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REPORT

on a global partnership and a common strategy for relations between the
European Union and Latin America
(2000/2249(INI))

Committee on Foreign Affairs, Human Rights, Common Security and Defence
Policy

Rapporteur: José Ignacio Salafranca Sánchez-Neyra

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PROCEDURAL PAGE

At the sitting of 30 November 2000 the President of Parliament announced that the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy had been authorised to draw up an own-initiative report, pursuant to Rule 163 of the Rules of Procedure, on a global partnership and a common strategy for relations between the European Union and Latin America.

At the sitting of 18 January 2001 the President of Parliament announced that she had also referred the matter to the Committee on Development and Cooperation and the Committee on Industry, External Trade, Research and Energy for their opinions.

The Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy had appointed José Ignacio Salafranca Sánchez-Neyra rapporteur at its meeting of 10 October 2000.

At its meeting of 20 June 2001 the committee decided to include the following motion for a resolution in its report:

- B5-0031/01, by Juan Naranjo Escobar, on European Union contributions to the Puebla-Panama project, referred on 2 April 2001 to the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy as the committee responsible and the Committee on Development and Cooperation and the Committee on Industry, External Trade, Research and Energy for their opinions.

It considered the draft report at its meetings of 9 and 10 October 2001.

At the latter meeting it adopted the motion for a resolution by 48 votes to 0, with 2 abstentions.

The following were present for the vote: Elmar Brok, chairman; Baroness Nicholson of Winterbourne, vice-chairman; José Ignacio Salafranca Sánchez-Neyra, rapporteur; Alexandros Baltas, Bastiaan Belder, Andre Brie, Gunilla Carlsson, Daniel Marc Cohn-Bendit, John Walls Cushnahan, Pere Esteve, Michael Gahler, Alfred Gomolka, Bertel Haarder, Efstratios Korakas, Jan Joost Lagendijk, Alain Lamassoure, Linda McAvan, Emilio Menéndez del Valle, Pasqualina Napoletano, Arie M. Oostlander, Hans-Gert Poettering, Jacques F. Poos, Jannis Sakellariou, Amalia Sartori, Jürgen Schröder, Ioannis Souladakis, Johan Van Hecke, Jan Marinus Wiersma, Christos Zacharakis, Joseph Daul (for The Lord Bethell), Hanja Maij-Weggen (for Ingo Friedrich), Andrew Nicholas Duff (for Francesco Rutelli), Cecilia Malmström (for Paavo Väyrynen), Carlos Carnero González (for Rosa M. Díez González), María Carrilho (for Klaus Hänsch), Giorgos Katiforis (for Magdalene Hoff), José María Mendiluce Pereiro (for Sami Naïr), Reino Kalervo Paasilinna (for Raimon Obiols i Germà), Maj Britt Theorin (for Mário Soares), Danielle Auroi (for Per Gahrton), Monica Frassoni (for Elisabeth Schroedter), Pernille Frahm (for Pedro Marset Campos), Olivier Dupuis (for Emma Bonino), Renato Brunetta (for Jas Gawronski, pursuant to Rule 153(2)), María del Pilar Ayuso González (for Gerardo Galeote Quecedo, pursuant to Rule 153(2)), Rodi Kratsa (for Franco Marini, pursuant to Rule 153(2)), Ioannis Marinos (for Hugues Martin, pursuant to Rule 153(2)), Mario Mantovani (for Philippe Morillon, pursuant to Rule 153(2)) and Minerva Melpomeni Malliori (for Hannes Swoboda, pursuant to Rule 153(2)).

The opinions of the Committee on Development and Cooperation and the Committee on Industry, External Trade, Research and Energy are attached.

The report was tabled on 11 October 2001.

The deadline for tabling amendments will be indicated in the draft agenda for the relevant part-session.

MOTION FOR A RESOLUTION

European Parliament resolution on a global partnership and a common strategy for relations between the European Union and Latin America (2000/2249(INI))

The European Parliament,

- having regard to Articles 13, 14, 15, 16, 17, 18, 21, 23, 27 and 28 of the Treaty on European Union,
- having regard to the Declaration of Rio de Janeiro adopted at the First Summit between the Heads of State and Government of Latin America and the Caribbean and the European Union in Rio on 28 and 29 June 1999,
- having regard to the Santiago Declaration adopted at the Xth Institutionalised Ministerial Meeting between the Rio Group and the European Union in Santiago, Chile, on 28 March 2001,
- having regard to the Communication from the Commission to the Council and the European Parliament on the follow-up to the first summit between Latin America, the Caribbean and the European Union (COM(2000) 670)¹,
- having regard to the Final Act of the XVth European Union/Latin America Interparliamentary Conference, held in Valparaíso, Chile, from 23 to 26 April 2001,
- having regard to its resolution of 16 January 1997 on the Communication from the Commission to the Council and the European Parliament on ‘The European Union and Latin America: the present situation and prospects for closer partnership 1996-2000’²,
- having regard to its resolution of 16 January 1997 on the Communication from the Commission to the Council on the renewal of the San José dialogue between the European Union and Central America³,
- having regard to its resolution of 22 April 1994 on economic and trade relations between the European Union and Latin America⁴,
- having regard to its resolution of 22 October 1998 on the European response to international economic instability, with particular reference to the case of Latin America⁵,
- having regard to its resolution of 30 November 2000 on the progress achieved in the implementation of the common foreign and security policy⁶,

¹ Not yet published in OJ.

² OJ C 33, 3.2.1997, p. 86.

³ OJ C 33, 3.2.1997, p. 91.

⁴ OJ C 128, 9.5.1994, p. 443.

⁵ OJ C 341, 9.11.1998, p. 135.

⁶ Not yet published in OJ. Minutes of the sitting of 30 November 2000.

- having regard to its resolution of 1 February 2001 on Plan Colombia and support for the peace process in Colombia⁷,
 - having regard to the motion for a resolution by Juan Naranjo Escobar on European Union contributions to the Puebla-Panama project (B5-0031/01),
 - having regard to Rule 163 of its Rules of Procedure,
 - having regard to the report of the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy and the opinions of the Committee on Development and Cooperation and the Committee on Industry, External Trade, Research and Energy (A5-0336/2001),
- A. whereas the First Summit between the Heads of State and Government of Latin America and the Caribbean and the European Union, held in Rio de Janeiro on 28 and 29 June 1999, decided to establish a strategic bi-regional partnership,
 - B. whereas, if the political, economic, environmental and social challenges still confronting Latin America are to be surmounted, Europeans and Latin Americans must work together for the same ends in a climate of mutual respect,
 - C. whereas, although democracy has spread through several countries in the region in recent years, it has not taken hold to the same extent across the board; whereas, in spite of relatively healthy economic growth, poverty and inequalities continue to spread; whereas the gradual demise of military regimes throughout the 1990s has not eased social tensions to any appreciable extent; whereas all of these factors could jeopardise the transition to democracy in some of these countries and feed an authoritarian backlash,
 - D. whereas the second summit, to be staged in May 2002, will provide an excellent opportunity to forge a comprehensive strategy framework that endows the European Union's foreign policy vis-à-vis Latin America with real substance and structure,
 - E. whereas launching a common strategy for relations with Latin America constitutes the best political, legal and institutional means available to the European Union of achieving the strategic bi-regional partnership agreed upon in Rio,
 - F. whereas the added value gained from the launch of the said common strategy would be the adoption of an all-encompassing, consistent, united and independent approach capable of providing constant and structured impetus to the relations between the European Union and Latin America,
 - G. whereas the new strategy should be built first and foremost on the bilateral and regional aspects of European Union policy towards Latin America and their respective achievements, and also on broader political dialogue within the updated and modernised Rio and San José processes,
 - H. whereas, furthermore, by dint of its role in lending legitimacy to the different integration processes under way in both regions, EU-Latin American parliamentary dialogue

⁷ Not yet published in OJ. Minutes of the sitting of 1 February 2001.

