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European Union, Latin America and the Caribbean: joining forces for a common future

Joint Communication to the European Parliament and the Council
European Union, Latin America and the Caribbean: joining forces for a common future

'*In the wider Atlantic Space, the Union will expand cooperation and build stronger partnerships with Latin America and the Caribbean grounded on shared values and interests.*'

- A Global Strategy for the European Union's Foreign and Security Policy[1]

1. Introduction

United by history and guided by many shared values, the European Union (EU) and Latin America and the Caribbean (LAC) have a successful and long-standing partnership. Since 1999 EU and LAC are linked by a strategic partnership, grounded on a commitment to fundamental freedoms, sustainable development and a strong rules-based international system. For over twenty years, such a partnership has been a platform for mutually beneficial cooperation, a driver of change and an incubator for new ideas.

Over the last decades, the **EU and LAC have reached an unprecedented level of integration**. The EU has signed association, free trade or political and cooperation agreements with 27 of the 33 LAC countries[2]. The EU and LAC countries often align in the United Nations, and have closely cooperated on the Paris Agreement[3] and the 2030 Agenda for Sustainable Development[4]. Close to **six million people from EU and LAC live and work across the Atlantic**[5], and more than one third of LAC students studying abroad do so in the EU.

The **economies are closely interconnected.** EU is the third largest trade partner of LAC; total trade in goods increased from EUR 185.5 billion in 2008 to EUR 225.4 billion in 2018, and trade in services amounted to almost EUR 102 billion in 2017**.** The EU is the first investor in LAC, with a foreign direct investment (FDI) stock of EUR 784.6 billion in 2017, whilst the LAC FDI stock in the EU increased substantially over recent years to EUR 273 billion in 2017[6].

The **EU has been the largest provider of development cooperation to LAC**, with EUR 3.6 billion in grants for bilateral and regional programmes between 2014 and 2020[7] and over EUR 1.2 billion in humanitarian assistance to victims of man-made crises and natural disasters the last 20 years. The European Investment Bank (EIB) invests in the achievement of

[1] Shared Vision, Common Action: A Stronger Europe. A Global Strategy for the European Union's Foreign and Security Policy (2016)
[2] All LAC countries except Argentina, Bolivia, Brazil, Paraguay, Uruguay and Venezuela. The most important of these are the Association Agreements with Mexico, Chile and Central America, the Economic Partnership Agreement with the Caribbean Forum (CARIFORUM) and the Free Trade Agreements with Colombia, Peru and Ecuador.
[3] Paris Agreement (2015)
[4] Transforming our world: the 2030 Agenda for Sustainable Development (2015)
[5] United Nations, International Migration Report 2017
[6] Eurostat 2019. EU investment in LAC is higher than the EU FDI stocks in China (EUR 176.1 billion, except Hong Kong), India (EUR 76.7 billion) and Russia (EUR 216.1 billion) combined.
[7] Focusing on critical areas such as security and the rule of law, environmental sustainability and climate change, agriculture, food and nutrition security, inclusive economic growth for employment creation, public financial management reform, public sector modernisation, and regional integration.

the Sustainable Development Goals in LAC, with a focus on climate change mitigation and adaptation, lending a total of EUR 3.4 billion during 2014-2018[8].

In this context, this Communication **proposes to strengthen the EU's political partnership with LAC,** setting out a **vision for a stronger and modernised bi-regional partnership** — in light of changing global and regional realities. It aims to provide strategic direction for EU's external action with LAC, in line with the principles set out in the Global Strategy for the EU's Foreign and Security Policy, the European Consensus on Development[9], the 2030 Agenda for Sustainable Development, the "Trade for All" Communication and the negotiating directives for a partnership agreement between the EU and the African, Caribbean and Pacific Group of States[10].

Today's **fast evolving geopolitical environment introduces new challenges and opportunities for the partnership,** reinforcing the case for a more effective regional and bilateral cooperation, **a modernised partnership focused on trade, investment and sectoral cooperation**. Those global changes in both regions demand an ambitious and innovative approach beyond a traditional donor-recipient logic and in the spirit of the 2030 Agenda for Sustainable Development. Since 2000, China-LAC trade increased from USD 10 billion to USD 244 billion in 2017. China is rivalling the EU as the second trading partner of Latin America and, more broadly, has become a partner of growing relevance for the region. The traditional role and influence of the United States in the region has also changed over time.

At the same time, LAC is faced with new dynamics, such as the need to respond to the demands of a digital and integrated global economy, the pressure to safeguard the environment and to promote growth while ensuring fair social outcomes, or the concern to ensure the continuation of a long-term trend of democratic consolidation and sustainable development.

The EU, with its model of regional economic integration and connectivity, can be an important partner of LAC in tackling those challenges. The EU is lending its full diplomatic, humanitarian and economic support to solving the ongoing crises in certain LAC countries and will continue to promote democratic principles and respect for human rights in its relations with LAC. More broadly, the EU and LAC should work together to preserve multilateralism and a rules based global order, joining forces to deliver ambitious agendas.

