

# 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 50<sup>th</sup> 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 10<sup>th</sup> 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 partners<sup>1</sup> 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.

<sup>1</sup>The 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

complementary actions'. Similarly, the Council conclusions from 2019 underline the importance of the bi-regional EU-LAC partnership as a 'driver of relations with sub-regions and bilateral relations'.

However, the most important **progress towards stronger EU-LAC relations in recent years has arguably been made at the bilateral level**. Examples of this are the good relations with **Chile** and **Mexico** and the renewal of the association agreements with these two countries; the PDCA signed with **Cuba**; the conclusion of free trade agreements with **Colombia**, **Peru** and **Ecuador** and in general stronger EU ties with these countries (including EU support to the peace process in Colombia, the granting of visa-free travel to the Schengen area for Colombian and Peruvian citizens and intensified political consultations with all three countries).

In contrast, **region-to-region relations with the LAC as a whole and with sub-regional groups have brought more challenges**. The interruption of the regular EU-CELAC summits has meant the absence of the most visible expression of both regions' commitment to the strategic partnership they launched in 1999 and of the body that is meant to set drive the partnership forward and provide it with strategic guidelines, although cooperation in multiple areas and dialogues at the level of ministers and senior officials continue.

As regards the EU's relations to sub-regional groups, **the agreement on the trade chapter of a future EU-Mercosur association agreement concluded in June 2019 was a major achievement**. However, many uncertainties surround the ratification of the agreement — which at any event will not be on the agenda for a considerable time. The [Association Agreement signed with Central America in June 2012](#) was (and remains) the first ever agreement of its kind that the EU negotiated and concluded with a regional group. However, even though the agreement's trade provisions have been applied provisionally since 2013, the fact that the agreement has [not yet been ratified by all EU Member States](#), more than seven years after it was signed, has somewhat diluted this achievement.

The difficulties that have characterised the EU's relations with CELAC and with some sub-regional groups could also be seen as consequence of a deeper 'structural' problem: the region's traditional difficulties in reconciling different national interests and in consolidating enduring mechanism of integration and cooperation. This has led to the **absence of solid regional and sub-regional institutions**, capable of defining common policies and cohesive and coordinated positions *vis-à-vis* international partners. In recent years, **new political divisions**, chiefly triggered by the political, economic and social crisis in Venezuela, have further compounded these traditional difficulties. As a result of this, [many analysts have argued that Latin America, already a very politically and economically diverse region](#), has become not only increasingly **heterogeneous**, but also **fragmented and polarised**. The [results of the 15 presidential elections held between 2017 and 2019](#) in Latin America, which have brought governments of very different political outlook to power, have further boosted this heterogeneity. Related to this is what many see as a conspicuous **lack of regional leadership**.

As a result of this fragmentation, **regional integration and cooperation in LAC appears to be in a phase of re-definition and re-organisation**, in particular in South America. The role of **CELAC**, created as the region-wide forum for regional cooperation and coordination, has been curbed by the divisions over the situation in Venezuela. The same divisions have also led to what seems to be the **de facto demise of the Union of South American Nations** (*Unión de Naciones Suramericanas*, Unasur). At the same time, the return to power of the Peronist party in Argentina following the elections in October 2019 has sparked new **uncertainty about the future of Mercosur**.

To the extent that solid regional and sub-regional institutions are a condition for balanced inter-regional relations, **political divisions and fragmentation among LAC countries may make it more difficult to identify valid interlocutors and partners in the region**. This could make it harder to realise the EU's visions for a stronger relationship between the two regions in the coming years.

Effective multilateralism requires well-functioning platforms for joint decision making and for external representation *vis-à-vis* other countries or groups of states. Also in this respect, **political diversity and deficient regional cooperation could be a challenge to the efforts to convert the EU's and the LAC's shared commitment to multilateralism into effective global governance**. If political divisions and even fragmentation is a current feature of Latin America and the Caribbean, it raises the question of how much diversity multilateralism can bear.