constitutes a key aspect of the global strategic bi-regional partnership; whereas such dialogue ought to include procedures for consulting and involving citizens,

- I. mindful of the need to allot appropriate resources to the new priorities established at the Rio summit,
- J. whereas support for the peace process and ongoing social change in Colombia which champions human rights and social justice and enables the Colombian people to retain the power to take their own decisions and their independence must be one of the main items on the new agenda for political dialogue between the two regions,
- K. whereas the proposed global anti-drugs plan should be backed up with genuine economic measures as an alternative to growing drug crops and should seek to preserve the environment,
- L. whereas the so-called Puebla-Panama project for a comprehensive programme of infrastructure to integrate fully the south of Mexico with the Central American isthmus could prove to be of geopolitical importance and of great socio-economic significance, but should give due consideration to the potentially negative impact of a plan of such scope on social structures, on business for small- and medium-scale producers and on the environment,
- M. whereas the aforementioned initiative must take due account of projects geared towards social development and the protection of natural resources,

A global outlook for the European Union-Latin America strategic bi-regional partnership

- 1. Reiterates its support for the launch of the strategic bi-regional partnership agreed upon by the Heads of State and Government of the countries of the European Union, Latin America and the Caribbean, meeting in Rio on 28 and 29 June 1999; notes with dismay that time has already been wasted because no specific initiatives have been taken to implement agreed cooperation issues;
- 2. Calls on the European Council to adopt a common EU strategy for Latin America and the Caribbean to give substance and direction to EU action in launching the strategic bi-regional partnership agreed upon in Rio;
- 3. Points out that the starting point for the new common strategy and for EU policy vis-à-vis Latin America must be the partnership principle and must therefore enjoy the support of both parties;
- 4. Believes that the second summit of Heads of State and Government, to be staged in May 2002, is an ideal setting in which to adopt the aforementioned strategy;

Aims of the common strategy

- 5. Recommends that the aims of the new common strategy reflect the priorities agreed upon at the First Summit of Heads of State and Government in Rio and be divided into three main groups as follows:

A. Aims in the political sphere:

- adopting a broader bi-regional political agenda,
- updating and modernising political dialogue at ministerial level,
- modernising parliamentary dialogue and creating an EU-Latin American Transatlantic Assembly,
- signing an EU-Latin American peace charter, and
- launching an EU-Latin American political and security partnership;

B. Aims in the economic, financial and commercial spheres:

- finalising the series of association agreements under negotiation with Mercosur and Chile,
- submitting new negotiating guidelines with a view to concluding association agreements with the Andean Community and Central America in the medium term,
- maintaining the terms of the Community GSP from which the Andean and Central American countries benefit in the short and medium term,
- concluding a global interregional partnership agreement to ensure that the substance of the strategic partnership enjoys institutional back-up and covers all of the countries concerned, and
- setting up an area of shared prosperity by strengthening regional markets;

C. Aims in the social and cultural spheres:

- implementing a firm and ambitious development cooperation policy covering the social sphere, culture, education, immigration, justice and home affairs and, above all, the fight against poverty,
- setting up a bi-regional solidarity fund,
- introducing a global anti-drugs plan,
- launching a EURO-LATIN-FOR programme to train members of the judiciary and the police, together with a EURO-LATIN-LEX programme to establish the legal framework required to ensure that drug trafficking and related offences are suitably prosecuted,
- firmly supporting the ALIS programme and the information society proposed by the Commission, and
- establishing a centre for European and Latin American studies (CELAS);

6. Believes that a further basic aim of the new strategy should lie in promoting the principles that underlie the Union, including human rights, democracy, good governance, transparency and the rule of law;

A broader bi-regional political agenda

7. Calls further for the new common strategy to provide for a broader agenda for bi-regional political dialogue at the ministerial and parliamentary levels alike that also embraces in particular:

- heightened cooperation in other new areas of foreign policy, such as the ESDP,

- conflict prevention,
- the threat from terrorism,
- reform of the United Nations system,
- the promotion of democracy, human rights and the rule of law, together with the fight against impunity,
- good governance,
- the fight against poverty,
- issues relating to the environment and sustainable development, and the funding thereof,
- economic and technological globalisation,
- reform of the international financial system,
- consultations with regard to the new WTO round,
- immigration and justice,
- enhanced parliamentary cooperation and a greater role for civil society,
- the creation of an EU-Latin American area of peace and stability founded on fundamental principles such as respect for human rights, the rule of law and democratic values, and
- support for the peace process and ongoing social change in Colombia and in other areas where there is conflict, as set out in detail in the explanatory statement below;

Updating and modernising political dialogue at ministerial level

8. Calls for the processes linked to the Rio Group and San José process to be updated and modernised, so as to provide them with fresh impetus in line with the aims and initiatives pursued by the strategy; both processes should adopt the approach established at the summits and discuss matters on the new, broader political agenda;

Creation of an EU-Latin American Transatlantic Assembly

9. Proposes that the existing system of interparliamentary conferences be replaced with an EU-Latin American Transatlantic Assembly, composed of an equal number of members of the European Parliament, the Latin American Parliament (PARLATINO) and the regional integration parliaments, whose work would be conducted in plenary sittings and in committee, and which would meet once a year;
10. Calls for the new strategy to promote initiatives designed to strengthen the direct legitimacy of PARLATINO and the Andean Parliament through gradual moves within a given period towards the election of their representatives by direct universal suffrage, whilst of course abiding by the domestic legislation of each country;
11. Calls further for support to be provided to Parlacen and its efforts towards regional integration in Central America in the form of specific measures such as backing for its multiannual programme for bolstering democracy;

Specific initiatives under the new common strategy

- A. *Launching an EU-Latin American political and security partnership and signing an EU-Latin American peace charter*

12. Calls on the European Union to strengthen political and security dialogue with the countries of Latin America at every level, be it bilateral dialogue with individual countries, multilateral dialogue or dialogue within Rio Group and San José process bodies;
13. Calls for the establishment of an EU-Latin American strategic and political partnership implemented on the basis of an EU-Latin American peace charter which follows the example of the United Nations Charter and gives concrete expression to political, strategic and security-related proposals of interest to both regions;
14. Calls for cooperation on security and defence matters between the EU Member States and the countries of Latin America to feature amongst the issues addressed within the context of the said charter;
15. Believes that the matters addressed within the context of such cooperation could relate to: upholding peace and security worldwide, with particular emphasis on curbs on small-bore weapons; disarmament; nuclear non-proliferation; military and technical cooperation with regard to the arms industry and the control of arms exports; security, economic, development and environmental issues; and, in general, any other matters with a bearing on mutual security and defence interests;

B. Finalising a new series of association agreements and concluding a global interregional partnership agreement with a view to putting an EU-Latin American free-trade area in place by 2010

16. Calls for the series of association agreements under negotiation with Mercosur and Chile to be finalised in the near future, with each concluded on its own merits, and, furthermore, for new negotiating guidelines to be submitted as soon as possible with a view to concluding association agreements with the Andean Community and Central America in the medium term;
17. Sees the need to maintain the terms of the Community GSP from which the Andean and Central American countries benefit in the short and medium term;
18. Calls for the conclusion, within a given period, of a single global interregional partnership agreement to ensure that the substance of the strategic partnership enjoys institutional back-up and covers all of the countries concerned;
19. Proposes that the aim of the new agreement should ultimately be the bilateral and preferential liberalisation, on a gradual and reciprocal basis, of the trade in all kinds of goods and services between the two regions, in accordance with WTO rules;
20. Hopes that the said agreement can serve to boost sustainable development, reduce social disparities and enhance the well-being of the peoples of Latin America;
21. Calls for the various negotiating mandates to rule out making the conclusion of the new association agreements - both those with Mercosur and Chile and the proposed new association agreements with the Andean Community and the countries of Central America - in any way dependent on completion of the WTO round of negotiations, whilst ensuring

that, in the final analysis, the free-trade area envisaged between the two parties is fully compatible with existing WTO rules;