This partnership should concentrate on **four mutually reinforcing priorities: prosperity, democracy, resilience and effective global governance**. Under each of these priorities the Communication suggests a number of areas and concrete initiatives to advance this agenda, implemented through a more strategic and targeted EU engagement with the region.

2. Standing up for our shared values and interests

2.1 Partnering for prosperity

Focused and determined action will be required to **revitalise economies and support growth**. EU should continue partnering with LAC in their efforts to address persisting

[8] EIB's annual reports available on http://www.eib.org/en/infocentre/publications/all/index.htm.
[9] The New European Consensus on Development: "Our world, our dignity, our future", OJ 2017/C 210/01.
[10] Trade for all: Towards a more responsible trade and investment policy, COM (2015) 0497; Negotiating directives for a Partnership Agreement between the European Union and its Member States of the one part, and with the countries of the African, Caribbean and Pacific Group of States, COUNCIL (2018) 8094/18/ADD1. This Communication should also be read in light of the agreements that exist or are being negotiated between the EU and individual LAC countries or sub-regions; covering virtually the entire region they represent an important vehicle to implement the vision set out here within.

macroeconomic challenges in the region, while diversifying and modernising the different economic models, making them fit for globalisation. Making results sustainable also means to joining forces to **reduce socio-economic inequalities**, creating decent jobs and making globalisation work for all, and the **transition towards a green and circular economy**.

Following these principles, the EU should step up its engagement with LAC partners on:

Facilitating inter and intra-regional trade and investment. As a matter of priority the EU should cooperate to complete negotiations, ensure swift ratifications and fully implement the network of **Association, Trade and Economic Partnership Agreements**. Necessary steps to improve the business and investment environment in the region should be taken. The opportunities the agreements provide – more effective government procurement, better market access, innovation and competitiveness, intra-regional trade and integration into global supply chains – should be exploited. Effective and balanced protection of Intellectual Property Rights enhances opportunities for research cooperation and stimulates competitiveness and innovation. At the same time, trade agreements should further **sustainable development, human rights and good governance**: the EU should work together with LAC to strengthen the implementation of social, labour and environmental provisions in existing agreements, consistent with their shared commitment to the 2030 Agenda for Sustainable Development, and promote responsible management of global supply chains.

To create a better context for furthering the EU-LAC trade and investment agenda, the EU and LAC should jointly promote **greater transparency**, in particular during negotiations of new or revised trade agreements, and by promoting civil society's participation in the implementation of agreements.

Agreements should also be an instrument to promote regulatory convergence on **Sanitary and Phytosanitary issues** in order to facilitate the exchange of goods, between LAC and the EU and to support high standards of food safety, animal health and plant health. In relation to the fight against **antimicrobial resistance (AMR)** with a "One Health" approach, ongoing activities will support LAC in developing and implementing their national One Health AMR action plans.

The EU should support integration efforts within LAC to boost **intra-regional trade** and facilitate investment, such as the Pacific Alliance, including by sharing its experience on addressing non-tariff barriers to trade and promoting regulatory convergence and harmonisation. Work should continue to reform the investor-state dispute settlement system in the United Nations Commission on International Trade Law process to establish a permanent Multilateral Investment Court. The EU is also open to consider the possibility of investment protection agreements with key partners. The EU should encourage the ratification and implementation of the World Trade Organisation (WTO) Trade Facilitation Agreement, as a driver for cross-border trade. The EU should also encourage the accession of partners to the Agreement on Government Procurement.

Promoting the transformation towards a green economy. The regions should lead the way towards more sustainable production and consumption. Cooperation and mutual learning on renewable energy, resource and energy efficiency and circular economy holds particular promise. EU research, technology and expertise, including in terms of harnessing private financing for sustainable growth[11], could assist LAC in unlocking its enormous potential for sustainable hydro, wind, solar, ocean and geothermal energy, while strengthening energy

[11] In line with Commission's Action Plan on Financing Sustainable Growth. 'Action Plan: Financing Sustainable Growth' COM (2018) 97

resilience and creating jobs and business opportunities. Cooperation on high performance computing could contribute to the modernisation of energy industries. In light of specific vulnerabilities of the Caribbean Islands, the EU should promote the external dimension of the 'Clean Energy for EU Islands' initiative[12], and support and leverage investments for renewable energies and energy efficiency. The European Investment Bank could contribute to this transformation by providing long term financing and relevant technical expertise.

Promoting the blue economy. Closer collaboration on the blue economy and the sustainable use of marine resources, including through the establishment of marine protected areas in the Antarctic Ocean, would create favourable conditions for growth particularly in coastal and island communities and contribute to climate adaptation and mitigation. Common standards and open access for ocean data are key to advance blue economies and improve ocean governance.

