and the basic ideas of the three strategic documents on the future of EU-LAC relations**. The second half of the study aims to critically **assess some aspects of the bi-regional relationship as it has developed in recent years, placing an emphasis on institutionalised links and trade**, and the **challenges** that the relations between the EU and Latin America and the Caribbean — and thus the realisation of the goals set out in the three documents — may face in the coming years. Here, the focus is on the **political divisions** in the region, the **uncertainty about regional cooperation and integration** and the **possible challenges to multilateral policies**.

Instability and turmoil have marked 2019 in many countries in LAC, reaching a sort of climax in the last months of the year that brought occasionally violent social protests (in Chile, Colombia, Ecuador and Haiti), a dramatic change of government (Bolivia) and peaceful, democratic transfer of power in two other countries (Argentina and Uruguay). Political instability and social protests, fuelled by public discontent with social inequalities, in many countries take place against a backdrop of [low or negative economic growth](#) and/or recession, persistent social inequalities and (particularly in South America) a migration crisis of unprecedented dimensions. Although the reasons for political instability and social unrest are different, [observers' forecasts](#) indicate that a convulsive social situation and political instability in many countries are likely to endure. Whatever the long-term political and social consequences of this, it will have an impact on the EU's links to Latin America and the Caribbean and the EU's policies towards the region in the years to come.

2 The EU and Latin America and the Caribbean: visions for the future relationship

The EP resolution, the Joint Communication and the Council conclusions have many points in common, but also differ in length and overall outlook. The resolution is, as expected, the most political document. In addition to setting out the EP's fundamental views on the relations to LAC, it also contains several specific

requests for EU policies and political statements on specific countries, summing up the EP's position on the situation in countries such Colombia, Venezuela and Cuba. In comparison, the Joint Communication includes an overall mix of general considerations and principles with recommendations for actions, some generic and others specific.

The **sequence of the adoption of the three documents** — the EP resolution, the Joint Communication and the Council conclusions — **was somewhat unusual**. Previous EP resolutions on the relationship with the Latin American and Caribbean region have been adopted in response to communications from the European Commission. However, on this occasion the EP was the first EU institution to present its views on the strategic direction of the EU-LAC relations.

The Communication was published approximately one month before the elections to the EP in May 2019 and some seven months before the new Commission, the new High Representative of the Union for Foreign Affairs and Security Policy / Vice-President of the Commission (HR/VP) and the new president of the European Council took office on 1 December 2019. It could therefore also be seen as an initiative to create **continuity in the EU's policy towards LAC** by taking stock of what has been achieved in recent years and setting out new objectives for the coming years, independently of the changes in the political leadership of the European institutions. More specifically, the **priorities outlined in the Communication will influence the programming of the [EU's cooperation with Latin America](#) and the Caribbean** for the next long-term budget period from 2021 to 2027.

2.1 The European Parliament

The Parliament passed the [resolution on the political relations between the EU and Latin America](#) with a large majority (526 votes to 96, with 59 abstentions) on 13 September 2017. It was **the EP's first general statement on EU-LAC relations in more than seven years**. The previous resolution of its kind, [on the EU strategy for relations with Latin America](#), was adopted in May 2010 in response to the Commission's 2009 communication, 'The European Union and Latin America: Global Players in Partnership'. Earlier similar statements include the [resolution adopted in April 2008 on the Fifth Latin America and Caribbean - European Union Summit in Lima](#); the [EP resolution on a stronger partnership between the European Union and Latin America](#), adopted in April 2006, partly in response to the Commission's 2005 communication; the [resolution on a global partnership and a common strategy for relations between the European Union and Latin America](#) passed by Parliament in November 2001; and the resolution entitled '[The EU and Latin America: the present situation and prospects for closer partnership, 1996-2000](#)', adopted in January 1997 and responding to the Commission communication from 1995.

The overall aim of the comprehensive resolution — of 15 pages, including 26 whereas clauses and 61 resolved clauses — is to **strengthen and give more coherence to the EU's links with LAC**. Its fundamental message is that the partnership between the EU and LAC is not only founded on historical and cultural ties, human contacts and strong trade and investment flows, but also shared values and common principles regarding democracy, respect for human rights and fundamental freedoms and the rule of law, and a shared commitment to a global governance based on multilateralism and dialogue.

The EP resolution refers to the existence of a **long-lasting EU-LAC partnership**, but also notes that close cultural, human and economic ties between the two regions cannot be taken for granted and that the bi-regional Strategic Partnership launched in June 1999 is not 'a consolidated achievement'. The resolution **criticises EU policies towards LAC in recent years**, stating that they have been 'systematically relegated to second place' among the EU's foreign policy priorities, despite the cultural and linguistic ties between the regions and the EU's 'need to find new allies in the face of its growing loss of geopolitical influence'.

The resolution addresses a number of **changes in recent years**, in both regions and globally, which **pose new challenges for the partnership**. In Latin America, it highlights positive developments such as the reduction of poverty through economic reforms and social policies, a greater redistribution of wealth, improved access to education, health and housing and the overall consolidation of democratic rule. However, after a decade of 'impressive economic growth', the end of the 'commodities super-cycle' has led to economic stagnation in many countries, putting at risk much of the progress made and threatening to lead to 'millions of people' slipping back into poverty. At the same time, there are increasing public demands for greater democracy and participation and for sustainable economic policies. Similarly, the resolution highlights the increased presence of Asian countries seeking economic partnerships in the region. In the EU, the resolution mentions the economic crisis starting in 2008, the refugee crisis and the challenges linked to the UK's withdrawal from the EU.

This **new geopolitical scenario**, it argues, reinforces the LAC region as a 'strategic priority and opportunity' for the EU's foreign policy and makes it necessary for the EU to strengthen its position as an ally to its LAC partners — in terms of economic links, as a 'partner in social progress' and in the defence of shared values. The EP therefore called on the EU and the Community of Latin American and Caribbean States (*Comunidad de Estados Latinoamericanos y Caribeños*, CELAC) to reinforce their partnership and dialogue, underlining the importance of the summits and the thematic dialogues in this framework.

On the basis of these general considerations, the resolution sets out the **EP's positions on a variety of issues** and makes several **general and specific recommendations**. Its main messages can be summarised as follows:

On the key issue of **multilateralism and joint efforts to address global challenges**, the resolution reiterates the commitment of both regions to step up cooperation on the global agenda. It calls on the EU and CELAC to clearly identify common interests in order to jointly address global challenges in multilateral fora, such as the UN, the G-20, and the World Trade Organisation (WTO). In particular, the EP advocated a multilateral approach in the WTO as the framework for an open international trading system based on predictable and inclusive rules. It also called for a trading system that aims at reducing poverty and promoting sustainable development and that is also more transparent, including through an enhanced parliamentary dimension.

Another main theme of the resolution is **fundamental freedoms** and the respect for **human and social rights**. It calls on the LAC governments to respect and guarantee democratic principles and fundamental rights, underlining the importance of ensuring freedom of assembly, association and expression. The EP stressed that agreements concluded with LAC countries should refer to the right to freedom of expression and freedom of assembly and urged them to ensure full respect for social, environmental and labour rights, including by effectively implementing the conventions of the International Labour Organisation (ILO).