22. Calls on the Commission and the Council to consult Parliament on the guidelines governing negotiations of any kind on agreements with Latin American countries before they are approved by the Council; calls on the Commission to pursue its work on partnership arrangements with civil society;
23. Asks that, alongside the importance that they attach to purely economic and trade-related aspects, the new agreements acknowledge the qualitative importance of political, social (i.e. relating to health, education, training, the rights of women and children, preservation of a sustainable environment and infrastructure projects), cultural, immigration, and economic and development cooperation considerations;
24. Proposes redefining and establishing an EU-Latin American free-trade area by 2010 by means of the conclusion of the aforementioned global interregional partnership agreement, which, whilst not bypassing the bilateral agreements already concluded or under negotiation, will provide additional institutional back-up for the substance of the strategic bi-regional partnership agreed upon in Rio and cover all of the countries concerned;
25. Recommends that the bilateral agreements already concluded or under negotiation be backed up by a multilateral approach designed to promote regional integration and trade within Latin America itself, the provisions of which could be incorporated into the proposed global interregional partnership agreement at a later stage;
26. Points to the need, with a view to the development of a competitive industry, for the regular transfer of technology and knowledge;
C. Implementing a firm and ambitious development cooperation policy covering the social sphere, culture, education, immigration, justice and home affairs and, above all, the fight against poverty
27. Calls for the new common strategy to make education, health and culture its priorities and to provide for targeted measures in support of those Latin American countries which require them, with particular attention paid to ethnic minorities and indigenous groups;
28. Calls for the ALFA programme for higher education to be expanded and for an assessment to be made of how students from Latin America could take part in the Erasmus programme; offers further its firm support to Commission activities and moves to promote education and culture in EU-Latin American relations;
29. Recommends extending to the countries of Latin America those programmes relating to vocational training, education on new technologies and cultural heritage that may prove beneficial to both parties, taking the Socrates, Leonardo and Raphael programmes as a framework and working in accordance with the cooperation programme between both parties as established by EU and Latin American education ministers in Paris on 3 November 2000;

30. Takes the view that the new common strategy must present innovative immigration policies founded on the respect for, and dignity of, the individual and on the sovereignty of the countries concerned;
31. Suggests to the Commission that an immigration observatory be set up with responsibility for ongoing and thorough monitoring of all issues related to migratory flows between Europe and Latin America;
32. Calls for the promotion of cooperation on social issues, including gender equality, and for strengthened social dialogue;
33. Calls for deeper involvement for civil society (i.e. NGOs, immigrants, local communities, undertakings, associations, universities, trade unions and so forth) as a means of ensuring that society as a whole becomes more closely associated with the activities and benefits that ensue from the launch of the new strategy;
34. Supports the launch of an EU-Latin American business forum bringing together representatives from employer organisations and small, medium-sized and large enterprises in Europe and Latin America with the aim of promoting trade and attracting all kinds of investment to both regions;

D. Creation of a bi-regional solidarity fund

35. Believes that a prime focus of the new common strategy should lie in giving a major new boost to EU development cooperation policy towards Latin America, a key element of which should be the fight against poverty and social inequality;
36. Suggests creating a bi-regional solidarity fund, whose activities would be geared towards managing and financing sectoral programmes focusing initially on health, education and the fight against abject poverty in those countries and regions with lower per capita income levels and more acute social inequalities and subsequently on Latin America as a whole;
37. Takes the view that the aforementioned fund ought to enjoy appropriate sectoral budgetary support and be run by the Commission in conjunction with those bodies (such as the EIB, IDB and World Bank) and countries whose assistance would further serve to provide the fund with adequate budgetary resources; the Commission and the Council must encourage the aforementioned bodies to promote the creation of the fund;

E. Global anti-drugs plan

38. Considers that the common strategy should pave the way for the establishment of a joint EU-Latin American global plan to combat drug trafficking and related offences, conceived as a specific and comprehensive strategic project for joint action that employs innovative and effective measures to counter this scourge adequately by offering genuine economic alternatives to the people concerned, abides fully by international and environmental law and applies a system of joint responsibility;
39. Proposes that the global anti-drugs plan provide for the approval and ratification of the UN Convention against Transnational Organised Crime and the protocols thereto, signed

in Palermo in December 2000; proposes further that priority be given to drug prevention policies and their three distinct stages of research, action and evaluation, with the emphasis placed on policies geared towards bringing down production and demand and using various international cooperation projects as a means of promoting rehabilitation programmes for drug addicts;

40. Calls on the EU and Latin America to work together more closely in this field under the global anti-drugs plan, in line with the principle of shared responsibility, and to undertake to refrain from using the fight against drugs as a pretext for making political or military demands; calls for the provisions of criminal law to be dealt adequately with drug trafficking, money laundering and the illicit trade in chemical precursors; calls for support to be given to all instruments which focus on the exchange of information and experience in combating drugs;
41. Believes that, in the interests of greater effectiveness, the cooperation and coordination mechanism on drugs linking the countries of the European Union, Latin America and the Caribbean could form part of the global plan;
42. Calls for the new common strategy to encompass targeted practical measures to combat drug trafficking, organised crime and the traffic in small-bore weapons, and to include a EURO-LATIN-FOR programme for the training of, and exchanges between, members of the judiciary and the police, together with a EURO-LATIN-LEX programme to promote the approximation of legislation on the effective indictment of such offences, whilst fully respecting the sovereignty of the countries concerned;

F. Support for the ALIS programme and the information society proposed by the Commission

43. Supports the Commission's proposals to promote the information society and all new electronic communications systems in EU-Latin American relations, and the proposals relating to the new ALIS programme in particular; calls also for initiatives to be encouraged to bridge the technological divide separating the two regions and focus on basic education and quality training, with support for procedures which guarantee the transparency of governmental activities;
44. Calls for the spread of new technologies to be encouraged, so as to provide for easier access and a focus on audiovisual programmes aspiring to achieve quality, cultural diversity and the promotion of democratic values, whilst guarding against monopolies and guaranteeing the right to accurate and reliable information;

G. Other specific initiatives under the new common strategy

45. Considers that the new common strategy should make provision for specific initiatives with regard to democracy, human rights, including economic, social and cultural rights, and the rule of law, with a view to ensuring that the public sector, private sector and civil society work together to defend democracy;
46. Takes the view that the strategy must include measures to place globalisation at the service of human beings, whilst preserving the cultural heritage of peoples and narrowing the gap between rich and poor countries;

47. Suggests that the strategy ought to contain stringent environmental measures whose aim lies in ratifying and enforcing the terms of the Kyoto Protocol and the Cartagena Protocol on Biosafety, in making headway with regard to meeting the objectives of Agenda 21 and of the next World Summit on Sustainable Development and in countering the increase in toxic substances, and that provide for the ratification of existing international conventions, beginning with the Basel Convention on hazardous chemical products;
48. Emphasises that the strategy should contain measures to ensure that the integration process in Latin America receives resolute encouragement and momentum and to facilitate economic, commercial, social, regional and bi-regional exchanges in response to the challenges thrown up by globalisation; in this regard, welcomes the example set by the Central American Bank for Economic Integration as a multilateral bank for integration and regional development in Central America;
49. Reiterates its view that the Commission and the Council should make clear their political desire to solve the problem of debt, which is seriously hampering development efforts in the countries of Latin America and which, if rescheduled, ought to serve to fund projects combining investment and employment, particularly amongst young people; the Council and the Commission must promote and shape specific initiatives to that end;
50. Calls on the European Union to join with the international financial community in helping to ensure that the proposed Puebla-Panama project is a success, since besides being a political and legal concept, market integration is primarily a practical notion;
51. Welcomes the emergency social production programme 'A Trabajar' ('Work') recently launched by the new democratic government of Peru with the aim of reducing poverty in the country and improving the economic and social conditions of its people, and also firmly supports the holding of a donors' conference in the hope that international cooperation can help provide adequate co-funding to ensure the success of the objectives pursued by the programme;
52. Considers it vital in the near future to open without delay a Commission delegation in Ecuador, the only Andean country which does not have one, in order to enhance the Union's profile and actions in the Andean area and provide firm support for greater regional integration, as one of the most effective means of helping overcome the difficult times being experienced by most countries in the region;