Facilitating the transition to a circular economy. Robust and evidence-based environmental policies and standards are key tools for sustainable economic growth. Specific attention should be paid to plastics, marine litter and sustainable management of chemicals and waste. Ensuring the **sustainable management of natural resources** can ensure the long term viability of the regions' prosperity. Both sides would benefit from continuing the dialogue and cooperation on raw materials in order to sustainably tackle the growing demand for these materials. The digital Mineral Development Platform launched in 2017 provides a basis for this cooperation. Both regions could join forces in promoting **responsible industrial value chains** to help enterprises observe standards of responsible business conduct that contribute to sustainable development.

Promoting sustainable and smart cities. With the vast majority of people in both regions living in urban areas[13], promoting sustainable cities and action at local level continues to be important. The EU and LAC can benefit from exchanging research and experience available in the area of sustainable urbanisation such as nature-based solutions, low-carbon mobility solutions, or restoration of urban ecosystems. The successful city-to-city cooperation on sustainable urban development, such as the Global Covenant of Mayors, could be scaled up.

Promoting decent work and competitive and responsible businesses. Promoting decent work and respect for labour and environmental standards needs to remain a priority for cooperation, in particular compliance with the International Labour Organisation conventions. Both regions contributed to the adoption of **international labour standards,** and should now work together towards their implementation, including on freedom of association and eradicating child labour. The EU's successful experience in dialogue with social partners could be shared through the exchange of best practices. The transition to the formal economy is a key challenge in LAC, with informal employment representing over 40% of total non-agricultural employment[14].

Closer cooperation should increase the productivity of micro, small and medium-sized enterprises (MSMEs). Concrete steps in this direction, ensuring benefits for consumers and producers on both sides, include making full use of the provisions of EU-LAC Association, Trade and Economic Partnership Agreements. The joint work to promote the uptake of internationally agreed standards on **corporate social responsibility** and responsible business

[12] The initiative provides a long term framework to help islands generate their sustainable, low-cost energy.

[13] In 2018, 81% of the population in LAC lived in urban areas and 74% in Europe. UN Department of Economic and Social Affairs (2018) Revision of World Urbanization Prospects.

[14] According to ILO, informal employment represented in 2014 46.8% of total non-agricultural employment. In 2012, the informal economy made up 18.4% across the EU-27. European Commission & OECD (2017) Policy Brief on Informal Entrepreneurship

conduct in the regions should continue, including the Organisation for Economic Cooperation and Development (OECD) guidelines for Multinational Enterprises and the United Nations (UN) Guiding Principles on Business and Human Rights.

Cooperation in this area will build on the successes of ongoing programmes, supporting business intelligence, MSME networks and start-ups across both regions. The EU should also seek to encourage cooperation between LAC MSMEs and the Enterprise Europe Network. LAC business clusters and networks could take advantage of the European Cluster Collaboration Platform.

Investing in knowledge, innovation and human capital. Both regions should make use of opportunities under Horizon 2020 and the proposed future Horizon Europe programme, promoting the mobility, training and career development of researchers under the Marie Skłodowska-Curie Actions, scientific excellence, and fostering joint solutions to global challenges in the framework of the Common Research Area. The EU could further share its experience in bridging science and the private sector, transferring technology and ideas from the research base into start-ups and industry, and in promoting smart specialisation and innovation at the regional level.

The EU is ready to take joint action to develop the **human capital** needed to match the demands of rapidly changing technologies, digitalisation and entrepreneurship. The two regions should continue cooperation in **higher education**, building on the programme Erasmus+, engaging in more higher education exchanges and capacity building, and strengthening regional dialogue among academia and policy makers They could develop closer cooperation on **vocational education and training** to respond to the skills demands of a transforming global economy and engage in cooperation that contributes to decent employment, diversification and the competitiveness of strategic economic sectors.

Advancing the digital economy. Digital cooperation should be made central to the relationship, assisting the economies of both regions to reap the benefits of new technologies, while promoting innovation and digitalisation.

Guided by a long-term vision of a digital single market in LAC, **regulatory alignment** should be supported, including on 5G, "Internet of Things", Artificial Intelligence, standardisation in technologies for the digital transformation, European Global Navigation Satellite Systems and Copernicus and their industrial application, and investment in high-speed data infrastructure. The EU's Digital Single Market provides models which could be of interest to the LAC region, including on data security and electronic identification. Cybersecurity, e-government, e-commerce, online platforms, cross-border payments and internet governance, are other promising areas of cooperation. Furthermore, it is important to enhance convergence between EU and LAC on personal data protection, as a way to further facilitate data flows and cooperation between relevant authorities.

A new submarine fibre optic cable, built with support from the EU and private investors, will connect Latin America to Europe and provide **high-speed broadband connectivity** that will boost business, scientific and education exchanges between the two regions. The options to reinforce the connectivity in Central America and the Caribbean region should be explored.

Enhancing connectivity through aviation and other modes of transport. Negotiating new comprehensive **air transport agreements** would not only improve market access, it would also create new business opportunities, and ensure fair and transparent market conditions based on a clear regulatory framework. Such agreements would also provide more connections and better prices for passengers, and can facilitate further cooperation in areas such as aviation safety, aviation security, social issues and the environment. Cooperation on

other modes of transport, such as rail and maritime transport, sustainable and intelligent urban mobility systems could be explored.