While the resolution highlights efforts to advance freedoms and social rights, particularly public policies to protect vulnerable groups and to distribute wealth and economic growth, it also regretted the attacks (including threats, defamation, arbitrary arrests, torture, forced disappearance and murder) against opposition leaders, journalists and human rights defenders. The resolution calls for measures to protect them and for thorough and impartial investigations to bring those responsible for the crimes against these groups to justice. It also invited EU Member States to consider legislation to freeze assets and impose visa restrictions on individuals involved in serious human rights violations.

The EP resolution also stresses the need to respect and guarantee the **rights and safety of minorities**, such as religious minorities, indigenous people, environmental activists, the LGBTBI community, the disabled, forcibly displaced and stateless people. It specially mentions the need to safeguard the rights of indigenous peoples and rural populations against the environmental impact of development and extractive projects, including through prior consultation and consent mechanisms. Equally, the EP resolution urges actions to

ensure **gender equality**, the empowerment of women and their active participation in society, including by facilitating access to job markets, land ownership, employment and education. It also emphasises the need to **combat femicide** and to ensure women's sexual and **reproductive health** and rights.

The resolution insists that **migration policies** must guarantee **respect for human rights**. It advocates a comprehensive approach to migration that recognises migrants' economic and social contribution to their host countries and the importance of establishing legal paths for them to obtain citizenship there. It calls for measures to facilitate mobility between countries, while at the same time ensuring labour rights.

On the **rule of law and good governance**, the EP stressed the need to **step up efforts to combat corruption, tax fraud and impunity**. It called on both the EU and the LAC countries to take measures to ensure effective law enforcement and the implementation of international anti-corruption conventions. On taxation, the EP stated that tax havens and tax avoidance are detrimental to economic and social development. It recommended to pursue new international provisions to **put an end to tax havens**, for instance regarding the automatic exchange of tax information and the lifting of bank secrecy.

The EP advocated **stronger bi-regional cooperation on defence and security** to meet challenges such as terrorism and the fight against drug trafficking and organised crime, including police and military coordination, particularly on information sharing, Latin American participation in EU crisis management and peacekeeping missions, cooperation in maritime security, disarmament, non-proliferation and arms control. The EP encouraged military cooperation in order to develop a special emergency aid corps to be deployed to natural and humanitarian disasters. The resolution encouraged the **EU to support LAC countries in tackling public security challenges**. It referred especially to the need to continue supporting the Central America Security Strategy (CASS) and the Caribbean Security Strategy. Regarding international **drug-trafficking**, it stressed the need to step up cooperation among all countries in the Atlantic region, including the West African countries concerned.

The sections of the resolution dealing with **economic and trade relations** address several issues, including the importance of creating conditions to allow the economies of both regions to become less dependent and on global cyclical variations and the need to integrate them into global value chains, based on a circular economic model. The EP encouraged public and private partnerships to foster economic development, entrepreneurship, growth and foreign investment.

The EP also called for **bilateral and multilateral trade agreements to be an 'effective tool' in tackling global challenges** and to **contribute to sustainable development** by promoting decent work and social dialogue. Overall, it underlined the importance of efforts to strengthen economic partnerships within the region and with external partners to create an environment that attracts long-term investment, together with strong democratic institutions and responsible economic planning.

The EP stressed the vital importance of 'systematically including' **rules on corporate responsibility** and clauses safeguarding **human and social rights in trade and other agreements with LAC countries**. It also pointed to the need to guarantee the active involvement and consultation of civil society during the negotiation and implementation process of trade agreements.

The EP took the view that achieving the **Sustainable Development Goals (SDGs)** should be the primary goal of cooperation between the EU and LAC and that the cooperation should include all dimensions of economic, social and sustainable development, not only poverty eradication. The resolution called on the European Commission and the LAC countries, which are vulnerable to natural disasters and the impact of climate change, to adopt climate-resilience measures and risk-prevention strategies.

The EP resolution insists on the persistence of poverty and social inequalities in LAC, despite significant economic development. It recalls that not only economic growth and trade are needed to **eradicate poverty and reduce inequality**, but also **inclusive policies to strengthen social cohesion and**

distribute wealth, the provision of essential **public services**, better **work opportunities** and access to **education**. In this regard, the EP stressed the need for 'sustainable and effective' tax systems to foster economic growth and the development of welfare states providing **public goods and services**.

The resolution mentions in particular the need to offer **opportunities for quality work and education to young people**, including for the political stability of LAC. Similarly, development cooperation programmes should also tackle the problems, such as violence and organised crime, which affect young people and adolescents in particular.

The EP resolution makes **comprehensive recommendations on EU-LAC cooperation**. The EP has defended the continuation of EU development cooperation with countries that in principle ceased to qualify for bilateral development assistance under the Development Cooperation Instrument (DCI) under the differentiation principle introduced in 2016. In line with this, the resolution underlined that **the EU should continue giving official development assistance to all LAC countries**, applying criteria for granting assistance that go beyond *per capita* income. Specifically, the EP 'strongly requested' the Commission to continue providing **bilateral cooperation to middle and higher income countries** during the validity of the current financing instrument for development cooperation, up to 2020, and beyond.

In general, the resolution urged the EU to **boost budget support programmes** and to allocate the necessary financial resources to fulfil the commitments made at the bi-regional summits. It also expressed support for increasing the sums the **European Investment Bank (EIB)** is mandated to lend to Latin America, responding to the need for funding in priority areas such as climate change mitigation, infrastructure development and support for SMEs.

At the same time, the EP called for a **better coordination of policies and cooperation programmes**, underlining principles such as effectiveness, mutual responsibility, transparency, accountability and the alignment with the recipient countries' development strategies. It also called for better coordination with other multilateral development partners, such as the Inter-American Development Bank (IDB) and [the Development Bank of Latin America/CAF](#).

The resolution emphasised the key role of **cooperation in science, technology and innovation** and the importance of stimulating the **mobility and training of researchers and professors**. It also encouraged further cooperation to promote technological development and enhance access to information and communication technologies, adapting societies to the digital transformation, and assistance to fiscal and public finance management reforms.

Likewise, it called for more **cooperation on environmental issues**, giving priority to the energy transition and the decarbonisation of the economy, supporting the development of renewable energies. The EP resolution considered that another focus area should be policies to tackle the **causes and consequences of climate change**, including forest management and efforts to improve governance and judicial procedures to protect forests, and expanding agro-ecological farming.

The resolution specially referred to the **exchange of knowledge and the international mobility for students and academics**, welcoming the success of the Erasmus+ programme. It encouraged further cooperation in this field through boosting the Erasmus+ as part of a higher-education partnership with the CELAC countries, and also called for advances towards the full and mutual recognition of university degrees and to strengthen cooperation on quality and accreditation systems.

The Parliament **deplored cuts in humanitarian aid**, especially in the areas most in need of aid (such as Northern Triangle in Central America, Haiti and Colombia) and/or particularly affected by climate change and natural disasters.

The resolution reiterates the EP's and the EU's traditionally **strong support for regional integration** in Latin America and the Caribbean. It recommends to enhance dialogue, cooperation and the exchange of best practices with CELAC, Mercosur, the Andean Community of Nations, the Central American Integration System (*Sistema de Integración Centroamericana*, SICA) and the Pacific Alliance (*Alianza del Pacífico*) and to strengthen the institutional framework for this.