Ways and means of applying the new strategy

53. In order to give a higher profile to the European Union's actions and initiatives in the region and make them more effective, calls for increased coordination, cohesion and complementarity between the instruments and actions of the European Union and the Member States in the region;
54. Requests also that efforts be made to ensure that the European Union's policy towards Latin America complements its policies towards other associated countries;
55. Recommends that in implementing the common strategy the European Union institutions and bodies act with due regard for the competences and procedures laid down in the EU and the EC Treaties;

56. Considers that the Member States should contribute to the objectives of the common strategy by making appropriate and coordinated use of all the relevant instruments available to them;
57. Considers it vital for the Council, Commission and Member States to adapt all the existing acquis in this area to the needs of the future strategy and to make full and appropriate use of the various existing instruments, means and programmes, whilst drawing up a list to serve as a guide to the resources available to the Union, the Community and the Member States for applying the common strategy;
58. Considers that, in order to implement the new common strategy, increased human resources will be needed in the Directorate for Latin America of the Commission's Directorate-General for External Relations and in related services;
59. Proposes that a centre for European and Latin American studies (CELAS) be set up, to be funded initially from existing capacity by the Community budget, the Member States, the countries of Latin America and other possible external donors, but looking to the private sector as its long-term source of support;

Budgetary aspects of the European Union-Latin America strategic bi-regional partnership

60. Calls on the Commission and the Council to provide adequate funding to achieve the objectives set under the present strategy, bearing in mind that Latin America needs opportunities not hand-outs;
61. Calls for the financial provisions applicable to Latin America to be placed on a firmer legal footing and for this purpose considers it vital to divide the existing financial regulation applying to both Asia and the countries of Latin America into two separate financial regulations;
62. Calls on the Commission, the Council, the Member States and the countries of Latin America to help strengthen private enterprise as a key to the success of the actions provided for under the new strategy and to sustainable development;
63. Calls on the Commission, bearing in mind existing needs, to submit a proposal designed to increase the efforts and resources deployed by the EIB in the region, under initiatives such as the action plan for integration of regional infrastructures in South America or the Puebla-Panama project;

Duration and revision of the new common strategy

64. Requests that the new common strategy remain in force for an initial period of four years and be extended, revised and adapted by the European Council as often as necessary, on a recommendation from the Council, following a report by the European Parliament and after consulting the Latin American partners;
65. Calls on the Council to review and assess the Union's action under the future strategy and to inform the European Council and the European Parliament at least once a year on the progress made towards achieving its objectives;

66. Instructs its President to forward this resolution to the Council, the Commission, the governments and parliaments of the EU Member States and of all countries in Latin America and the Caribbean, the Latin American Parliament, Parlacen, the Andean Parliament and the Mercosur Joint Parliamentary Committee.

EXPLANATORY STATEMENT

LAUNCHING A COMMON STRATEGY FOR LATIN AMERICA AS THE BEST MEANS FOR THE EUROPEAN UNION OF ACHIEVING THE STRATEGIC BI-REGIONAL PARTNERSHIP AGREED UPON IN RIO IN 1999

1. From the outset Parliament has endorsed the aim of launching the **strategic bi-regional partnership** agreed upon by the Heads of State and Government of the EU, Latin America and the Caribbean, who held their first summit together in Rio de Janeiro, Brazil, on 28 and 29 June 1999. This aim of report, therefore, is to recommend that the European Council adopt a common EU strategy for Latin America and the Caribbean to guide the bilateral and regional aspects of EU action in launching the aforementioned partnership. By launching this new common strategy at the second summit in May 2000, the Union would be clearly signalling its determination to make resolute and qualitative progress towards implementing a comprehensive, consistent and independent policy for the region concerned. Moves in this direction will be helped along by the broad range of priorities and guidelines for action that emerged from the first summit and form an excellent springboard for bringing the partnership to fruition.

AIMS OF THE NEW COMMON STRATEGY

2. Your rapporteur takes the view that the aims of the new common strategy should reflect the priorities agreed upon at the First Summit of Heads of State and Government in Rio and be divided into three main groups as follows:
 - aims in the political sphere: adopting a broader bi-regional political agenda; updating and modernising political dialogue at ministerial level; modernising parliamentary dialogue and creating an EU-Latin American Transatlantic Assembly; signing an EU-Latin American peace charter; and, lastly, launching an EU-Latin American political and security partnership, so as to pave the way for an EU-Latin American area of peace and stability founded upon fundamental principles such as respect for human rights, the rule of law and democratic values;
 - aims in the economic, financial and commercial spheres: finalising the series of association agreements under negotiation with Mercosur and Chile; submitting new negotiating guidelines with a view to concluding association agreements with the Andean Community and Central America in the medium term; maintaining the terms of the Community GSP from which the Andean and Central American countries benefit in the short and medium term; and, most importantly of all, concluding a global interregional partnership agreement that would ensure that the substance of the strategic bi-regional partnership covered all of the countries concerned and would lead to the creation of an area of shared prosperity by putting an EU-Latin American free-trade area in place by 2010;
 - aims in the social and cultural spheres: implementing a firm and ambitious development cooperation policy covering the social sphere, culture, education, immigration, justice and home affairs and, above all, the fight against poverty.

Alongside this there would be the need for other initiatives, involving introducing a global anti-drugs plan, launching a EURO-LATIN-FOR programme to train members of the judiciary and the police, together with a EURO-LATIN-LEX programme to establish the legal framework required to ensure that drug trafficking and related offences are suitably prosecuted, and setting up a bi-regional solidarity fund.

A BROADER AGENDA FOR BI-REGIONAL POLITICAL DIALOGUE

3. If a genuine strategic bi-regional partnership is to be put in place, it must inevitably be accompanied by a **broader agenda for political dialogue** that encompasses a number of other issues of interest to both parties across the board, these being, specifically:
 - A. the *promotion of democracy, human rights and the rule of law*, founded on the following principles, under which:
 - the strategic bi-regional partnership agreed upon in Rio should become a platform for the promotion of respect for human rights and democratic principles;
 - besides containing the so-called democracy and human rights clause, every agreement concluded between the parties, whatever its nature, must stipulate the procedure to be followed in the event of the agreement's being suspended as a result of a breach of the said clause and the implications of such a breach;
 - B. cooperation between the EU Member States and the countries of Latin America and between their respective integration bodies on *conflict prevention*, including:
 - cooperation on measures to promote international security and build a climate of confidence and security between countries, along with the possible establishment in Latin America of a conflict prevention centre reflecting the conclusions reached at the three EU-Mercosur seminars held on the matter concerned in 1995, 1996 and 1997, an initiative noted by the XIVth Ministerial Meeting of the Rio Group in Panama on 11 and 12 February 1998;
 - the possibility of inviting Latin American integration bodies and the countries concerned to participate in crisis management operations in which both parties have a shared interest;
 - C. the *fight against poverty* should be made a key subject of the political dialogue between the two parties which should include notably:
 - an undertaking from the EU to lay particular emphasis on poverty alleviation in mapping out its development cooperation policy;
 - the launch of new EU programmes geared towards improving the social and health conditions of Latin America's poorest nations;
 - discussions with regard to the debt problem confronting the most impoverished countries in Latin America and possible solutions that take account of the economic climate in each country;
 - discussions as to the most satisfactory means of implementing the conclusions reached at the Third United Nations Conference on the Least Developed Countries held recently in Brussels;
 - D. enhanced cooperation in *other areas of foreign policy*, such as:

- a coordinated approach between the EU Member States and the countries of Latin America and between their respective integration bodies in international, regional and bilateral forums, including those relating to the United Nations system and reform thereof;
- efforts to seek the global and multilateral approach and the common focus advocated by the Göteborg European Council of 15 and 16 June 2001 with a view to giving greater clout to the international rules and political instruments designed to guard against the proliferation of weapons of mass destruction and missiles;
- cooperation with regard to security and defence matters in general and the fledgling CESDP;
- joint initiatives proposed in areas such as the fight against drug trafficking, corruption and organised crime, arms control, the proliferation of light weapons, child labour, and so forth.