Using space technology. Space is an expanding area of cooperation of still untapped potential. Today the European Global Navigation Satellite Systems — Galileo and EGNOS — are an operational reality. The related value chain is able to provide state-of-the-art expertise, know-how and technology that can be shared. Copernicus, the EU Earth Observation programme, can also help to address societal challenges, from environmental protection and climate change to agriculture and urban development. On the basis of reciprocity, full use could be made of the Copernicus cooperation arrangements[15] which provide free, full and open access to data.

Partnering for prosperity:

- *To facilitate inter and intra-regional sustainable trade and investment, work to complete the network of trade and investment agreements as well as to ensure their swift ratification and full implementation, including of social, labour and environmental provisions;*
- *Support regional integration efforts by activating concrete cooperation on shared objectives with initiatives such as the Pacific Alliance;*
- *Promote the green economy, including by supporting low-carbon energy transition in LAC, and by working together on developing the blue economy and a sustainable and responsible management of natural resources, including raw materials;*
- *To support better work conditions and the growth of productive and responsible micro, small, and medium-sized enterprises, work to increase compliance with international labour standards and promote corporate social responsibility;*
- *To enhance investment in knowledge, innovation and human capital, work to develop a EU LAC Common Research Area under Horizon 2020 and its successor programme (Horizon Europe);*
- *To advance the digital economy and connectivity between the two regions, enhance cooperation and promote regulatory alignment in key areas and promote infrastructure development in high speed broad band connectivity;*
- *Expand cooperation in the area of air and maritime transport, sustainable urban mobility systems, and space and earth observation.*

2.2. Partnering for democracy

Democracy and human rights are at the core of the EU-LAC partnership. The EU will continue to defend and promote democratic principles and the rule of law in its relationship with LAC. The EU – LAC partnership should stand by its values and respond to citizens' call for more effective good governance. The promotion of democratic political systems which deliver for their citizens will remain a priority in the EU's external policy. Shortcomings in governance, democracy, human rights and the rule of law, gender equality, corruption or the shrinking space for public participation and civil society, pose a fundamental challenge to the effectiveness of any society's development efforts. The two regions stand to gain from

[15] Already signed with Brazil, Chile and Colombia

working together towards stronger democratic institutions, enhanced rule of law, more transparency and accountability of public institutions, and better protection of human rights.

To this effect, in its relation with LAC, the EU should focus on:

Enhancing the respect for human rights, with a specific emphasis on: freedom of expression and of association; gender equality and girls' and women's empowerment; non-discrimination including for minorities, such as lesbian, gay, bisexual, transgender and intersex (LGBTI) persons, indigenous peoples and persons with disabilities; children and youth; economic, social and cultural rights, including land, water and sanitation, housing and labour rights; the impartiality of the judiciary and the effectiveness of justice systems; an end to the practice of torture and abolition of the death penalty. The EU should therefore continue to cooperate closely with the relevant bodies of the Organisation of American States and with LAC countries to strengthen the international human rights regime.

Empowering civil society as a cornerstone of any democratic system and addressing the restrictions and threats to civil society space, human rights and environmental defenders, journalists and trade unionists; including by, promoting an enabling legal and political environment which allows them to act freely and safely and expanding their opportunities for meaningful participation in decision-making, access to justice and information.

Promoting gender equality and empowering all women and girls, including the protection, exercise and promotion of women's political, social and economic rights, and mainstream gender equality into all EU-LAC cooperation. The partnership should address as a matter of priority the alarming levels of gender-based violence, building on the experience of, inter alia, the Spotlight Initiative launched by the EU and the United Nations in 2018.

Ensuring credible, transparent and inclusive democratic institutions and electoral processes. The EU should continue to mobilise electoral observation and expert visits and will support the strengthening, whenever so requested, of partners' electoral systems, in cooperation with the Organisation of American States. The EU and LAC should increase cooperation and exchange of experiences in all these areas, including on the dangers of disinformation.

Consolidating the rule of law and the fight against corruption, money laundering and terrorist financing. Expertise and technical capacity can be made available for updating and modernising legislation and strengthening oversight institutions. The EU should work with LAC partners to promote the ratification and effective implementation of relevant international agreements. Corruption is a shared concern of the EU and LAC, and ambitious transparency and anti-corruption provisions are part of the modernisation process of the Association Agreements with Chile and Mexico and of the negotiations with Mercosur.

Supporting effective public institutions by joining efforts to make public institutions more effective, enhance domestic revenue mobilisation, carry out fiscal reforms, and ensure a merit based civil service. Empowerment of local authorities, modernisation of administrations and improving the delivery of services should be priority areas.