The EP mentioned the Pacific Alliance as a particularly dynamic group; it called on the HR/VP to look into the possibility that the EU become an observer to the Alliance, as [20 EU Member States](#) are. It also welcomed the dialogue between Mercosur and the Pacific Alliance with a view to their gradual convergence and in general stressed the need for more coordination between the different regional integration schemes.

On the **relations with individual countries**, the EP welcomed **Ecuador's** accession to the Trade Agreement with **Colombia** and **Peru** and recalled that **Bolivia** was welcome to join. It requested Ecuador to be given the same waiver for short-stay Schengen visas as Peru and Colombia. It also called for the EU to grant **Argentina** the status as **strategic partner** (as has been granted to Brazil and Mexico), given the country's role as an 'outstanding player in the region' and member of the G20.

As to its own role in bi-regional relations, the EP found that the **EuroLat Assembly** and the **parliamentary delegations** were 'very successful and useful' for the EU-LAC political dialogue and for transmitting the demands of citizens to the EU-CELAC summits. In addition, to reiterate the importance of boosting interparliamentary cooperation and dialogue with LAC, the resolution stressed the importance of ensuring the visibility of EuroLat and the dissemination of its discussions and conclusions.

Similarly, it highlighted the role of the [EU-Latin America and Caribbean Foundation](#) in supporting the bi-regional partnership, and requested the creation of permanent channels of cooperation between the Foundation and the EuroLat Assembly. Equally, it recognised the **role of the Ibero-American summits** and the Ibero-American General Secretariat (*Secretaría General Iberoamericana*, SEGIB) in bringing 'added value' to the partnership between the two regions. It called for the creation of a formal cooperation mechanism between the EU and the Ibero-American summits/SEGIB.

2.2 The Joint Communication on the EU's relations with Latin American and the Caribbean

The European Commission and the HR/VP published their long-anticipated **Joint Communication to the EP and the Council on the EU's relations with Latin America and the Caribbean (LAC) on 16 April 2019**, under the title '[European Union, Latin America and the Caribbean: joining forces for a common future](#)'. The document sets out main goals and priorities — the 'strategic direction' — for EU-LAC relations in the coming years, aiming at what it describes as a '**stronger and modernised bi-regional partnership**'.

The Communication was the result of — [in the words of former HR/VP Federica Mogherini](#) — 'more than one year of work' and of comprehensive consultations among the EU institutions, civil society representatives and other stakeholders. It is the first strategic document of its kind since the [Commission's Communication to the EP and the Council 'The European Union and Latin America: Global Players in Partnership'](#) was published more than a decade ago, on 30 September 2009.

Earlier communications include those published in December 2005 (*A stronger partnership between the European Union and Latin America*), in October 1995 ([The European Union and Latin America: The present situation and prospects for a closer partnership 1996-2000](#)) and in December 1986 ([Communication from the Commission to the Council: The European Community and Latin America](#)).

The 2019 Communication does not stand alone. It could be seen as an effort to substantiate the **Global Strategy for the EU's Foreign and Security Policy** ([Shared Vision, Common Action: A Stronger Europe](#))

from June 2016 as regards Latin America and the Caribbean. The references in the Global Strategy to the EU's relations and policies towards the region are brief, but it clearly states the goal of expanding cooperation and building stronger partnerships with LAC 'grounded on shared values and interests'. Similarly, it declares that the EU would develop multilateral ties with and different regional groups, would pursue a free trade agreement with Mercosur, 'build on' the Political Dialogue and Cooperation Agreement (PDCA) with Cuba and invest in deeper socio-economic links with the region.

A few goals set out in the Global Strategy are not found in the 2019 Communication. This is the case for the intention to step up dialogue and cooperation on maritime security and to seek closer links through visa facilitation measures. The Strategy's pledge to 'actively support the negotiation and implementation of peace agreements in the region, as [...] in Colombia' has also been left out; possibly because it is unclear what potential peace agreements it referred to.

As underlined in the Communication, it is also **in line with other documents specifying fundamental goals and principles of EU foreign policies**. These include the [European Consensus on Development](#) from 2017, the [2030 Agenda for Sustainable Development](#) from 2016, the trade and investment strategy [Trade for All](#) from 2015 and (relevant for the Caribbean) the [negotiating directives for a Partnership Agreement between the EU and the countries of the African, Caribbean and Pacific \(ACP\) Group of States](#), adopted by the Council in 2018. As such, the Joint Communication is **similar to other basic documents setting out objectives and areas of action for EU policies** towards other regions. Recent examples are the joint communications '[An integrated policy for the Arctic](#)' from 2016, '[Elements for an EU strategy on India](#)' from November 2018, '[EU-China - a strategic outlook](#)' from March 2019 and the '[The EU and Central Asia: New Opportunities for a Stronger Partnership](#)' from May 2019.

The proposal and recommendations of the Joint Communication are based on the **declared interest in deepening relations with the LAC countries and regional groups** and remaining a '**stable and reliable**' partner for the region. The Communication notes that the EU wishes for the partnership to take a 'stronger stand' for values and vital interests and make better and more targeted use of the different dimensions of bi-regional relations. It undertakes to work towards a '**more strategic**' EU political engagement and to step up **efforts to reinforce the partnership** with the countries or regional groups 'willing to do more' to further common goals. The Communication also aims at making **EU actions in LAC more coherent** and 'joined up'. Its implementation will therefore be pursued in close cooperation with Member States.

The Communication emphasises that its vision builds on an already existing 'successful and long-standing' strategic partnership. However, as it also notes, a '**fast evolving**' geopolitical environment and '**changing global and regional realities**' have created new challenges and opportunities for the partnership that demand an 'ambitious and innovative approach' and call for more effective regional and bilateral cooperation. The Communication highlights three changes:

- **China's growing relevance** as a partner for LAC. China-LAC trade grew from USD 10 billion to USD 244 billion between 2000 and 2017, meaning that China is rivalling the EU as Latin America's second trading partner (the Communication however also indicates that the EU is the third trading partner of Latin America and the Caribbean).
- The **changes in the USA's 'traditional role** and influence' in the region.
- The '**new challenges**' faced by LAC, including the demands of a digital and integrated global economy, the need to safeguard the environment and promoting economic growth while ensuring 'fair social outcomes' and ensuring long-term democratic consolidation and sustainable development.

To tackle these challenges, the Joint Communication proposes a partnership that concentrates on **four 'mutually reinforcing' priorities: prosperity, democracy, resilience and effective global governance**. Under each of these four priorities, the communication sets out proposals for cooperation in several —and often very diverse— areas.