E. *other matters* that need to be brought within broader political dialogue in the strategic bi-regional partnership, namely:

- good governance;
- across-the-board cooperation on environmental issues;
- the new opportunities afforded by economic and technological globalisation;
- reform of the international financial system;
- immigration and justice.

UPDATED AND MODERNISED POLITICAL DIALOGUE AT MINISTERIAL LEVEL

4. The bilateral and regional aspects of the policy that the European Union has hitherto been pursuing towards Latin America and their respective achievements form one cornerstone of the new common EU strategy towards Latin America. However, a second cornerstone is now required in the form of the Rio and San José processes, duly updated and modernised, coupled with the global interregional partnership agreement proposed in this report.

THE EUROPEAN PARLIAMENT AND THE CREATION OF AN EU-LATIN AMERICAN TRANSATLANTIC ASSEMBLY

5. The EU-Latin America interparliamentary conferences held hitherto - the protagonists of which have been the European Parliament and the Latin American Parliament (PARLATINO) since the very first conference in Bogotá in July 1974 - have played a considerable role in building relations between the EU and Latin America. Indeed, in the fifteen years that succeeded the 1974 conference they were the only stage for institutionalised bi-regional political dialogue. However, interparliamentary cooperation will without fail have to make qualitative progress if it is to achieve the desired level of monitoring and control of the transatlantic aspects of the strategic bi-regional partnership. Hence the proposal that the biennial interparliamentary conferences be replaced with an *EU-Latin American Transatlantic Assembly* composed of an equal number of members of the European Parliament and PARLATINO.

OTHER SPECIFIC INITIATIVES UNDER THE NEW COMMON STRATEGY

A. Launching an EU-Latin American political and security partnership and signing an EU-Latin American peace charter

6. Firstly, the new common strategy should set in motion an **EU-Latin American political and security partnership** that has yet to emerge. As an initial step towards this, negotiations could be initiated on an **EU-Latin American peace charter**, a political and legal step enabling all partners on both sides of the Atlantic to engage in serious discussions on the most relevant political and security issues. The new CESDP, which emerged in Amsterdam and was developed further in Cologne, Helsinki, Feira, Nice and Göteborg, has paved the way for a Union which would play a role in international security commensurate with its economic clout, a role which might see it engaged in the so-called Petersberg missions in addition to providing development cooperation and support for the United Nations system. Were the EU to find itself working independently in such an event, above all in operations outside the EU itself, it would be well advised to talk to its partners in Latin America with a view to their becoming involved.

B. Finalising a new series of association agreements and concluding a global interregional partnership agreement

7. It is evident that the wide national and subregional differences that exist are such that, initially, and until such time as the proposed global partnership agreement comes into being, the most advanced of the recently concluded association agreements - the agreement with Mexico being a case in point - must remain in force. Likewise, those agreements currently in the pipeline (i.e. those with Mercosur and Chile) ought to be finalised, whilst new negotiating guidelines would be required in order for association agreements to be concluded with the Andean Community and Central America in the medium term. Lastly, in the meantime, the terms of the Community GSP from which the Andean and Central American countries benefit ought to be maintained in the short and medium term.
8. Once the aforementioned series of agreements is firmly in place, an EU-Latin American free-trade area should be redefined and established by 2010, the chief stepping stone towards which would be a single **global interregional partnership agreement** covering all EU Member States and all Latin American countries without exception. The GATT agreements reached during the Uruguay Round in 1994 set an ambitious timetable for liberalisation stretching from 1995 to 2010 and have thus greatly influenced EU-Latin American relations, insofar as they have confirmed that regionalisation and multilateralism as strategies are complementary rather than mutually exclusive. Strategies have thus been able to shift accordingly in order to gain a foothold in the world economy and subregional liberalisation agreements have been signed. It is in this context that the new proposal on the conclusion of a global interregional partnership agreement comes into play as a strategic response to the Free Trade Area of the Americas (FTAA) project and the United States' ambitions to dominate the region.

9. As regards trade, the aim of the proposed global interregional partnership agreement should ultimately be the *bilateral and preferential liberalisation, on a gradual and reciprocal basis, of trade in all kinds of goods and services between the two regions, in accordance with WTO rules*. In strategic terms, adopting a regional focus until such time as the benefits of multilateralism are fully apparent is the only available means of defending both parties' interests across the board, especially if the FTAA project proceeds apace. Moreover, such an approach would serve to resolve once and for all a number of issues that have long since presented obstacles to trade relations between the two parties.

C. Implementing a firm and ambitious development cooperation policy covering the social sphere, culture, education, immigration, justice and home affairs and, above all, the fight against poverty

10. The stark **social inequalities** that persist in Latin America may jeopardise the painstaking progress towards social harmony and greater democracy in the countries of the region. Therefore, the new common strategy must take this situation on board so as to assist Latin America's governments and societies to redress the market imbalances that are at the root of these inequalities.
11. Turning to **education and culture**, the regional and continent-wide moves towards political and regional union under way in Europe and Latin America clearly need to be coupled with additional proposals. To this end the new common strategy must make education its top priority and give rise to proposals that contribute towards comprehensive access and equality of opportunity in that field. Other proposals should cover health, food and housing. In both cases, various specific measures could also emerge from the activities of the bi-regional solidarity fund advocated in this report and referred to below.
12. As regards **immigration and migratory flows**, the new common strategy should recognise the economic and cultural contribution that emigrants make to their adoptive societies and native communities alike. Likewise it must put forward innovative immigration policies founded on respect for human dignity and for the sovereignty of the countries concerned. Hence the proposal that the Commission set up an **observatory on immigration** to monitor closely, on an ongoing basis, all issues linked to migratory flows in the EU and Latin America.

D. Setting up a bi-regional solidarity fund

13. One of the pivotal roles played by the future common strategy will be that of giving a new approach and firm and far-sighted impetus to EU development cooperation policy towards Latin America. Furthermore, the Commission is right to suggest that the fight against poverty and social inequality must become a key aspect of that policy. The best practical means of moving EU development cooperation policy towards Latin American forward might well be that of establishing a **bi-regional solidarity fund**, whose aims ought to tie in with the general priorities in the fight against poverty agreed upon at the first summit in Rio. Initially at least, the fund's activities ought to be geared towards managing and funding sector-based programmes exclusively targeting health and education across Latin America. The fund would be run by the European Commission and enjoy appropriate sectoral budgetary support augmented by contributions from international bodies such as the Inter-American Development Bank (IDB) and the World Bank and from other

countries, whose assistance would further serve to provide the fund with adequate budgetary resources.

E. Global anti-drugs plan

14. Another crucial issue in the area of justice and home affairs is undoubtedly *the fight against drug trafficking and organised crime*, involving action to combat not only drug trafficking offences but also trafficking in people (especially women and children), illegal trafficking in emigrants, trafficking in weapons, corruption, and the link between organised crime and terrorism. In this regard, your rapporteur sees the need for the new common strategy to pave the way for the establishment of a joint EU-Latin America **global plan to combat drug trafficking and related offences**, conceived as a specific and comprehensive strategic project for joint action that employs innovative and effective measures to counter this scourge adequately and abides fully by international law and the principle of joint responsibility. Some of those measures are set out in the motion for a resolution. Furthermore, the new common strategy should include specific practical measures to combat drug trafficking and organised crime, such as a EURO-LATIN-FOR programme to train members of the judiciary and the police, together with a EURO-LATIN-LEX programme for cooperation on establishing the legal framework required to ensure that the offences in question are suitably prosecuted.