Partnering for democracy:

- *Give priority to enhancing respect for human rights and democratic principles, by strengthening cooperation at regional and bilateral level and working jointly with LAC to coordinate action on human rights in relevant UN bodies;*
- *Support a vibrant civil society, including by advocating a greater public space for journalists and human rights and environmental defenders, and their meaningful participation in decision making;*
- *To reduce the unacceptably high level of gender-based violence, work together with LAC on promoting the political, social and economic rights of women and girls and support efforts to end violence against them;*
- *Strengthen support to the functioning of democratic, accountable and transparent institutions and to the organisation of fair and free electoral processes through expert advice and electoral observation;*
- *Step up the joint work to fight against corruption, money laundering and terrorist financing through technical assistance, exchange of best practices and promotion of ratification and implementation of relevant international agreements.*

2.3. Partnering for resilience

Social cohesion is put under constant stress in a context marked by globalisation, social inequality, rapid urbanisation, climate change, environmental degradation, recurring and intensifying disasters, migratory flows and forced displacement. All these challenges pose particular problems for the most vulnerable LAC countries and can be the object of exchange of experience and best practices between the two regions.

To sustain progress in development trajectories, the EU proposes a multifaceted and tailored approach to address state, society and ecosystems resilience in the relations between the two regions. In line with the Sustainable Development Goals, EU cooperation with LAC should focus on:

Climate resilience agenda aimed to manage climate risks, notably in the small island developing states in the Caribbean, and promote ecosystem-based approaches supporting the transition to a low carbon economy. Future cooperation can build on the approach of the EUROCLIMA+ programme[16], and EIB financing for investment projects contributing to climate action and environmental protection.

Both regions should benefit from making finance flows consistent with a pathway towards low greenhouse-gas emissions and climate resilient development, for example by establishing low-carbon investment frameworks.

Cooperation on developing sustainable food systems is very important. The consolidation of adaptation and mitigation measures in the agricultural sector should remain key.

The European Union Civil Protection Mechanism and the Emergency Response Coordination Centre can complement LAC relief efforts on Disaster Risk Reduction, including by advancing the implementation of the Sendai Framework for Disaster Risk Reduction 2015-2030.

Environment and biodiversity. LAC has 40% of the world's biodiversity and 7 of the world's 25 biodiversity hotspots[17]. Loss of biodiversity, unsustainable extraction, management

[16] EUROCLIMA+ is a programme funded by the EU which supports the implementation of the Paris Agreement, http://euroclimaplus.org/

[17] Inter-American Development Bank (2012) Leveraging opportunities for sustaining growth: IDB biodiversity platform for the Latin America and the Caribbean.

of natural resources, and degradation of land, forests, water and coastal environments are critical environmental challenges, with significant impacts on ecosystems services and the well-being of vulnerable groups, including indigenous and local communities. Global demand for commodities is increasing the pressure on natural resources and is leading to severe deforestation and environmental degradation, affecting livelihoods and development. The partnership should further the sustainable management of natural resources in the regions, including land, forests and water, conservation of ecosystems and sustainable agricultural supply chains. It should further the implementation of the short-term action plan on ecosystem restoration, adopted under the Convention on Biological Diversity (1992), the Strategic Plan for Biodiversity 2011-2020 and the post-2020 Biodiversity Framework, as well as other international commitments and multilateral environmental agreements.

Fight against inequality. Persisting inequalities hamper social cohesion, resulting in lost opportunities and economic growth, crime and violence and lowered trust in institutions, and ultimately leads to an erosion of democracy and the rule of law. The GINI index kept reducing in Latin America from 0.543 in 2002 to 0.466 in 2017, but the rate of reduction has slowed down in the last years[18]. In 2017, the number of people living in poverty reached 184 million (30.2% of the population) and the proportion of persons living in extreme poverty continued to rise (62 million, 10.2% of the population, the highest percentage since 2008)[19]. In the coming years, the shared commitment to social cohesion should translate into closer dialogue including exchange of best practice in this area.

Both regions should enhance cooperation on fair and effective tax systems and social protection as essential instruments to foster inclusive economic growth and tackle inequality. This would build on the emerging cooperation on **good fiscal governance**, where there is a high level of commitment to address tax fraud, evasion and avoidance. Through programmes like EuroSOCIAL, both sides could exchange experiences on taxation, redistributive policies and the delivery of social services, including by benefitting from innovative measures in LAC on digitalisation of the tax compliance process. The bi-regional dialogue on social cohesion should be activated. Both regions should continue to cooperate to ensure the future implementation of evolving global standards on transparency and the exchange of information, fair taxation and minimum standards against base erosion and profit shifting[20].