#### 4.1.1 The regional divisions and CELAC

The crisis in Venezuela has led several Latin American and Caribbean governments to actively support the opposition to Nicolás Maduro's government, notably in the framework of the Lima Group (*Grupo de Lima*). This has created **strong political divisions** between the states in the region and **deepened already existing ideological differences**, mainly between the countries of the Bolivarian Alliance for the Peoples of Our America (*Alianza Bolivariana para los Pueblos de Nuestra América*, ALBA), including (until recently) Bolivia, Cuba, Nicaragua and Venezuela, and the countries with centre-right governments (such as Argentina between 2015 and 2019, Brazil from 2017, Chile from 2010 to 2014 and again from 2018, Colombia, Paraguay and Peru). Some countries, notably [Mexico and Uruguay](#), have taken a somewhat intermediate position, advocating negotiations as the only way out of the crisis in Venezuela.

The political divisions in the region provoked by the situation in Venezuela have had a negative impact on CELAC and have in turn led to the suspension of the EU-CELAC summits. An extraordinary meeting of the CELAC's foreign ministers in El Salvador in May 2017, [held on the petition of Venezuela](#), addressed the crisis in the country. However, seven of the 33 CELAC countries did not send any representative to the meeting, which did not adopt any declaration. [Another foreign ministers meeting to discuss Venezuela](#), originally scheduled for 20 May 2017, was postponed *sine die*.

There are **currently few signs of an immediate revival of CELAC** as the overarching regional organisation. [CELAC's fifth and most recent summit](#) took place nearly three years ago, in the Dominican Republic in January 2017, when El Salvador received the presidency *pro tempore* of the group. However, two years later, in January 2019 El Salvador passed the rotating presidency to Bolivia without any new summit having taken place. The most notable initiative of the group in 2019 was the adoption by the [16<sup>th</sup> meeting of its foreign ministers in September](#) of a 'concept note' (*Nota Conceptual*) with guidelines for the work of the presidency and the decision that Mexico would take over the presidency of the bloc in 2020.

There have been signs that the change of government in Argentina could lead to **attempts to revitalise or 'reconstruct' the region-wide Latin American integration**. The [visit of president-elect Alberto Fernández to Mexico on 4 November 2019](#) (his first visit abroad after the October elections) and his meeting with President Andrés Manuel López Obrador was seen as part of an endeavour to create a '[progressive alliance' with Mexico](#), which took over the CELAC rotating presidency on 8 January 2020, in order to revitalise the bloc and breathe new life into the Latin American integration. [Fernández has previously stated](#) his 'obsession' for reconstructing the regional integration process in Latin America and also highlighted the reinforcement of Mercosur and regional integration in general among the priorities of his presidency in his [inaugural speech on 10 December 2019](#). Similarly, Mexico's foreign minister Marcelo Ebrard stated his wish to strengthen CELAC and to take new steps to promote regional integration in Latin America and the Caribbean when [presenting the work plan for the Mexican presidency in November 2019](#).

The [meeting of almost all the bloc's foreign ministers](#) (except those of Bolivia and, notably, Brazil) in Mexico on **9 January 2020**, marking the **start of Mexico's rotating presidency**, could be seen as a first step to invigorate CELAC. At the meeting, which Marcelo Ebrard described as 'respectful' and 'successful', the ministers debated and agreed on a **14-point work programme** which sets out guidelines for cooperation

in the aeronautical sector, on science and technology, on disaster risk management, on monitoring virus and bacteria resistant to antibiotics and on public procurement, among other areas. They also agreed to work on a common agenda for the UN General Assembly 'high-level week' in September and on the preparations for a CELAC-China ministerial meeting in the second half of the year.

However, the efforts to revitalise CELAC were dealt a blow by the **Brazilian government's decision**, announced by Foreign Minister Ernesto Araújo on 'Twitter' on 16 January 2020, **to suspend its participation in CELAC**. A reasons for the decision [Araújo stated that CELAC had not been successful](#) in defending democracy in the region or in any other area but, on the contrary, had served as a stage for non-democratic regimes such as those in Venezuela, Cuba, and Nicaragua. At the same time, he emphasised Brazil's 'strong determination' to work with 'all democracies in the region' — bilaterally, in the OAS, through Prosur or Mercosur — for 'an agenda of freedom, prosperity, security and open integration'.