F. Supporting the ALIS programme and the information society proposed by the European Commission

15. Given the benefits that the economies of the European Union and Latin America can derive from mastering the information networks that are transforming the media at present, the proposals and initiatives put forward under the new common strategy in this field will have to be particularly diverse and imaginative in substance. In this regard your rapporteur supports the Commission's proposals to promote the information society and all new electronic communications systems, with particular emphasis on the ALIS programme, in EU-Latin American relations.

G. Other specific initiatives under the new common strategy

16. Specific initiatives under the new common strategy will also be required with regard to **democracy, human rights and the rule of law**. The outlook for democracy in Latin America has changed over the past twenty years. As evidence of this one only need look at military expenditure, which fell from 3.2% to 1.8% of GDP and from USD 63 to USD 49 per capita between 1985 and 1999. For this very reason your rapporteur believes that it is vital that the new common strategy make provision for innovative measures and ambitious cooperation programmes to ensure that the constitutional state and its institutions become more firmly anchored, guided by the principle of legality, and make a decisive contribution towards ensuring that the public sector, private sector and civil society work together to defend democracy.
17. The **environment**, too, has a key role to play in EU-Latin American relations as a whole. Hence the crucial need for the new common strategy to provide for stringent and appropriate measures in this area that at the very least include those set out in the motion for a resolution.

18. Lastly, a **centre for European and Latin American studies (CELAS)** should be established to acquire the necessary resources in terms of specialised knowledge. Initially the new centre would have to draw upon existing capacity and receive additional assistance from the Community, the Member State, the countries of Latin America and other potential external donors, but would look to private enterprise as its long-term source of support.

FUNDING THE NEW COMMON STRATEGY

19. At the end of 2000 the EU was allocating EUR 9 300 million in commitment appropriations and EUR 5 600 million in payment appropriations per annum to cooperation with third countries, with the bulk of this aid focused on five main areas, namely: the European Development Fund (EDF) for the ACP countries; the Asian and Latin American developing countries (ALA); Mediterranean third countries (MEDA); assistance for the countries of central and eastern Europe (PHARE); and technical assistance for the Commonwealth of Independent States (TACIS). These amounts did not include ECHO-managed humanitarian aid, the macrofinancial assistance managed by the Directorate-General for Economic and Financial Affairs or the new SAPRA and ISPA pre-accession instruments.
20. Significantly, of this EUR 9 300 million, only EUR 278 148 000 from the total allocation of EUR 311 185 000 in aid for developing countries in Latin America from the lines managed by the Directorate for Latin America at the Directorate-General for External Relations was committed in 2000, the take-up rate being 89%. (By way of comparison, in 1999 EUR 210 617 000 was committed from the total allocation of the EUR 312 989 000, the take-up rate being 65%.) Furthermore, when these amounts are added to the allocations for countries and programmes in Latin America managed by other services at the Directorate-General for External Relations (EUR 42 822 000 in 1999 and a mere EUR 18 108 000 in 2000) and the lines managed by other Directorates-General and ECHO (EUR 177 180 000 in 1999 and EUR 133 130 000 in 2000), it is clear that the overall amount of budget allocations set aside for Latin America declined from approximately EUR 507 048 000 in 1996 to EUR 429 387 000 in 2000. These figures are a useful means of gaining an impression of the relative importance attached to EU cooperation with Latin America within the overall context of the European development cooperation policy that has now been in force for more than twenty years.
21. A comparison of the distribution of European Community aid by region over the same period merely reinforces that impression. The budget allocation for the ACP countries was EUR 4 007 million (43% of overall aid), with EUR 1 548 million paid out; EUR 1 576 million for the CEECs (17% of overall aid), with EUR 1 200 million paid out; EUR 1 021 million for the Mediterranean countries (11% of overall aid), with a mere EUR 462 million paid out; EUR 648 million for the ALA developing countries (7% of overall aid), with EUR 461 million committed; EUR 439 million for the CIS (5% of overall aid), with EUR 439 million committed; EUR 423 million for the countries of the former Yugoslavia (5% of overall aid), with EUR 469 million paid out; and a further EUR 1 230 million in unspecified assistance (13% of overall aid), with payments exceeding EUR 953 million. These figures notwithstanding, the European Union remains the main source of official

development aid to Latin America, the bulk of it non-repayable. This aid increased considerably throughout the 1980s and 1990s; at present, the contributions from EU Member States and the Community budget combined account for more than 60% of official development aid to the region and far outstrip those of Japan and the USA.

22. The figures above highlight the fact that the budget for relations with Latin America will not be enough to cover the global partnership agreed upon at the first summit in Rio on 28 and 29 June 1999. The fact is that Latin America needs opportunities, not handouts. For that reason it is more vital than ever that, if the desire to usher in the strategic bi-regional partnership agreed upon in Rio is genuine, adequate resources must be allocated to the new strategy.

Motion for a European Parliament resolution by Juan Naranjo Escobar on European Union contributions to the Puebla-Panama project

The European Parliament,

- A. noting the scope of the so-called Puebla-Panama proposal for a massive programme of infrastructure to integrate fully the south of Mexico with the Central American isthmus,
- B. whereas this project is an intelligent and bold response to the socio-economic reality and to a geopolitical issue of the utmost importance,
- C. recalling the comments contained in the document entitled ‘El Sur también existe’ (‘The South exists too’), drawn up by advisers to the former Mexican President,
- D. whereas the Puebla-Panama plan would lay the foundations for sweeping economic modernisation that would integrate the south of Mexico both with the north of the country and with the countries of Central America,
 - 1. Calls for the European Union to join the international financial community in contributing to the success of the Puebla-Panama project;
 - 2. Calls for implementation of this project to focus on logistics in unlocking the development potential of the countries of the Central American isthmus;
 - 3. Recommends that the EU concentrate its efforts in the Central American region on attempting to secure progress on this proposal.

29 May 2001

OPINION OF THE COMMITTEE ON DEVELOPMENT AND COOPERATION

for the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy
on a global partnership and a common strategy for relations between the European Union and
Latin America (2000/2249(INI))

Draftsman: Hans Modrow

PROCEDURE

The Committee on Development and Cooperation appointed Hans-Georg Modrow draftsman at its meeting of 2001.

It considered the draft opinion at its meeting of 10 April 2001.

At its meeting of 29 May 2001 it adopted the following conclusions unanimously.

The following took part in the vote: Joaquim Miranda, chairman; Lone Dybkjær, Margrietus J. van den Berg, vice-chair; Yasmine Boudjenah, John Alexander Corrie, Concepció Ferrer (for Generoso Andria), Jean-Claude Fruteau, Michael Gahler (for Karsten Knolle), Karin Junker, Bashir Khanbhai, Wolfgang Kreissl-Dörfler, Nelly Maes, Miguel Angel Martínez Martínez, Didier Rod, Ulla Margrethe Sandbæk, Francisca Sauquillo Pérez del Arco, Agnes Schierhuber (for Jürgen Zimmerling) and Bob van den Bos.

SHORT JUSTIFICATION

The Summit meeting held in Rio in June 1999 and involving Latin America, the Caribbean and the European Union marked the beginning of a new stage in bi-regional relations which aims to establish a new strategic partnership. In addition to expanded economic relations, the EU is offering to the Latin American and Caribbean countries a political dialogue between equals and its help in finding a solution to social and ecological problems.

Latin America stands before the daunting prospect that, probably from 2005, it will become a member of the Free Trade Area of the Americas (FTAA) along with the USA. Given that time has already been wasted with respect to the further development of bi-regional relations, with particular regard to the economy and technological development, it is a matter of the utmost urgency for the EU to take specific measures.