A stronger partnership: the Joint Communication's four priority areas

A partnership for prosperity

The first priority area, **partnering for prosperity**, includes actions to help the region to address 'persisting macroeconomic challenges' and to diversify and modernise its economies, adapting them to globalisation by making them more sustainable. This implies reducing inequalities, creating 'decent jobs' and promoting a transition towards a green economy. The communication proposes that the EU 'steps up' its engagement in a number of areas, including by:

- **Facilitating trade and investment links**, between the two regions and within LAC. This includes a commitment to complete the ongoing negotiations of trade and association agreements and to ensure that they are swiftly ratified and fully implemented.
- These agreements should not only bring economic benefits, but also be **instruments to promote sustainable development, human rights and good governance**, including the implementation of social, labour and environmental standards. They should also be used as **tools for regulatory convergence** to support high standards of food safety, animal health and plant health. The need for **greater transparency in trade negotiations** and for promoting the participation of civil society in their implementation is stressed.
- As regards **intra-regional trade and investment**, the Joint Communication sets the goal of supporting regional integration in LAC by sharing EU experience on tackling non-tariff barriers to trade and promoting regulatory convergence and harmonisation. In multilateral settings, it is proposed to work together in the UN Commission on International Trade Law with a view to creating a permanent 'Multilateral Investment Court'. The communication proposes to encourage LAC countries to ratify and implement the WTO's Trade Facilitation Agreement and to access the Agreement on Government Procurement.
- **Promoting environmental sustainability and the green economy** is another priority area of the 'partnership for prosperity'. The Communication highlights the potential of bi-regional cooperation and exchange of best practices in areas such as renewable energies and energy efficiency, the sustainable management of natural resources and raw materials, and the transition to a circular economy.

It mentions how European technology and expertise could help LAC in releasing its potential for **developing sustainable and renewable energy** (hydro, wind, solar, ocean and geothermal) and at the same time create jobs and business opportunities. As regards the circular economy, the management of plastics, marine litter and chemicals and waste are highlighted as areas that should receive particular attention. In addition, it focuses on two other fields of cooperation contributing to environmental sustainability and climate policies: the 'blue economy' and the sustainable use of marine resources, and the promotion of sustainable urbanisation (including low carbon mobility, restoration of urban ecosystems).

- **Efforts to promote 'decent work' and better work conditions**, corporate social responsibility and the implementation of international labour standards is another focus. The Communication highlights the importance of ensuring compliance with the ILO conventions, including regarding the freedom of association and the eradication of child labour. More broadly, it refers to the transfer of the EU's 'successful experience' in dialogue with social partners and support for the 'transition to the formal economy' in LAC. It advocates closer cooperation to increase the productivity of micro, small and medium-sized enterprises, including by 'making full use' of the association and trade agreements.
- **Promoting more investment in knowledge, innovation and the development of human capital**. The Communication states that both regions should make use of the Horizon 2020 and Horizon Europe programmes to foster mobility, scientific excellence and 'joint solutions to global challenges' in the

framework of the [EU-LAC Common Research Area adopted in 2016](#). It proposes to act jointly to develop human capital, including by continuing cooperating in higher education on exchanges, capacity building and strengthening dialogue in academia and between policy makers. Closer cooperation on vocational education and training is mentioned as a way to respond to the demands of the global economy and to contribute to creating decent jobs and improving the competitiveness of strategic economic sectors.

- **Advancing innovation and digitalisation** and **cooperation on new technologies**. This includes cooperation on regulatory alignment, the development of artificial intelligence, investment in high-speed data infrastructure and the use of the European Global Navigation Satellite System and the Copernicus earth observation programme. The communication notes that the EU's Digital Single Market could provide a model for a digital single market in LAC, stimulating cooperation in areas such as cybersecurity and internet governance, e-government, e-commerce and cross-border payments. It also highlights the importance of convergence between the two regions as regards the **protection of personal data** to further facilitate data flows. It also put focus on the [submarine fibre optic cable between Latin America and Europe](#) (scheduled to be ready for use in 2020) that will provide a high-speed broadband connectivity expected to further boost economic and scientific exchanges.
- Finally, the communication proposes to enhance connectivity between the two regions through **enhanced cooperation on transport** (including rail, maritime and air transport) **and space technology**. It is most explicit on stronger cooperation in the field of aviation, stating that new **air transport agreements** would improve market access and create new business opportunities, provide more connections and better prices for passengers, and should also facilitate cooperation on aviation safety and security, social issues and the environment. The communication argues that there is untapped potential for sharing know-how and technology on **space technology**. It recommends to make full use of the Copernicus satellite cooperation agreements to help address challenges related to the protection of the environment, climate change and urban development.

Democracy and the rule of law

The EU's commitment to defending and promoting democracy, the rule of law and the respect for human rights lies at the heart of the second priority listed in the communication, **partnering for democracy**.

Underlining that the promotion of democratic political systems is a priority in the EU's external policy and that democracy and human rights are 'at the core' of the EU-LAC partnership, the communication asserts that the two regions 'stand to gain' from working together to strengthen democratic institutions, enhance the rule of law, promote the transparency and accountability of public institutions and improve the protection of human rights. This is all more so as 'shortcomings in governance, democracy, human rights and the rule of law, gender equality, corruption or the shrinking space for public participation and civil society' hamper the development efforts of any society. The communication outlines **six strands for the promotion of democracy**, the rule of law and respect for human rights:

- **Bilateral and regional cooperation**, including with the Organisation of American States (OAS), and coordination in relevant UN bodies **to enhance the respect for human rights**, particularly freedom of expression and association; gender equality; non-discrimination of minorities, such as LGBTI persons, indigenous people and the disabled; economic, social and cultural rights; the function of the judiciary; efforts to end torture and the death penalty.
- **Strengthening civil society** by tackling the threats to civil society space, including by promoting the role of journalists, human rights and environmental defenders and trade unionists and promoting a legal and political environment which allows them to act freely and safely.
- **Promoting gender equality** and the political, social and economic rights of women and girls, including by fighting gender-based violence.

- Stronger **support to the functioning of 'credible and transparent' democratic institutions** and to the organisation of fair and free electoral processes through election observation, expert advice and the exchange of experiences. The Communication pledges EU support to efforts in LAC to modernise and make public institutions more effective, including through mobilising more revenues as a result of fiscal reforms and ensuring a merit based civil service.
- **Reinforcing the fight against corruption, money laundering and terrorist financing** through technical assistance, exchange of best practices and the ratification and implementation of international agreements.

Resilience

Under the heading '**partnering for resilience**', the Communication proposes to jointly address a variety of issues that put social cohesion under 'constant stress', in particular in the 'most vulnerable' LAC countries. These include globalisation, social inequalities, urbanisation, climate change, environmental degradation, natural disasters, migration and forced displacement.

The use of 'resilience' as a key concept in EU foreign policies was introduced by the Global Strategy, which defined enhancing the resilience of states and societies in the EU's eastern and southern neighbourhood and beyond as a central objective. The EP passed a [resolution on resilience as a strategic priority of the external action of the EU](#) in June 2017. The resolution stressed the multidimensional — human, economic, environmental, political, security and societal — nature of the concept, and welcomed that it was becoming important in the EU's foreign and security policy, development cooperation and humanitarian assistance. In line with this, the Communication states that the EU should propose a 'multifaceted and tailored approach' to tackle 'state, society and ecosystems resilience'. Based on the SDGs, EU-LAC cooperation in these areas should focus on seven areas:

- Strengthening **resilience to climate change** and supporting the **transition to low carbon economies**. Cooperation should build on the [existing EUROCLIMA+ programme](#) and loans from the EIB to finance projects. The Communication specifically highlights cooperation on sustainable food systems and adaptation and mitigation measures in the agricultural sector. It also refers to the contribution of the [EU Civil Protection Mechanism](#) and the [Emergency Response Coordination Centre \(ERCC\)](#) to efforts in LAC on disaster risk reduction.
- Promoting **the sustainable management of natural resources**, including the **conservation of ecosystems** and **sustainable agricultural supply chains**. Actions in this field should counter the loss of biodiversity and other forms of environmental degradation as a result of the increasing pressure on natural resources, and the negative impact it has on the livelihoods and well-being of vulnerable groups, such as indigenous and local communities.
- The Communication proposes an intensified EU-LAC dialogue on **social cohesion**, against a backdrop of persisting social inequalities and the increase of the number of people living in poverty in recent years — trends that are an obstacle to social cohesion, economic growth and lead to crime and violence and lowered trust in democratic institutions.
- Enhancing cooperation on 'fair and effective **tax systems**', tackling tax fraud and evasion, and on **social protection**. The existing [programme EuroSOCIAL](#) is highlighted as a framework for the exchange of experiences on tax and redistributive policies and social services. Cooperation to ensure the implementation of global standards on transparency and the exchange of information on fair taxation and tax evasion should continue.
- Reinforced dialogue and cooperation on **public security and the fight against organised crime**. It should build on mechanisms such as the existing anti-narcotics cooperation programmes, the seminars on citizen's security organised by the EU and CELAC and the cooperation between law enforcement

agencies. The Communication notes that cooperation to reduce poverty, social exclusion and the mismanagement of natural resources can also help to address the causes of crime.

- Deepening interregional dialogue and cooperation on **migration**, exchanging experiences and good practices. It refers to goals such as the **prevention of irregular migration** and **human trafficking**, stronger **border management** and the increase in the number of returns and readmissions, but also the **integration of migrants** and the protection of people in need.
- The **resilience of institutions** at various levels (local communities, society and the state) is another area where an enhanced policy dialogue between the EU and the LAC would contribute to promoting good political and economic governance and ensure the rule of law.
- Further promoting **cultural cooperation** as a tool to make the two regions' cultural diversity and heritage a resource for human and economic and social development. This should include people-to-people exchange programmes, inter-cultural dialogues and support to co-productions and partnership projects in the cultural and creative industries.

Global governance

The fourth priority responds to the goal of preserving and strengthening multilateralism and contributing to effective global governance. Observing that the two regions together account for around one third of the UN member states, a 'substantial number' of G20 members and two thirds of the members of the Organisation for Economic Cooperation and Development (OECD), the Communication outlines six areas where the EU and LAC should take joint action:

- Efforts to **strengthen the multilateral system**, notably through a 'comprehensive reform' of the UN, including the Security Council, and continuing support to the International Criminal Court (ICC).
- **Cooperation on peace and security.** The Communication argues that the EU is a natural partner for LAC in promoting the peaceful settlement of conflict and notes that Latin American countries have been at the forefront of contributing to EU-led crisis management operations. Cooperation should include areas such as cyber security, hybrid threats, security sector reform, border security, human and arms trafficking, small and light weapons, and actions to counter radicalisation and terrorism, as well as efforts to advance the goals of the [Treaty on the non-proliferation of nuclear arms](#) and the ratification and implementation of the [Arms Trade Treaty](#). The Communication underlines the need for continuing EU support to the implementation of the Peace Agreement in Colombia.
- EU-LAC cooperation to advance **multilateral climate and environmental governance** should build on the role of the two regions in adopting the 2015 Paris Agreement, aiming to ensure that it is effectively implemented and leading a global transition to clean energies. On **biodiversity**, the Communication advocates interregional cooperation on more effective implementation of multilateral agreements (the [Aichi Biodiversity Targets](#) and the [Strategic Plan for Biodiversity 2011-2020](#)) and on a robust biodiversity framework for the years after 2020.
- Closer **cooperation to strengthen international ocean governance** to create conditions for sustainable ocean management and the 'blue economy'. Specifically, it mentions cooperation to develop a legally binding international instrument on the conservation and sustainable use of marine areas outside national jurisdiction, on the fight against Illegal, Unreported and Unregulated fishing and on fisheries in general.
- Implementing the **2030 Agenda for Sustainable Development**, in line with the key role of the two regions in shaping this multilateral agreement.
- Joint efforts to uphold an **open, non-discriminatory and rules-based system of international trade**, by working towards a **reform of the WTO** and its mechanisms for rule-making, monitoring and dispute settlement. Such a reform should aim at preserving a 'strong and well-functioning' WTO.

2.2.1 Implementing a stronger partnership

The Communication argues that **renewed forms of engagement** are needed to achieve its goals. The EU will seek to take a **more strategic approach to the relationship with LAC**, work for a more comprehensive framework of inter-regional cooperation and promote the role of civil societies. It upholds the principle that **EU policies towards LAC should reflect the partner countries' diverse realities** and political priorities and avoid a 'one size fits all' approach. They should maintain the engagement at different levels: bilateral, sub-regional, bi-regional and multilateral.

The Communication also notes that the **existing institutional framework** — the political dialogues created by the agreements concluded or being negotiated with most countries in the region — is **adequate to enhance cooperation** on bilateral and regional issues. However, it also recommends that the EU seek to deepen its association with countries and regional groups that are 'willing and able to step up engagement on shared goals' (but without identifying them).

Support to regional integration in LAC will remain a priority. The Communication highlights CELAC and four sub-regional groups: the Pacific Alliance, Mercosur, SICA and the Caribbean Forum (CARIFORUM)/Caribbean Community (CARICOM). Close collaboration with other kinds of regional and hemispheric organisations (including the United Nations Economic Commission for Latin America and the Caribbean (ECLAC), the OAS, the Ibero-American General Secretariat, the IDB, or the Development Bank of Latin America) is also set to continue.

In line with the goal of promoting **multilateralism and global governance**, the Communication looks to giving the **EU-LAC partnership a more prominent global position** and making it better suited to 'protect and deliver global public goods', including through joint positions in multilateral fora. To this end, the two regions should intensify their **consultations before important international conferences** and **discuss multilateral cooperation** at their dialogue at all levels.

Increased political engagement should also lead to **joint efforts to address crisis situations** and to promote democracy, peace and security generally. The Communication highlights the International Contact Group (ICG) on Venezuela as an example of **joint diplomatic action** based on a multilateral and inclusive framework to address crisis situations. As such, it embodies shared values as regards democracy, the rule of law and the respect for human rights, as well as the EU's 'cooperative and rules-based approach' to EU foreign policy.

Also the EU's **trade and investment policies should pursue broad, value-based objectives**. The Communication states that the trade agreements should not only promote economic interests, but also help to further democracy and prosperity and **'more inclusive and sustainable' forms of globalisation**.

In addition to a more strategic political engagement with LAC, creating a **'comprehensive framework' for cooperation** with the region is seen as key to fulfilling the potential of the bi-regional partnership, allowing for 'decisive action on shared interests'. The communication outlines four characteristics of this cooperation:

- It should be 'tailor-made', **adapted to the region's different realities**.
- It should **respond to the political priorities** defined by the political dialogues at different levels and by consultations with civil society. Overall, cooperation to support the implementation of the 2030 Agenda for Sustainable Development should be a 'core component' of EU-LAC cooperation in the years ahead.
- Cooperation should be **comprehensive**, responding to an ever broader partnership agenda and to increasingly complex challenges by making use of different instruments and policy areas;

- It should be **coherent**, with different policies and instruments contributing to the wider goals of the partnership.