#### 4.1.2 South America: from Unasur to Prosur?

Another result of the political divisions in the region has been the **demise of Unasur**, created in 2008 to promote political dialogue and cooperation between the 12 South American countries. Following years of virtual paralysis, caused by disagreements over the election of the organisation's secretary general and deep divisions over Venezuela, **six countries** (Argentina, Brazil, Chile, Colombia, Paraguay and Peru) [announced in April 2018 that they would suspend](#) indefinitely their participation in Unasur and **abandoned the organisation** in the months thereafter. They were [followed by Ecuador in March 2019](#). Equally, the government that came to power in Bolivia in November 2019 has [announced that it is considering leaving Unasur](#).

These seven countries, plus Guyana, created a **new regional group, Prosur**, or the 'Forum for the progress of South America' (*Foro para el Progreso de América del Sur*), at a presidential summit on 24 March 2019 hosted by Chile. According to the [declaration for 'the renovation and strengthening of integration in South America'](#) (*Declaración Presidencial sobre la Renovación y el Fortalecimiento de la Integración de América del Sur*) adopted at the meeting, Prosur was created as a '**space for dialogue and collaboration**' that is meant to be flexible, not costly, with clear rules for its functioning and an agile mechanism for decision making. Notably, the declaration stresses that the 'essential requirement' for participation in Prosur is the full enjoyment of democracy, the respect for human rights and for the sovereignty and territorial integrity of its member states.

If the creation of Prosur has brought the region's political divisions to the fore, perceptions of the group as having been established by politically like-minded, centre-right governments, have led to [questions about Prosur's long-term viability as a mechanism for regional cooperation and dialogue](#), as its future seems to largely depend on the political colour of the bloc's governments. In this respect, it is doubtful whether Argentina under President Alberto Fernández, who took office on 10 December 2019, will remain a member of Prosur, although [indications are that it will continue as a member of the Lima Group](#) (despite statements to the contrary before the elections in October 2019). The new Argentine foreign minister, Felipe Solá, has branded Prosur as 'Pro-Norte', alleging its close relations with Washington, and has expressed doubts about the future of the group.

#### 4.1.3 The future of Mercosur

The **uncertainty about the future of Mercosur** is another indication that the mechanisms for regional integration and cooperation are in a phase of re-definition and re-organisation. After several years of a stalled trade and economic integration agenda and frustration with what critics saw as an overtly politicised organisation under the left-wing governments in power in Argentina, Brazil and Uruguay — epitomised by

the decision to accept Venezuela as full member in 2012 — the calls for a **renewed emphasis on the group's 'original' goals of trade liberalisation and economic integration** gained decisive momentum with the change of government in Argentina in December 2015 and in Brazil in May 2016. Under the presidents Mauricio Macri and Michel Temer, **Argentina and Brazil became committed to a liberal vision of an 'open' Mercosur**, advocating both the removal of barriers to intra-regional trade and stronger trade and investment links with countries and regions outside the bloc.

Despite initial concerns about the consequences for the relationship with Argentina and for Mercosur as a whole of the election of Jair Bolsonaro as president of Brazil, the 'alliance' between the two countries to reinvigorate the bloc as an instrument for economic integration and trade liberalisation has strengthened over the past year. It received a significant boost with the trade agreement reached with the EU in June 2019 (and the [agreement 'in substance' concluded in August 2019 with the countries of the European Free Trade Association](#) (EFTA), followed by renewed optimism as regards the trade negotiations with other partners, including Canada, South Korea and Singapore. Internally in Mercosur, [efforts to reform the bloc](#) have focused on **eliminating obstacles to trade and closer economic ties between its members, lowering its common external tariff** to make the bloc's economies more competitive, and on giving member states more **freedom to conclude trade agreements with third countries** and regions. Brazil in particular has [pushed for reducing the Mercosur's external tariffs on goods](#), which currently average 14 %. However, the change of government in Argentina' has provoked **speculations about a return to a protectionist economic policy** at odds with the Brazilian government's goal to lower tariffs and in general to liberalise Mercosur. Concerns have been voiced that this could put an end to efforts to reform the bloc and even lead to its dissolution.