1. We must therefore note with dismay that, although almost two years have elapsed since the Summit, the specific measures designed to implement the targeted priorities have, to date, been restricted to the fight against drugs and to the setting up of a bi-regional working party for the drafting of proposals for the practical implementation of economic and technological cooperation.
2. The Commission proposes focusing its activities on the promotion of human development and the development of civil society. That may be accepted as a step towards the formulation of a consistent series of measures.
3. The EU should deem its most urgent task in the political dialogue and in cooperation with Latin America to be support for the peace process and for social change in Colombia, because of its effects and human dimension, which exceed the boundaries of the sub-region, and because of its crucial significance for the solution of social conflicts in Latin America. The EU might thereby act, jointly with interested Latin American countries, to establish a strategic alliance to strengthen regional and global security. Implementation of the Plan Colombia, which relies largely on military intervention and seeks to regionalise the conflict, might well result in the destabilisation of the entire region.
4. The situation as regards human rights, the rule of law and democracy in most of the countries of the Latin America/Caribbean region is alarming. In several countries, anti-democratic laws passed during the era of the military dictatorships have not even been repealed. Serious human rights violations have not been cleared up, and their perpetrators have escaped virtually scot-free. The consequences thereof for the creation of any kind of understanding of democracy are disastrous. What is more, it is becoming increasingly apparent that broad swathes of the poor cannot exercise their political rights unless and until those rights are combined with economic, social and cultural human rights.

We found to our horror that the Commission's current concept makes no reference to indigenous population groups – which, in some countries, account for up to half the population – with their specific features, their autonomous organisations and their traditional forms of political life. And yet it is precisely here that human rights violations occur most frequently in most countries.

5. In the economic sector, provision is made for an initiative to promote the information society. Despite the significance which must be ascribed to the challenges of information and communications technologies for the establishment of competitive economies and also for the development of social and political structures, we cannot help but feel that the wrong priorities have been established here. Handicaps as regards productivity and competitiveness stem largely from deficiencies in basic education. That being the case, the information technology initiative addresses no more than a minority. It might even exacerbate the polarisation of society.

In its place, efforts to increase Latin America's equality of opportunity in bi-regional trade should be stepped up. Over the last ten years, Latin America's traditional trade surplus with the EU has turned into a deficit. The subsidies granted and protectionist policies pursued by the EU countries have resulted in many thousands of jobs being lost in Latin America. Resources are being drained away from the countries of Latin America in orders of magnitude which are of decisive significance for a sustainable economic upturn and effective measures to combat poverty. Further efforts to solve the problem of indebtedness also belong to this context. The actual release of resources in the wake of debt cancellation might also increase the resources available for a credible education offensive in the countries of Latin America.

6. Poverty has increased further in Latin America and the Caribbean. The number of people living in poverty is estimated at 200 million, i.e. 41% of the population. Macroeconomic stability in Latin America has been strengthened at the expense of the poor. Stronger growth and an increase in poverty do not simply constitute an undesirable pair, they constitute an example of cause and effect.
7. With regard to cooperation with Latin America and the Caribbean, we recommend that the following be incorporated into the programme:
 - for the Andes Region, promotion on a massive scale of alternative agricultural projects to encourage farmers to abandon drug crops;
 - for Central America, an increase in pressure to ensure implementation of the undertakings given by the government when it concluded the peace agreement in Guatemala, in which EU countries were involved, since disregard thereof contributes largely to a hardening of attitudes in other conflicts, for example in Colombia, and that jeopardises the credibility of international mediation and conjures up the threat of new conflicts in the country concerned;
 - for the Caribbean, separate observation of the alarming political situation in Haiti.

CONCLUSIONS

The Committee on Development and Cooperation calls on the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy, as the committee responsible, to incorporate the following points in its motion for a resolution:

1. Welcomes EU initiatives to establish a strategic partnership between Latin America and the Caribbean. on the one hand, and the EU, on the other, for the pursuit of common interests through bi-regional cooperation and in international contexts;
2. Notes with dismay that time has already been wasted because no specific initiatives have been taken to implement agreed cooperation issues;
3. Notes, further, that the success of such initiatives must be measured not principally by their visibility but by their incorporation in a cooperative strategy which promises lasting success;
4. Calls on the Commission, when planning further measures to expand cooperation, to lay down the priorities and guidelines for action in a manner which is easy to understand and to scrutinise, so as to ensure that they benefit all sections of the population;
5. Supports the proposal, as part of the preparations for the follow-up meeting of Heads of State, to give the go-ahead to interconnected initiatives in the three areas of the strategic partnership – the political, economic and social sectors – which are geared to the promotion of human development and the development of civil society; calls, further, for permanent monitoring of the coherence and consistency of policies in those three areas;
6. Proposes that the scheduled policy discussion forum for the promotion and protection of human rights be extended beyond 2002 so that longer-term strategies may be supported;
7. Calls on the EU to act decisively, together with interested Latin American countries, to support the peace process and social change in Colombia;
8. Deems alarming the situation as regards human rights, the rule of law and democracy in many Latin American and Caribbean countries;
9. Calls for respect for the unity of political rights and economic, social and cultural human rights;
10. Takes the view that measures should be proposed to promote and protect the rights of indigenous peoples and calls, therefore, for this question to be included in the political dialogue and for representatives of the indigenous population chosen by the population to participate in that dialogue;
11. Calls on the Commission to include into any future negotiations on trade and cooperation agreements with Latin American countries a reference to the OECD guidelines on Corporate Responsibility whose latest version, dating from June 2000, explicitly contemplates the possibility of application also to non-OECD countries;
12. Calls on the Commission to be consulted on the draft mandate for each negotiation of agreements with Latin American countries before the Council approves it and asks the Commission to further develop consultation mechanisms with European as well as concerned Latin American civil society during the negotiation process as well as for the monitoring after the agreement enters into force;

13. Requests an early report on the role and the results of the EU gender mainstreaming principles in relations with Latin American countries, especially in the context of negotiations on trade and cooperation agreements;
14. Proposes, in the economic sphere, that less importance be attached to the initiative relating to the information society and that emphasis be placed on other economic measures concerning trade concessions and debt cancellation;
15. Considers that, alongside the initiative relating to the information society, other initiatives should also be proposed which are designed to promote basic education and quality training, an indispensable first step in gaining access to and benefiting from the advantages offered by the information society;
16. Draws attention to the economic strategies still propounded which engender poverty; deems not only governments, development agencies and representatives of the business world but also the Latin American/Caribbean organisations involved in the World Summit for Social Development to be important and competent partners for a discussion on the procedures for the eradication of poverty and social exclusion in the fora involved with the Social Initiative;
17. Calls on the Commission, as part of the sub-regional programmes in the Andes Region, to give massive support to alternative agricultural projects enabling farmers to abandon drug crops, to urge governments in Central America, especially in Guatemala, to respect the commitments into which they entered as part of the peace agreement, and, in the Caribbean, to pay specific attention to the political situation in Haiti, which is giving cause for particular concern.

18 September 2001

OPINION OF THE COMMITTEE ON INDUSTRY, EXTERNAL TRADE, RESEARCH AND ENERGY

for the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy

on a global partnership and a common strategy for relations between the European Union and Latin America (2000/2249(INI))

Draftsman: Wolfgang Kreissl-Dörfler

PROCEDURE

The Committee on Industry, External Trade, Research and Energy appointed Wolfgang Kreissl-Dörfler draftsman at its meeting of 9 January 2001.

It considered the draft opinion at its meetings of 28 August and 18 September 2001.

At the latter meeting it adopted the following conclusions by 40 votes to 1.