Noting that the EU should make full use of its range of instruments and programmes for cooperation, the Communication recommends 'innovative means' to further advance the EU-LAC partnership. One of these is **triangular cooperation**, in which the EU recognises the importance of the cooperation of more advanced developing countries in LAC with other developing countries. It also stresses the need to promote both **public and private financing**, including through blending finance and support to investment in projects that are susceptible to producing high economic, environmental and social returns. In view of the diminishing flows of official development assistance, the Communication highlights the **important role of the EIB** and development finance institutions in the Member States. It also refers to the [Commission's proposals for a reform of the EU's external funding instruments](#), arguing that their new and simplified 'architecture' and the 'greater flexibility to meet the challenges and maximise the opportunities' of the bi-regional partnership will benefit the EU's cooperation with LAC.

Overall, **adapting EU cooperation to the LAC region's diversity is a key point**. The Communication states that the EU should engage with countries at different levels of development 'in an increasingly diversified and tailored manner' and that EU cooperation should primarily target countries where the needs are greatest and/or which are in 'situations of fragility and conflict'. Given the vulnerabilities and 'structural constraints' of middle-income countries in achieving sustainable development, the EU should **continue targeted development cooperation where there is a need** for it, and develop new, 'innovative engagements' with these countries to promote the **implementation of the 2030 Agenda**, although they need fewer forms of assistance. The communication also advocates further engagement in policy dialogues and the exchange of experiences on shared challenges, such as poverty eradication, governance and refugee crises.

A third force driving a stronger partnership with Latin America and the Caribbean is the **engagement with civil society**, including local governments, the private sector, employers' organisations, trade unions, cultural organisations, think tanks, academia and 'young people' (all actors mentioned in the Communication). Noting that ties between people in the two regions are very dynamic, the Communication states that contributions from civil society should continue to inform political and policy dialogues to ensure that they 'respond to the concerns of citizens'. Similarly, EU-LAC cooperation should aim at sustaining civil society's capabilities as regards advocacy and promoting the accountability of governments and, in general, assisting civil societies in fulfilling their potential.

The Communication mentions only very briefly the parliamentary dimension of the EU-LAC partnership (over four lines of text). It notes that it is an '**essential component**' of the two regions' political engagement, but limits itself to declaring that the '**constructive and active role**' of the EP and other parliamentary bodies in the regional partnership 'should continue in the future'.

2.3 The Council conclusions

The **Council of Ministers endorsed the strategy** laid out in the Joint Communication in the [conclusions adopted on 13 May 2019 by the Foreign Affairs Council](#), less than a month after the Communication was published.

Previous declarations of the Council on EU-Latin American relations include [a statement adopted in October 1969](#) (the Council's first declaration on Latin America) recalling the importance of developing good relations between the European Community and Latin America; the [conclusions by the Council and the representatives of the governments of the Member States](#) concerning the relations with Latin America

(adopted in the framework of the European Political Cooperation mechanism) from 1987; the [Basic Document on the relations between the EU and Latin America and the Caribbean from October 1994](#), the [conclusions adopted in February 2006](#) in response to the Commission's communication from 2005; and the [conclusions on the Commission Communication regarding the EU-Latin America relations from December 2009](#).

The Council conclusions are short and add few elements to the Joint Communication. The Council welcomed it and endorsed the actions outlined under the four priority areas (the partnerships for prosperity, democracy, resilience and effective global governance). It invited the HR/VP and the Commission to work to implement these priorities in close cooperation with Member States and announced that it would **review the recommendations in 2020**.

The Council also underlined how **EU-LAC relations had strengthened** significantly and come to represent 'an important pillar of the EU's global action'. It declared its commitment to build on the 'major achievements' of the relationship and **work even more closely in the multilateral framework**, notably at the UN and at the WTO, to promote growth and sustainable development, strengthen respect for democratic principles, the rule of law and human rights, build more resilient societies, preserve and promote peace and security, multilateralism and a rules-based international order.

The Council observed that the two regions had been central to achieving multilateral agreements such as the 2030 Agenda for Sustainable Development and the Paris Agreement, stating that their **strategic alliance would be crucial to ensure effective compliance with such agreements**. Equally, it highlighted the **distinct approach of the EU-LAC partnership**, based on values and a cooperative model aiming at mutually beneficial outcomes, in contrast to other models 'less concerned with good governance, transparency and accountability'.

Compared to the Joint Communication, the Council conclusions give a somewhat more prominent position to the **promotion of democracy, the rule of law and the respect for human rights and fundamental freedoms**, stressing that they must remain fundamental to EU-LAC relations. In a clear allusion to countries such as Venezuela and Nicaragua, the Council noted that the breakdown of democracy and fundamental freedoms was at the root of the crises in some Latin American countries and that these crises could only be solved by returning to constitutional democracy and the separation of powers. Observing the need for all people to live free from discrimination and violence, the Council stressed that the EU and LAC should continue to promote **gender equality** and the empowerment of women.

The Council conclusions also refer to the concept of resilience, accentuating that the two regions should work to **consolidate economic, environmental and societal resilience**, enabling all countries to better withstand natural or man-made crises. Equally, the conclusions include dialogue and cooperation in a wide range of fields under the concept of 'resilience', including climate change and the preservation of biodiversity, the eradication of social inequalities and efforts to combat organised crime and corruption.

Regarding **economic and trade relations**, the Council found that they offered a 'huge untapped potential'. Noting the increase in EU investments in LAC countries and the benefits they bring — by promoting social and environmental responsibility, creating 'decent jobs' and contributing to human development — the conclusions stated that shared prosperity should be further enhanced through **more private investment** and the **effective use of trade agreements**. The Council also stressed that the economic partnership should help to advance the transformation towards sustainability and green economies and promote knowledge, innovation and the digital economy. Similarly, it stated the need for joint action to ensure that trade and investment policies bring benefits to citizens and consumers and help strengthening good governance, public health, gender equality and social, labour and environmental standards.

The Council underlined that the **cooperation with LAC** must be able to respond to 'new and more complex needs and expectations', meaning that it should also help to consolidate the progress achieved in the **countries with high levels of development**. To this end, the EU should **assist in promoting structural reforms**, aimed at reducing social and economic inequalities, encouraging innovation and adapting the economies to technological changes.

The Council saw the 2030 Agenda for Sustainable Development as an opportunity for joint action to consolidate the development gains made in LAC. As in the Joint Communication, it saw the proposed reform of the EU's external financing instruments under the 2021-2027 Multiannual Financial Framework as an innovative tools to boost cooperation in areas such as research, digitalisation, clean energy and connectivity, promoting the sharing of experiences and knowledge.

Similarly, the Council stressed the need to further explore and exploit the potential of **working together in multilateral fora** to promote effective global governance and shape international rules in areas such as sustainable development, climate policies, trade and investment and technological developments. This would require a **'more systematic and structured' coordination** between the two regions. The conclusions encourage stronger cooperation to preserve a strong multilateral trading system and specifically to reform the WTO.

The Council also reiterated the EU's commitment to the **'strategic objective' of supporting regional integration** and 'cooperative regional orders'. It expressed expectations of an enhanced dialogue and cooperation with both CELAC and sub-regional groups as the Pacific Alliance, SICA, and CARIFORUM / CARICOM. In the conclusions, the EU Member States made clear their willingness to resume the EU-CELAC summits in order to provide the bi-regional partnership with a 'strategic steer' — although without identifying the factors that would allow for a resumption of the summits.