Such concerns were compounded by [statements by President Bolsonaro](#) that openly regretted the outcome of the elections in the neighbouring country and suggesting that Brazil could leave the bloc or force to Argentina to do so if the new Argentine government adopted a protectionist stance and, for instance, could not agree to the policy of lowering the bloc's tariffs or rejected the trade agreement with the EU. More [cautious declarations from other members of the Brazilian government](#), indicating that it is premature to judge the line of Alberto Fernández's government and that Brazil will seek dialogue to know its positions on Mercosur, mitigated Bolsonaro's strident personal messages, although [Brazil's foreign minister Ernesto Araújo has also stated](#) that his government was preparing for 'different scenarios' for Mercosur's future. More recently, concerns expressed by President Bolsonaro in December 2019 that the first policy measures taken by the new Argentine government were similar to those taken in Venezuela have been followed by more conciliatory messages in the sense that President [Alberto Fernández would be welcome to visit Brazil](#) and that the two countries would work together to consolidate the EU-Mercosur trade agreement.

#### 4.1.4 The Pacific Alliance: a new partnership for the EU in Latin America?

The increased political divisions in the LAC region and the on-going re-organisation of the mechanisms for regional integration and cooperation — particularly in South America — raise **questions about the EU's partnerships at the bi-regional and the sub-regional level**. The Joint Communication reflects this, both in stressing that the EU's approach to LAC should be flexible and tailor-made, taking into account the region's diverse realities and in its recommendation that the EU deepen its association with countries and regional groups that are 'willing and able to step up engagement on shared goals'. The coming years could therefore see **new EU initiatives to establish new forms of partnerships** and, in general, a search for **new ways to engage with LAC**.

One such innovative step was taken with the signing on 25 September 2019 of a [Joint Declaration on a partnership between the EU and the Pacific Alliance](#) at a [meeting between HR/VP Mogherini and the](#)

[foreign ministers of the four members of the Alliance](#) (Chile, Colombia, Mexico and Peru) held in New York. The Joint Declaration states the goal to 'enhance solid, productive and lasting ties' based on the principles of democracy, human rights and rule of law and 'a shared vision on the importance of promoting multilateralism and a rules based order, including open trade and investment and sustainable development.

In this context, the EU and the Pacific Alliance declare their interest in **deepening ties in areas of common interest and strengthening political dialogue and cooperation**. The two blocs intend to focus on areas such as regional economic integration and business climate, financial integration, regional development, education and student mobility, the movement of persons, digital strategies, SMEs, the climate and the environment and innovation, science and technology. The modalities of the specific cooperation actions remain to be agreed.

The Joint Declaration and the launch of the EU-Pacific Alliance partnership is the result of a year-long **process of seeking closer ties with the four countries**, not only bilaterally, but also on a region-to-region basis, fuelled by the **perceptions of the Alliance as the currently most promising and effective regional cooperation mechanism** in Latin America. As such, the Joint Declaration was fully in line with the EP's call for stronger links with the Alliance. The areas of cooperation mentioned in the Joint Declaration reflect the Pacific Alliance's character as a bloc focused on free trade and on economic development through pragmatic cooperation in specific areas (including capital market integration, trade facilitation, mutual recognition of norms and standards, public procurement, the development of SMEs, digital trade, business encounters, student exchanges and the promotion of tourism, among others).

The partnership builds on the EU's already **excellent relations with each of the Alliance's four members** — probably the four countries in the region with which the EU has developed the closest relations over the past years. For the Pacific Alliance, creating a relation of 'structured cooperation' with the EU is one of the goals of its [strategic vision for a 'more global' Alliance in the years to 2030](#). The Alliance's clearly stated commitment — recently emphasised in the [declaration from its 14<sup>th</sup> presidential summit in Lima in July 2019](#) — to democracy and human rights, free trade in the context of a rules-based, multilateral system and to sustainable development also matches the EU's overall positions on multilateralism and global governance.