Citizen security and the fight against organised crime. Both regions should strengthen the bi-regional dialogue on citizen security as a mechanism to exchange experiences and identify opportunities for further cooperation, including on the humanitarian consequences of organised crime[21]. This could build on the EU- Community of Latin American and Caribbean States (CELAC) seminars on citizen security and the positive bilateral and regional cooperation programmes on drugs (e.g. Cooperation Programme on Drugs Policies - COPOLAD, Cocaine Route Programme) and on transnational organised crime (e.g. EL PAcCTO). In addition, and given the scale of the challenge, practical cooperation between law enforcement agencies in both regions as well as agencies such as EUROPOL, European Union Agency for Law Enforcement Training (CEPOL), Police Community of the Americas (AMERIPOL) and CARICOM Implementation Agency for Crime and Security (IMPACS) should be deployed. Cooperation should also continue to address drivers of crime such as poverty, social exclusion and the mismanagement of natural resources.

[18] ECLAC (2018) Social Panorama of Latin America.
[19] ECLAC, Social Panorama of Latin America 2018.
[20] Base erosion and profit shifting refers to tax avoidance strategies that exploit gaps and mismatches in tax rules to artificially shift profits to low or no-tax locations (OECD).
[21] In line with the Declaration of the II CELAC-EU Foreign Ministers Meeting in July 2018, and the 2014 Strategy on Citizen Security.

Migration and mobility. People underpin the strong ties between EU and LAC. At the same time, both regions have been confronted with the migration challenges and could benefit from exchanging experiences and good practices. The crisis in Venezuela has generated the largest movement of people in Latin America's recent history, with over three million Venezuelans now living abroad[22], adding up to the traditional migratory trends in the continent.

The EU should seek to deepen the dialogue and cooperation on migration and mobility between both regions, in particular to prevent irregular migration, trafficking in human beings, increase return and readmission, strengthen border management, security of documents, integration of migrants in labour markets and societies and protection of people in need. Building on their respective expertise, bi-regional cooperation should be pursued on the multilateral governance of migration and mobility, including within the framework of the United Nations.

Institutional resilience is essential for good political and economic governance and to ensure the respect for the rule of law. Resilience has to be addressed at multiple levels – state, society and community. Local governments and civil society are often the basis on which resilience can take root and grow at community level. The EU should enhance sectoral policy dialogue with LAC countries by drawing upon the EU's best practices in promoting resilience.

Cultural cooperation can help make the EU-LAC shared cultural diversity and rich heritage a resource for human development and economic growth. The EU proposes a people-to-people cultural policy approach targeting cultural operators and promoting partnerships, co-productions and exchanges around three pillars: (i) supporting culture as an engine for social and economic development (ii) promoting culture and inter-cultural dialogue for peaceful inter-community relations and (iii) reinforcing cooperation on cultural heritage. This will also help to take advantage of both regions' immense potential in the cultural and creative industries including design, digital services, fashion, music, and audio-visual arts.

Partnering for resilience:

- *promote sustainable management of natural resources and ecosystems, and further implementation of the Strategic Plan for Biodiversity and the post-2020 Biodiversity Framework;*
- *facilitate coordination and deepen cooperation on disaster management and civil protection;*
- *intensify dialogue and cooperation on social cohesion, social protection, tax good governance, and financial regulation;*
- *step up cooperation on security and fight against organised crime through enhanced use of bi-regional dialogue on citizen security and cooperation between law enforcement agencies ;*
- *step up dialogue and cooperation on migration and mobility, including within the framework of the United Nations;*
- *promote cultural cooperation by fostering people to people exchange programmes, holding inter-cultural dialogues and supporting co-production and partnership projects in the cultural and creative sectors.*

[22] UNHCR (2019)

2.4 Partnering for effective global governance

Preserving, reforming and strengthening effective multilateralism should continue to be a central objective for the EU-LAC Partnership. Together the two regions account for around one third of UN membership, a substantial number of the members of the Group of Twenty (G20) and two thirds of the membership of the OECD.

To contribute to effective global governance and further shape and advance the international agenda, EU and LAC could join forces at multilateral level to:

Strengthen the multilateral system: EU and LAC should continue to support the UN Secretary General's efforts aimed at a comprehensive reform of the UN system, including the Security Council, as well as at revitalising the General Assembly and the Economic and Social Council. Support to the International Criminal Court should remain a priority.

Deepen cooperation on peace and security. A history of overcoming inter-state conflicts makes the EU a natural partner for LAC in promoting a peaceful settlement of disputes, and together they can work to support mediation and reconciliation processes. The EU should remain invested in cooperating towards the implementation of the Peace Agreement in Colombia.

LAC countries have also been at the forefront of concluding framework participation agreements to take part in the EU's Common Security and Defence Policy (CSDP) operations (Chile and Colombia) and contributing to some of them (Brazil, Argentina and the Dominican Republic).

Cooperation should also be enhanced on a range of security related issues, including hybrid threats, cyber security, security sector reform, border security, human trafficking, organised crime and arms trafficking, small and light weapons, and countering radicalisation and terrorism. Further efforts are needed to implement the outcome of the 2016 UN General Assembly Special Session on the World Drug Problem.

The decision of LAC countries to become a nuclear weapons-free zone[23] makes the region a key partner in advancing the objectives of the Nuclear Non-proliferation Treaty, and the ratification and implementation of the Arms Trade Treaty.