Finally, in line with the Joint Communication, the conclusions emphasise the importance of the 'full involvement' of civil society in 'all dimensions' of the bi-regional partnership. However, they **do not address its parliamentary dimension** or the **existing interparliamentary dialogue**. The conclusions only refer to 'parliamentarians' among the 'stakeholders' who should contribute to the future of EU-LAC relations, along with 'sub-national entities', civil society actors, the private sector, the EU-LAC Foundation, think tanks and academia.

3 Achievements and challenges: state of play

All three strategic documents note that their recommendations for the future of the EU's relations with Latin America and the Caribbean build on the achievements made in past years. The Joint Communication is most explicit in this regard. It refers to the 'successful and long-standing' strategic partnership that has allowed the two regions to reach an 'unprecedented level of integration'. Although the Communication does not go into detail about the results and challenges of the bi-regional partnership it lists the following achievements:

- The EU has concluded **association, free trade or political and cooperation agreements** with 27 of the 33 countries in the region.
- The **frequent alignment** between the countries of the two regions in the UN, and their cooperation on the Paris Agreement on climate change and the 2030 Agenda for Sustainable Development.
- Close economic ties, including a **growth of 22 % in the total value of trade in goods** (to EUR 225.4 billion) between 2008 and 2018, and the EU's status as the first foreign investor in the LAC region.

- The EU is the largest provider of **development assistance** to LAC, with EUR 3.6 billion earmarked for bilateral and regional cooperation programmes between 2014 and 2020 and EUR 2.1 billion given in humanitarian aid over the past 20 years.

To this one could add other achievements, including the following:

- The [EU's strong commitment and comprehensive support to the peace process in Colombia](#), making use of a broad range of foreign policy instruments (political, diplomatic, trade agreement, development cooperation and humanitarian aid).
- The agreement in principle on [the trade part of the modernised EU-Mexico Global Agreement reached in April 2018](#), and the [political agreement for a trade agreement with Mercosur reached on 28 June 2019](#) after 20 years of negotiations. One could also refer to the [progress in the negotiations to upgrade and modernise the Association Agreement with Chile](#) from 2002, which began in November 2017.
- The signing of the [PDCA with Cuba](#) in March 2016 (provisionally applied from November 2017), the first ever cooperation agreement with the country.
- The **EU's engagement to solve the crisis in Venezuela** in the framework of the ICG, created in January 2019. The EU has **promoted the ICG as a mechanism for coordination with regional and international partners** in the search for a peaceful and democratic solution to the crisis in Venezuela. The ICG's main goal is to promote a common understanding and a concerted approach among key international actors on Venezuela and help to build trust and create the conditions for a credible political process that leads to free and fair elections in the country, according to the [terms of reference for the Group adopted by the Council on 30 January 2019](#). [The ICG includes](#) the EU, eight Member States (France, Germany, Italy, the Netherlands, Portugal, Spain, Sweden and the UK) and five Latin American countries (Bolivia, Costa Rica, Ecuador, Panama and Uruguay).
- The [Commission's proposal for the Neighbourhood, Development and International Cooperation Instrument 2021–2027](#) which includes a financial envelope of EUR 4 billion for programmes for the Americas and the Caribbean. This is practically unchanged from the 2014-2020 financial framework, indicating that the EU upholds its engagement to cooperate with the LAC countries in terms of funding.
- The considerable **personal engagement** in the relationship with the LAC region demonstrated **by the former HR/VP Federica Mogherini** during her five-year tenure. One expression of this was her frequent visits to countries in the region. Most recently, in September 2019 Mogherini visited Cuba, Mexico and Colombia in one of the last largest trips abroad as HR/VP.

Against that backdrop, the EEAS document '[From Vision to Action: The EU Global Strategy in Practice - Three years on, looking forward](#)', issued in **June 2019** to take stock of the first three years of the implementation of the Global Strategy, concluded that the **EU's ties with Latin America had 'strengthened enormously'** and that the two continents were much closer than a decade ago.

However, although EU foreign policy actors have demonstrated a growing engagement towards the region and that relations with LAC have clearly moved up on the EU's political agenda in recent years, there have also been **challenges to overcome in the relationship**.

In first place, **four and a half years have gone since the most recent summit** between the heads of state and government of the 61 countries of the two blocs took place in Brussels in June 2015 (the eighth summit overall and the second EU-CELAC summit). The absence of an EU-CELAC summit since 2015 is an anomaly in the institutionalised relationship between the two regions as it has evolved over the last 20 years. The period between two summits had never before exceeded three years (the time elapsed between the first

summit in June 1999 and the second in May 2002). One consequence of this is that there has been **no recent update of the [EU-CELAC Action Plan](#)**. The Plan was originally adopted at the 2010 summit and later updated and expanded with the incorporation of new areas by the summits in 2013 and 2015. There has also been no endorsement of new bi-regional initiatives on the highest political level.

The **meetings between the two blocs' ministers of foreign affairs in October 2016 and July 2018 have partially filled the gap** left by the suspension of the regional summits. The ministerial meeting in 2016, complying with the mandate given by the 2015 summit, conducted a 'comprehensive and inclusive exercise of reflection' on the future of the EU-LAC relationship and assessed the programmes and actions adopted by the summits and contained in the EU-CELAC Action Plan. Overall, [ministers concluded](#) that the **Action Plan had achieved many of its objectives** and had helped to enhance the coherence of previously fragmented cooperation activities and to launch new initiatives. However, they also found that **'major efforts' were needed to achieve more concrete results** and presented a **large number of recommendations** to create a more effective framework for cooperation and to deliver concrete results.

The [EU-CELAC ministerial meeting](#) held in Brussels on 16 July 2018 reiterated the commitment to implementing the Action Plan as a 'fundamental framework' for dialogue and cooperation, welcomed the results achieved and tasked senior officials with 'further enhancing them'. However, the ministers' declaration did not address the possible revision and/or update of the Plan.

In contrast to the suspension of the EU-CELAC summits, **the Euro-Latin American Parliamentary Assembly (EuroLat) has continued functioning** as a framework for a permanent region-to-region political dialogue. In a declaration issued from the EuroLat's 10th Plenary Session in September 2017 in El Salvador, the Assembly's co-presidents regretted that events in Venezuela had prompted the decision to postpone the EU-CELAC summit foreseen for October 2017 and reaffirmed the Assembly's intention to continue to 'provide a privileged forum for meetings and debate'. Similarly, in a [message to the EU-CELAC foreign ministers meeting in July 2018](#), the co-presidents stated that the postponement of the CELAC-EU summit in response to a request from some Latin American countries and given the political situation in Venezuela, had 'effectively put on hold the bi-regional dialogue' conducted at the very highest level since June 1999. They urged the governments to solve the political problems that had led to the suspension so as to return 'as soon as possible to the regular schedule of summits'.

Overall, and unrelated to the political issues behind the interruption of the regular region-to-region summits, **EU-LAC summitry has declined in recent years**. For instance, even though the [EU-Chile Association Agreement signed in 2002](#) establishes that the political dialogue shall include regular meetings between Heads of State and Government of **Chile** and the EU, no such summit has taken place since the [fourth institutionalised political dialogue between Chile and the EU in May 2010](#).