However, **the practical results of the new EU-Pacific Alliance partnership remain to be seen**, and particularly the added value it will bring to the already existing bilateral dialogue and cooperation with the four Alliance countries (the association agreements with Chile and Mexico, the trade agreement and the regular high-level political dialogues with Colombia and Peru and different bilateral and regional cooperation programmes). In addition, the success of the newly institutionalised partnership — and of the Pacific Alliance itself — will be influenced by the impact of the current, complex political and social situation in Chile, Colombia and Peru, as well as of what [some see as Mexico's international disengagement](#).

## 4.2 Challenges to multilateralism in LAC

The concepts of '**multilateralism**' and '**global governance**' are pillars of the EU's foreign policy. The [2016 Global Strategy](#) proclaimed as fundamental objectives the promotion of a rules-based global order with multilateralism as its key principle and a reformed global governance to meet the challenges of the 21<sup>st</sup> century. Three years later, in the [2019 progress report on the implementation of the Global Strategy](#), the principles of multilateralism and global governance are even more present (the words 'multilateral' or 'multilateralism' appear 59 times and a specific section is dedicated to 'global governance and cooperative regional orders'). The 2019 report states that precisely because the **idea of multilateral, rules-based global governance has become under increasing pressure** in recent years, the EU's unity and

engagement to promote multilateralism is 'more vital than ever' and its responsibility to sustain and defend it is even bigger than before. The report notes (not without self-esteem) that the EU has become the 'point of reference for all those in the world that want to preserve, promote and strengthen multilateralism'.

In a world widely seen to have become more fragmented and prey to great power-rivalry and states acting unilaterally, **Latin America is the region in the world which most obviously shares the EU's commitment to global governance** based on effective multilateralism. As [expressed by the HR/VP Federica Mogherini on occasion of the EU--CELAC foreign ministers meeting in July 2017](#), the EU and LAC 'are on the same side' [...] We believe that a globalised world can only be governed in a joint manner'.

Reflecting this, the visions for the future EU-LAC partnership in both the Joint Communication and the EP's resolution from 2017 fundamentally build on this shared commitment to global governance based on multilateralism. Because of this, **the EP resolution sees LAC as a key partner in tackling global challenges** — ranging from the fight against corruption to mass migration and climate change — and calls on the EU and LAC to strengthen their partnership to jointly address them. Similarly, the Joint Communication sets **stronger EU-LAC cooperation in multilateral and international fora** and an effective partnership to advance multilateral policies on sustainable development, climate change, global trade, etc. as fundamental goals.

Many EU actors have seen the setbacks suffered by global governance and multilateralism in recent years as an **opportunity or an incentive to a closer EU-LAC partnership**, rather than as an obstacle. For instance, [it has been argued that the US withdrawal from the Paris Agreement on climate change](#) has created a **potential for Latin America to become a strategic partner of the EU** in the design of 'future climate multilateralism'. Similarly, the [European Commission highlighted](#) the EU-Mexico trade agreement in April 2018 as a 'powerful signal' of rejecting protectionism, in a clear allusion to the Trump administration. In general, the US' retreat from multilateralism has widely been seen as [an opportunity for the EU to reinforce its presence](#) in the LAC region, taking advantage of the void created by the US unilateralism.

This is also a basic idea in the Joint Communication, which underlines that policies based on values and the pursuit of 'complementarity and mutual benefit' should drive the EU-LAC partnership. This approach is seen as something that differentiates the EU from other international players that are 'competing for political influence and economic presence' and have an 'exclusionary vision' of international relations — clearly alluding to China and the USA under President Trump.