The following took part in the vote: Carlos Westendorp y Cabeza, chairman; Renato Brunetta, Nuala Ahern, Peter Michael Mombaur, vice-chairmen; Wolfgang Kreissl-Dörfler, draftsman; Konstantinos Alyssandrakis, Guido Bodrato, Felipe Camisón Asensio (for Jaime Valdivielso de Cué), Gérard Caudron, Giles Bryan Chichester, Dorette Corbey (for Eryl Margaret McNally), Concepció Ferrer, Francesco Fiori (for Umberto Scapagnini), Christos Folias, Glyn Ford, Jacqueline Foster (for Angelika Niebler), Neena Gill (for Imelda Mary Read), Lisbeth Grönfeldt Bergman (for Anders Wijkman), Michel Hansenne, Hans Karlsson, Bashir Khanbhai (for Werner Langen), Bernd Lange (for Norbert Glante), Rolf Linkohr, Caroline Lucas, Erika Mann, Giuseppe Nisticò (for Konrad K. Schwaiger), Hervé Novelli (for Dominique Vlasto), Reino Kalervo Paasilinna, Yves Piétrasanta, John Purvis, Godelieve Quisthoudt-Rowohl, Daniela Raschhofer, Christian Foldberg Røvsing, Paul Rübig, Ilka Schröder, Esko Olavi Seppänen, Claude Turmes (for Nelly Maes), W.G. van Velzen, Alejo Vidal-Quadras Roca, Myrsini Zorba and Olga Zrihen.

SHORT JUSTIFICATION

The first EU-Latin America/Caribbean Summit was held in June 1999. The aim of the Summit was to further develop relations between both regions into a strategic partnership. This initiative is to be welcomed both in view of the significant problems and differences in terms of development which persist in the various countries in Latin America and the Caribbean and in view of the planned integration of Latin America in the Free Trade Area of the Americas.

Socio-economic and external trade related information

- Despite the progress achieved in various areas, the continent as a whole continues to be characterised by an unequal distribution of income, wealth and power.
- While most countries enjoy macro-economic stability and a largely balanced economic structure, at least 224 million Latin Americans, of which more than half under 20 years of age, live in great poverty.
- Per capita income has increased fivefold in the last 100 years but continues to be much lower than that of western industrialised nations and has only increased by 1.5% in the last decade.
- The rate of unemployment fell by only 0.1% and is stagnating at 8.6% officially without taking account of the large informal sector in these countries and of the number of underemployed persons.
- The driving force for current economic growth in the region is primarily the export sector, revenue from which increased by US\$ 68 billion to US\$ 410 billion in the year 2000. However, this benefited mainly the oil exporting nations in the continent and Mexico, the latter accounting for 44% of total exports with 85% of its exports going to the USA as a result of the NAFTA free trade agreement.
- In contrast to this, Mexico's exports to EU countries account for but a fraction of its export revenue (4% in the year 2000). Imports from EU countries account for only 6.6% of total imports to Mexico compared with 70% from the USA.
- Trade relations between the two regions are very asymmetric, a small number of countries in Latin America and in the EU accounting for the bulk of trade.
- Import barriers and agricultural subsidies make it difficult for producer countries to gain access to new markets for their agricultural products and prevent them from making use of their competitive advantage.
- Conversely, high import duties in certain countries and economic regions such as the Mercosur also hinder a better integration of Latin American internal markets in the world economy.
- The countries of Latin America and the Caribbean continue to be first and foremost producers of primary goods and agricultural products.
- Save for a few exceptions (e.g. Brazil), most countries are not industrialised and their exports are as a rule unprocessed raw materials without much value added; by way of an example, such goods account for 80% of Chile's exports.

Assessment and prognosis

While the economic situation in Latin America has stabilised somewhat in the past 18 months (GDP 2000: +3.3%), economic growth rates vary greatly between the various countries owing to the heterogeneous nature of the continent notably as regards economic policy but also in

social and geographical terms. There are many areas which, in addition to suffering from continuing underdevelopment, are undergoing a progressive process of impoverishment with a concomitant economic, political and social marginalisation of various sectors of the population, highlighting major shortcomings in the area of social and economic human rights. Despite its potential for economic development, Latin America continues to be characterised by numerous structural problems which in part are historically conditioned. Moreover, neither the development policies pursued in the past two decades nor the attempts to implement neo-liberal economic policies in some countries have had the desired success. Quite the contrary, Latin America is marked by significant polarising trends in socio-political, economic and social terms. The significant democratic deficit in domestic politics in certain areas, unresolved land-ownership related issues and the calls for reforms in the agricultural sector remain among the most pressing issues. Many regions are either wholly lacking in or only dispose of inadequate infrastructure, health and education systems. The above-mentioned problems are the result of various internal and external factors and only a combination of different socio-political and economic reforms and reorientation can prevent the further impoverishment of broad sectors of society. Thus, the foremost objective of all measures undertaken should be the combating of poverty.

For these reasons and not least due to its historical obligations vis-à-vis Latin America, Europe now faces the challenge of making a decisive contribution to sustainable social and economic development.

It is crucial that any measures striven for should be tailored to long-term cooperation based on partnership and that they take account of the different levels of development and of regional differences and needs. The efforts of the Belgian Council Presidency to give new impetus to bilateral and multilateral relations with Latin American and Caribbean countries are therefore to be welcomed. Joint action between all the EU Member States is required in order to release Latin America from its one-sided dependency, particularly in economic terms, on its northern neighbour notably in view of the fact that the USA is seeking to continually increase its economic, and therefore political, influence in the region.

Europe must adopt appropriate measures to promote balanced economic structures and stable markets while respecting socio-environmental guidelines. Only this way can Latin America attain an autonomous, independent negotiating position in a socio-economic perspective. In order to avoid repeating the mistakes of the past and an approach based exclusively on economic reform, it is of fundamental importance that civil society in general and the disadvantaged sections of the population in particular be included in the process and that democratic control mechanisms be developed in both partner regions.

CONCLUSIONS

The Committee on Industry, External Trade, Research and Energy calls on the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy, as the committee responsible, to incorporate the following points in its motion for a resolution:

1. Notes that political dialogue at governmental level should be accompanied with an active exchange with the various representatives of society, and also advocates closer economic cooperation with Cuba in order to support the efforts for political and economic reform;

2. Calls on the Commission, with a view to promoting a balanced economic policy, to work towards the establishment of national contact bureaus in line with OECD guidelines for multinational undertakings, to have particular responsibility for providing technical assistance tailored to the needs of each State to aid them in implementing trade agreements;
3. Urges the Council and Commission to step up cooperation between the EU and Latin America by means of a stronger economic commitment on the part of the EU to existing economic groupings such as Mercosur or the Andean Group, to ensure that the EU does not become increasingly marginalised as an economic partner in Latin America as a result of the USA's 'Initiative for the Americas';
4. Calls for the EP to be given the right to participate in the structure of economic relations with the Latin American States, so as to ensure democratic supervision thereof;
5. Calls for the implementation of economic policy measures to take account of appropriate minimum socio-environmental standards, with a view to achieving sustainable economic development in Latin America; calls for specific economic policy measures in the areas of direct investments and structural support for small and medium-sized undertakings;
6. Stresses the need for genuine diversification in the industrial fabric of the countries of Latin America; wishes, in this connection and given the current low level of diversity of production, to see the development of trade in sectors experiencing economic growth;
7. Asks the Commission to make substantial efforts in its negotiations at WTO level to fully take into account the interests of developing nations, especially those of smaller economies; considers that the negotiations ought to enable agreement to be reached on a regulatory commercial framework specific to the EU and Latin America and designed to promote closer relations without interfering with the principles currently in force;
8. Notes the importance of the agricultural sector for the stepping up of trade relations with Latin America and advocates improving overall conditions for trade by reducing agricultural subsidies and improving market access while respecting the principle of the multi-functionality of agriculture;
9. Calls on the Commission to step up its efforts to promote the production and marketing of goods produced or grown under sound socio-environmental conditions in line with the principles of fair trade;
10. Calls on both partner regions to work jointly towards facilitating trade by eliminating protectionist import barriers and to adequately regulate their markets in an open manner taking account of social and environmental standards;
11. Points to the need, with a view to the development of a competitive industry, for the regular transfer of technology and knowledge;

12. Proposes, in order to utilise human resources more effectively, targeted support programmes in the area of education, and in particular the opening up of the Erasmus programme to students from Latin America and the Caribbean;
13. Calls for the European Union to step up efforts to solve the debt problem;
14. Calls for the economic policy dialogue to be stepped up among business associations, for example between the EU and Mercosur.