Advance multilateral climate and environmental governance. Building on the major EU and LAC role in the adoption of the Paris Agreement in 2015, collective efforts are needed to ensure its effective implementation and a global clean energy transition. The regions should mobilise partners to address the biodiversity crisis, cooperating towards more effective implementation of multilateral environmental agreements, including the Aichi Biodiversity Targets, the Strategic Plan for Biodiversity, and a robust post-2020 biodiversity framework. Future international cooperation can build on the experiences of initiatives like the Global Climate Change Alliance[24] and the EU Strategic Partnerships for the Implementation of the Paris Agreement[25].

Strengthen international ocean governance. Closer cooperation on the effective implementation of the UN Convention of the Law of the Sea (UNCLOS) and its implementing agreements would create conditions for sustainable ocean management and

[23] Treaty for the prohibition of nuclear weapons (Tlatelolco Treaty), effective as of 1968

[24] The Global Climate Change Alliance is an EU initiative to help the world most vulnerable countries to address climate change, including small island developing states and least developed countries

[25] This programme advances European climate policy collaboration with the world's major economies, with a focus on the G20, notably through furthering the implementation of the Nationally Determined Contributions (NDCs).

blue economy. It will be important to cooperate on the ongoing development of an international legally binding instrument under UNCLOS on the conservation and sustainable use of marine biodiversity of areas beyond national jurisdiction and on the fight against Illegal, Unreported and Unregulated fishing. Enhanced cooperation is needed in regional and multilateral organisations related to oceans, including on fisheries, and support the development of scientific knowledge and advice.

Implement the 2030 Agenda for Sustainable Development. EU and LAC played a key role in shaping this multilateral manifesto for sustainable development and should also lead in its implementation. As set out in the Addis Ababa Action Agenda, all available means of implementation, including public and private internal investment flows, need to be put to their full use to achieve the SDGs.

Reform the World Trade Organisation. In the context of international protectionist trends, joint efforts should be redoubled to uphold the **open, non-discriminatory and rules-based multilateral trading system, with a strong and well-functioning WTO at its core**, working towards the reform of the Organisation's functions of rule-making, monitoring and dispute settlement.

Strengthen global macroeconomic resilience. Enhanced exchanges on macroeconomic developments and appropriate policy strategies globally and in both regions is essential to secure strong, sustainable, balanced and inclusive global growth.

Partnering for effective global governance at multilateral level:

- *Promote further LAC participation to EU CSDP missions and operations, and work closer together to promote security and peace worldwide;*
- *work for full implementation of the reforms of the UN system on Peace and Security, Sustainable Development and management;*
- *join forces in pressing for full implementation of the Paris Agreement on climate change while mobilising global support for a clean energy transition and a robust post-2020 biodiversity framework;*
- *develop further bi-regional cooperation on ocean governance, including on the implementation of the UN Convention on the Law of the Sea and on the fight against Illegal, Unreported and Unregulated fishing;*
- *lead the way on implementation of the 2030 Agenda for Sustainable Development;*
- *develop a common agenda for strengthening the multilateral trading system through effective implementation of WTO Agreements and the reform of the WTO.*

3. Moving from vision to action

Moving from vision to action, to effectively implement the agenda set out above, will require the EU and LAC to renew their forms of engagement. In the years to come, guided by the priorities outlined in this Communication, the EU will seek a more strategic approach with LAC, upgrading the way it engages with the region politically and through its trade and investment and cooperation tools.

3.1. More strategic political engagement

Principled pragmatism should guide Europe's external action with LAC. A 'one size fits all' approach to the partnership does not fit the many diverse realities of LAC; partner countries

have different policy priorities, needs and assets. While maintaining the current levels of engagement — multilateral, bi-regional, sub-regional, bilateral — the EU should seek to **deepen the association with interested regional groups and countries willing and able to step up engagement** on shared goals.

The **EU's political dialogues with different LAC countries and regional groups should continue to guide EU-LAC relations**. The dialogues should help to identify shared priorities, interests and new cooperation opportunities. The Association Agreements concluded or under negotiation with several countries[26] and the Political Dialogue and Cooperation Agreement with Cuba signed in 2016 established policy dialogues in a wide array of areas, providing an adequate institutional framework to enhance cooperation on bilateral and regional issues.

Support to **regional integration should remain a priority** in the EU's relations with LAC countries out of the conviction and experience that intra-regional integration brings greater security, economic and social gains. This includes cross-regional mechanisms, such as CELAC, as well as sub-regionally driven efforts such as the Pacific Alliance, Mercosur, Central American Integration System (SICA) and Caribbean Forum (CARIFORUM)/ Caribbean Community (CARICOM).

The EU-LAC partnership should become more prominent at the global level and better at protecting and delivering global public goods, including through joint positions in multilateral fora. The **practice of informal consultations between the EU and LAC countries before important international conferences should be intensified**. Multilateral cooperation should become a permanent item of dialogues at all levels with LAC partners.