There is ample evidence to support the view of the **LAC region as sharing the EU's allegiance to multilateralism**. The foreign policies of the countries in the region have traditionally been based on **principles such as diplomacy, the peaceful settlement of conflicts and the prevalence of international law**. The variety of regional and sub-regional organisations in itself proves the region's commitment to cooperation and integration between states.

The examples of the EU and Latin America joining forces in multilateral settings include the **G20**, where the **two regions count for almost half of the organisation's members** (the EU, France, Germany, Italy, the UK and Spain as permanent invited guest on the European side; Argentina, Brazil and Mexico on the Latin American side. Moreover, at the G20 summit in Osaka, Japan, in June 2019, the Netherlands and Chile attended as invited guests). Two of the G20 summits have taken place in Latin America (in Mexico in 2012 and in Argentina in 2018).

The region as a whole has also been among the strongest **advocates of ambitious climate policies** and many LAC countries, united in the Independent Association of Latin America and the Caribbean (*Asociación Independiente de América Latina y el Caribe*, AILAC) [played an important role in achieving the Paris Agreement](#). One expression of this is that since 2010 the [Executive Secretary of the UN Framework Convention on Climate Change \(UNFCCC\)](#) has been a Latin American (Christiana Figueres of Costa Rica from

2010 to 2016 and Patricia Espinosa of Mexico since 2016). Similarly, the most recent UN climate change conference, **COP 25 in December 2019**, took place under the [presidency of Chile](#) (although the conference itself was moved to Madrid in view of the domestic situation in Chile). However, despite the Chilean government's efforts to achieve an ambitious outcome of the COP25, the [agreements reached at the meeting have broadly been seen as disappointing](#). Among the most quoted reasons for this [was the reluctance of, among other countries, Brazil to accept](#) an obligation for the countries to submit enhanced pledges for greenhouse gas emissions by 2020 and to accept new carbon market rules.

In the realm of trade, the EU and LAC are taking similar positions in favour of an **open multilateral trading system** and of the need to **reform and modernise the WTO**, defending its role as the arbiter of rules-based global trade. This includes opposing the USA's blockage of the WTO's Appellate Body. Latin American countries have traditionally been among the most active WTO members in making use of the Appellate Body. Specifically, the EU participates together with Brazil, Chile and Mexico (and nine other WTO members) in the [Ottawa Group](#), which addresses ways to meet the challenges to the multilateral trading system and to strengthen and modernise the WTO. Equally, the LAC region is at the forefront regarding the [implementation of the 2030 SDGs](#).

However, although LAC is a natural partner for the EU in supporting multilateral solutions to common problems, **challenges to a cooperative international order are also present in the region** and could make more difficult the efforts to strengthen the EU-LAC partnership based on the common commitment to multilateralism. In this respect, the past year's **changes in the foreign policies of Brazil and Mexico** — the two biggest countries and the EU's only 'strategic partners' in the region —, are particularly relevant.

The most prominent example is **Brazil under the government of President Jair Bolsonaro**, who took office on 1 January 2019, and its insistence on **defending national sovereignty**. Although early campaign pledges to consider pulling Brazil out of the Paris Agreement were abandoned, Bolsonaro and other government representatives strongly rejected the debate on the **Amazon forest fires at the G7 meeting** in August 2019 and the agreement on a plan to assist the countries of the Amazon to fight the wildfires, [claiming that it showed a 'colonial mindset'](#) and that what happened in the Amazon was an internal issue. (However, after initially rejecting any assistance, the Brazilian government later stated that it was open to receiving international aid, provided it would control the use of the fund. It also signed an [agreement with other countries on the region to protect the Amazon](#) in September 2019). President Bolsonaro set out the Brazilian government's position in a more principled way in his [speech to the UN General Assembly \(UNGA\) on 24 September 2019](#). Stating that it was a misconception to see the Amazon as a 'world heritage' and proclaiming 'our sovereignty' as sacred, Bolsonaro stressed that any initiative to help or support the preservation of the rainforest must be in 'full respect of Brazil's sovereignty'.