The holding of regular summits is also established by the association agreement with **Mexico**, another key partner in Latin America (in a joint declaration on political dialogue, part of the EU-Mexico [Economic Partnership, Political Coordination and Cooperation Agreement](#) signed in 1997). In this case, the summits have been more frequent — although three years passed between the sixth summit in June 2012 and the seventh in June 2015 and no summit has been held since then.

In the case of **Brazil**, [the seventh and most recent summit](#) of heads of state and government took place almost six years ago, in February 2014, after the EU and Brazil regularly had held summits since [July 2007, when they launched the EU-Brazil strategic partnership](#). This is all the more notable, as Brazil (alongside Mexico) is the only Latin American country that has a strategic partnership with the EU and does not (as Chile and Mexico) have an association agreement as framework for the bilateral relationship. The absence of summits with Brazil contrasts with the regularity with which the EU has held summits in recent years with

other strategic partners such as Canada, China and Japan. [Some analysts have suggested](#) that the EU-Brazil strategic partnership is *de facto* 'deactivated'.

Most recently, the [announcement on 16 January 2020](#) that **Brazil has decided to suspend its participation in CELAC** raises new questions about the future of EU-CELAC relations. The decision seems to imply that Brazil will also suspend its participation in the different EU-CELAC fora, including the summits, and ministerial and senior officials meetings. Similarly, while the meeting of the CELAC foreign ministers on 9 January 2020 discussed the preparations for a CELAC-China ministerial meeting later in 2020, the official report from the meeting does not refer to the bloc's relations with the EU.

In second place, recent years have seen **growing challenges in some LAC countries to the fundamental values upon which the EU-LAC partnership is based**, the respect for democratic principles, the rule of law and fundamental freedoms. In the cases of Nicaragua and Guatemala, the violation of these principles has led to suggestions that the two countries could be **suspended from the [EU-Central America Association Agreement](#)**:

- In its [resolution on the situation in Nicaragua](#) of 14 March 2019, the EP urged that the democratic clause of the Agreement be triggered by suspending Nicaragua from the agreement (in addition to requesting targeted and individual sanctions against the government of Nicaragua and individuals responsible for human rights breaches).
- On the same date the EP passed a [resolution on the situation of human rights in Guatemala](#) following the Guatemalan government's decision to end the mandate of the International Commission against Impunity in Guatemala (CICIG). The resolution reminded that the EU-Central America Association Agreement included a human rights clause as an essential element and that membership might be suspended in the case of its violation.

However, so far no steps have been taken to trigger the Association Agreement's democratic clause over the situation in the two countries.

In the economic sphere, although EU-LAC **trade flows** overall have increased in the past decade and the EU countries taken together maintain the position as the largest investor in the LAC region, **trends do not point unambiguously in the direction of stronger bi-regional links**:

- While the total value of EU-LAC trade in goods— as noted in the Joint Communication — grew by 22 % between 2008 and 2018, most of this increase took place before 2013. Actually, in the second half of the decade, between 2013 and 2018, it increased by a mere 3.5 %.
- **Trade with different countries and sub-regions have evolved unevenly.** In fact, the growth of almost EUR 41 billion in the value of EU-LAC trade from 2008 to 2018 was largely due to an increase of around EUR 29 billion in the EU's trade with Mexico. In contrast, trade with other countries and sub-regional trade grew much more modestly, both in absolute figures and relatively.
- These disparities were particularly significant in the second part of the decade: while trade with Mexico continued to grow (by 46 % between 2013 and 2018, reaching a record value of EUR 65.4 billion in 2018), the value of **trade with almost all other countries and regions stagnated or fell**. Along with Mexico —the EU's number one Latin American trading partner in 2018—, the Union only expanded trade with two of its other ten largest trading partners¹ in LAC: Ecuador and Peru. The drop in trade with Mercosur, from EUR 96 billion in 2013 to EUR 88 billion in 2018, was particularly notable, reflecting a significant decrease in trade with Brazil, the EU's largest trade partner in Latin America until 2017.

¹The EU's ten largest trading partners in Latin America and the Caribbean in 2018 were (in decreasing order) Mexico, Brazil, Chile, Argentina, Colombia, Peru, Ecuador, Costa Rica, Panama and Uruguay.

The value of interregional trade has grown, but **trade with the other region has become relatively less important** for both the EU and LAC, as trade with other partners — in particular China — has grown even more:

- For eight of the EU's largest ten Latin American trading partners (all but Ecuador and Costa Rica), **exports to the EU represented a smaller part of total exports in 2018 than ten years earlier** ([figures based on IMF, Direction of Trade Statistics](#)). The drop in the EU's relative importance as an export market between 2008 and 2018 was particularly pronounced for Brazil (from 23.6 % of all exports to 17.4 %) and Chile (from 24.4 % to 11.6 %).
- In contrast, **the EU's importance as a supplier of goods increased** for eight of the ten largest trading partners from 2008 to 2018, although the increase in the EU's share of imports was relatively modest and/or in many cases only took place in the first half of this decade. The exceptions from this trend are the EU's two largest trade partners, Mexico and Brazil. In the case of Mexico, the EU's share of overall imports fell slightly, despite a strong and relatively steady growth in most years. Brazil's imports from EU dropped steeply after 2013 and although they have recovered somewhat, the 2018 value of imports from the EU (USD 36.8 billion) was below that of 2008 (USD 38.4 billion) and 32 % lower than the value registered in 2013.
- Seen from the EU's perspective, **the share of the 33 CELAC member states of the Union's total imports fell from 6.3 % to 5.1 %** ([figures based on Eurostat data series](#)) from 2008 to 2018. This was mostly due to the drop in imports from Brazil, Chile and Venezuela, only partially offset by the robust increase in imports from Mexico. Similarly, **the region's share of total EU exports fell**, albeit slightly, from 6.3 % to 6.2 % in the same period. This was chiefly because of falling exports since 2013 to Brazil and Venezuela. In contrast, Mexico strengthened its position as an export market for the EU.
- The **33 CELAC countries combined were the EU's fifth-largest trading partner in the world in 2018** (after the USA, China, Switzerland and Russia) with 5.7 % of the total extra-EU trade in goods. As a group they were the EU's fourth-largest export market and the fifth-largest supplier of EU imports.

4 Latin America and the Caribbean: diversity and multilateralism

The EU's overarching goals for its relations with Latin American and the Caribbean in the coming years are to advance towards a stronger partnership and to tackle global challenges on the basis of a shared commitment to multilateralism. In this regard, the development of stronger EU-LAC ties may require tackling **two interrelated challenges**: the **diversity of the LAC region** and the trend in some countries towards **more inward-looking policies privileging national sovereignty**.

4.1 How much diversity can multilateralism bear?

The institutional framework for relations with LAC will continue to be based on a **differentiated approach**, which the 2019 Joint Communication refers to as 'principled pragmatism' to fit the 'many diverse realities' of the LAC region. This approach, which the EU essentially has followed since the 1980s, consists in [what has been called a 'multilevel institutional infrastructure'](#) or multi-layered relationship (the term used in 2019 Council conclusions) combining relations on the regional, the sub-regional and the bilateral level.

The EU-LAC partnership thus rests on the **complementarity between relations at the three levels**. As expressed in the EP's 2017 resolution: 'the expansion of political and economic cooperation and the building of stronger partnerships [are] crucial at bi-regional, sub-regional and bilateral level as