The Brazilian president did not reject international cooperation as such, but rather advocated a sort of restricted or selective multilateralism. He assured that Brazil were willing to establish 'partnerships with all those interested in working for prosperity, peace and freedom' and to take its responsibilities in the international system, but at the same time **refused to 'erase nationalities and overrule sovereignty'** in the name of an 'abstract global interest'. Even if it is debatable whether the Brazilian government has deeply entrenched or ideological views on multilateralism — Brazil remains member of the BRICS group, which has recently reaffirmed its 'commitment to helping overcome the significant challenges currently facing multilateralism' —, the [Bolsonaro government's nationalist outlook in general](#) and the **priority it attaches to developing strong bilateral relationships with key partners**, in addition to its perceived hostility towards values that are central to the EU, represent challenges for the EU.

In Mexico, the change of government on 1 December 2018 has also led to what some observers see as a partial **retreat from an active foreign policy**. The government of President Andrés Manuel López Obrador, of the Movement for National Regeneration (*Movimiento de Regeneración Nacional, Morena*), has re-instated

**non-intervention in the affairs of other states** as the basic principle of [Mexico's foreign policy](#) and clearly gives **priority to its domestic reform agenda**, [based on the idea that the 'domestic policy is the best foreign policy'](#). The symptoms of what has been called an ['aversion to engaging in foreign policy'](#) include López Obrador's absence from major multilateral events such as the G20 summit in Japan in June, the Pacific Alliance summit in July 2019 and the UNGA in September 2019.

Equally, some aspects of the Mexican government's **domestic policies could be seen to contradict an active role in multilateral efforts to address global challenges**. For instance, as regards [climate and energy policies](#), the government aims at boosting Mexico's oil and gas production and refinery capacity to enhance its 'energy sovereignty'. This has led to [claims that López Obrador's government is de facto undermining the adoption of clean and renewable energy](#) sources and the fulfilment of the targets for the decarbonisation of the energy sector adopted under the previous government. Despite the government's continuing commitment to tackle climate change and adhere to the Paris Agreement, it has been [argued that Mexico is in fact moving away from complying](#) with its commitments under the Agreement.

On the other hand, Mexico was one of the seven organisers (together with another Latin American country, Chile) of a [ministerial meeting](#) in September 2019 during the UNGA in the framework of the **'Alliance of Multilateralism'**. The Alliance was launched by France and Germany in April 2019 as an informal group of countries committed to 'strong and effective multilateral cooperation' founded on respect for international law. Similarly, the [meeting between Marcelo Ebrard, Mexico's foreign minister and HR/VP Federica Mogherini in September 2019 led to a decision](#) to enhance **EU-Mexico cooperation on multilateral affairs**, including issues such as xenophobia and discrimination, gender equality, the rights of indigenous peoples, migration, the fight against corruption, the reform of the WTO, G20 related matters and actions needed to face climate change. As a result of this, the EU and Mexico held their [first high level meeting on multilateral affairs](#) on 14 November 2019.

Another recent example of an **exception to LAC's traditional commitment to multilateralism** was the **Chilean government's decision not to sign the 'UN Global Compact for Safe, Orderly and Regular Migration'**, adopted at the Intergovernmental Conference in Marrakech in December 2018. [According to the then foreign minister](#), the main problem with the compact was that it could be used to restrict Chile's conduct of a sovereign migration policy and its right to define the conditions for the entry of foreigners. In this case, Chile's position was shared by nine EU Member States, who were not present in Marrakech (three of them also voted against the Compact in the UNGA). Brazil withdrew from the agreement in January 2019, shortly after President Bolsonaro took office, [alleging that immigration should not be dealt with as a global issue](#), but in respect of each country's sovereignty.

Similarly, **predictions that the Trump administration's turn against multilateralism would alienate Latin America** and [create opportunities for Europe](#) to reinforce its links with the region may not have fully materialised. The [Trump government has not attached priority to its relations with the LAC](#) — in almost three years in power, the president has not visited any country in the region (except to attend the G20 summit in Buenos Aires in December 2018) —, it has withdrawn from initiatives such as the Trans Pacific Partnership and has cut down on economic assistance to the region. However, it could be argued that the US government has been relatively successful in achieving goals that are high on its policy agenda, notably on migration, and has maintained smooth relationships with most governments in the region.

In particular, predictions of an antagonistic relationship between the USA and Mexico probably underestimated the interest of both governments in maintaining close and constructive relations. Significantly, the Mexican Senate, where President López Obrador's left-wing Morena has an absolute majority, ratified the [United States–Mexico–Canada Agreement \(USMCA\)](#), negotiated and signed under the previous Mexican government, [by 114 votes in favour](#) and only four against in June 2019 (in contrast, the [ratification by the US Congress is still pending](#)).

The [US-Mexico agreement from June 2019](#) 'to address the shared challenges of irregular migration', seemed to confirm the capacity of the US government to achieve its goals in the bilateral relationship rather than signalling its breakdown. The agreement was reached after President Trump had threatened to impose tariffs on Mexican automobile exports to the USA. It includes a commitment from Mexico to deploy its National Guard (*Guardia Nacional*) at the country's border to Guatemala and to receive asylum seekers returned from the USA and offer them jobs, healthcare and education. Similarly, [the asylum cooperation agreements the USA signed with El Salvador, Guatemala and Honduras](#) in 2019 to curb the flows of irregular migrants, demonstrated the **USA's persistent clout in Central America**. These agreements were concluded under the pressure of [the suspension of most US economic assistance to these countries](#).

In the past year, the **USA's relationship with Brazil has become the closest of any country** in the region. Bolsonaro's rejection of multilateralism and insistence on national sovereignty largely mirrors the rhetoric used by the US president. In his [speech to the UNGA in September 2019](#), Bolsonaro stated, in relation to the Amazonas issue, that he 'was especially grateful' to President Trump for epitomising the respect for freedom and sovereignty.

Already during [Bolsonaro's visit to the White House in March 2019](#), less than three months after he took office, [the two presidents committed to 'building a new partnership'](#), focused on 'increasing prosperity, enhancing security, and promoting democracy, freedom, and national sovereignty'. They also agreed to reduce barriers to trade and the US president stated the intent to **designate Brazil a 'major non-NATO ally'**. Both Trump and Brazilian government representatives have expressed [interest in pursuing a free trade agreement](#). Other expressions of Brazil's alignment with the USA are Bolsonaro's decision to [move Brazil's embassy in Israel to Jerusalem](#) (not yet effective), following the US government's decision to do so, and its [vote in the UNGA in November 2019 on the annual resolution condemning the US embargo against Cuba](#). Brazil voted against the resolution for the first time, together with Israel and the USA.

While no other Latin America country shares the Bolsonaro government's close relations to Washington, the **Trump administration's unilateralism and economic nationalism has not led to strongly antagonistic reactions** in Latin America. The majority of the governments in the region, most of them centre-right, have maintained good relations with the USA. This has particularly been the case for Argentina under Mauricio Macri, Colombia, Chile and Peru. The fact that the US government and most South American countries, members of the Lima Group, largely have had the same outlook on the situation in Venezuela, the defining political issue in the region in recent years, has likely contributed to this.

The examples mentioned here illustrate that the challenges to multilateralism and international cooperation are not absent in Latin America and the Caribbean, although they are far from constituting a dominant trend. They do however underscore the need for the EU addresses its partners' different priorities, needs and assets and, applying a flexible approach, step up its efforts to partner with the countries and group of countries that — in the words of the Joint Communication — are 'willing to do more to further common goals'. The construction of this kind of alliances and [coalitions with like-minded countries to defend multilateral action](#) also requires the EU to find ways to become a (even more) effective global player by becoming — as expressed in the Commission President's Mission Letter to HR/VP Josep Borrell — 'more strategic, more assertive and more united'. The EP will have a fundamental role to play in driving the EU's relations with Latin America and the Caribbean in the years to come, both as a 'shaper' ([in the words of the HR/VP](#)) of the EU's foreign policy and through parliamentary diplomacy and inter-parliamentary cooperation.