Political engagement and joined-up approaches between the two regions are also the instruments to promote democracy, peace and security and address crisis situations. Back in the 80s Latin America and Europe joined forces under the Contadora Group to promote peace in Central America, laying the foundations to the Esquipulas Peace Agreements. The **International Contact Group (ICG) on Venezuela** is another example of an initiative bringing together members from the two regions aimed at promoting political, democratic and peaceful solutions to the crisis in the country, the impact of which is felt well beyond Venezuela's borders. The ICG is grounded in values common to the EU and LAC and in the need to uphold democracy, rule of law and respect for human rights in the region. It embodies the cooperative and rules-based approach that drives the EU foreign policy: working with regional and international partners, it seeks to create the conditions for a political solution through free and fair elections and the delivery of aid in line with humanitarian principles. The EU also stands ready to be part of an international effort to rebuild the country's institutions and economy once democracy has been restored. Joint diplomatic action based on multilateral and inclusive frameworks should be promoted as a tool in our bi-regional relations to address crisis situations.

Aware that in today's world there are different international players competing for influence, economic presence or even political and societal models, the EU should differentiate itself through its valued-based policy and promote a logic of complementarity and mutual benefit. An exclusionary vision of international relations where someone's gain is someone else's loss is detrimental to the two regions; the EU proposition to LAC is based on **open regionalism and win-win solutions**.

The EU should also pursue a **responsible trade and investment policy** in its relations with LAC using its trade agreements to promote the EU's economic interests and international

[26] Mexico, Chile, Central America, MERCOSUR.

values underpinning the EU-LAC partnership, playing its part to advance democracy, prosperity and resilience and shape a more inclusive and sustainable globalisation.

3.2 Cooperation for high impact

In order to translate shared objectives into action and help fulfil the potential of the EU-LAC partnership, the EU should work with LAC partners to implement this proposed comprehensive framework for cooperation. The framework should respond to the four priority areas outlined above — prosperity, democracy, resilience and effective global governance — acknowledging the need for decisive action on shared interests, where the regions engage as equal partners.

This new comprehensive framework should be:

- **tailor-made,** taking into account the diverse realities within the regions.
- **responsive to political priorities**, serving to advance common goals and the interests of the EU-LAC partnership(s), as defined by the political dialogues taking place at different levels of EU-LAC relations, and by consultations with private sector and civil society groups;
- **comprehensive,** making use of different policy areas and instruments to respond to a widening partnership agenda and to increasingly complex challenges;
- **coherent,** ensuring that the different policies and instruments of the EU's external action in LAC contribute to the wider goals of the EU-LAC partnership.

Cooperation in support of the **implementation of the universal 2030 Agenda for Sustainable Development and other shared international commitments will be a core component of the new framework**, with engagement at local, country, regional and global levels, as well as with civil society. A good example of this commitment are the sustainable development dialogues established under the agreements concluded with several countries.

Working within the framework of the European Consensus on Development, the EU should continue to engage with LAC countries at different levels of development in an increasingly diversified and tailored manner, **targeting countries where the needs are greatest, especially countries that are least developed, in situations of fragility and conflict** - where the potential to raise finance is the lowest.

Recognising the remaining vulnerabilities and structural constraints faced by many middle-income countries in achieving sustainable development, the EU should strive to harness the mutual benefits of collaboration and shared prosperity. The EU should continue targeted development cooperation where appropriate, and further engage in policy dialogue and the sharing of experience and expertise on issues such as poverty eradication, governance, refugee crises, and other shared interests.

Dialogues and cooperation initiatives on public policy and reform will take into account the diversity of partner countries, promote mutual interests and identify common priorities and challenges. The EU also recognises the **important role of the cooperation of more advanced developing countries in LAC with other developing countries** as well as their impact on global public goods and challenges. As these countries need fewer or no concessional forms of assistance, the EU should develop innovative engagements with them to promote the global implementation of the 2030 Agenda.

To support the new framework for cooperation, the EU should make full and complementary use of its range of instruments and programmes while introducing innovative means to further the aims of the EU-LAC partnership. Of particular importance should be:

- **policy dialogues** to identify and drive the EU and LAC's mutual expectations of domestic reforms, bilateral, regional and multilateral cooperation;
- **sharing of knowledge and expertise** on issues of mutual interest, including public policy, institutional strengthening, and regulatory environments;
- **promotion and leverage of both public and private financing** to unlock investments with high economic, environmental and social return, including through blended finance and support to investment, and through structured dialogue to improve the investment climate, focusing on countries most in need.
- **triangular cooperation**, which mobilises and increases cooperation capacities, including to achieve the SDGs.

The **European Investment Bank and Member States development finance institutions,** play an important role in financing sustainable development in LAC, in a context of reduced inflows of Official Development Assistance.

Finally, the EU-LAC cooperation would benefit from a refinement of its tools thanks to a simplified architecture of the external funding instruments and greater flexibility to meet the challenges and maximise the opportunities of the bi-regional partnership.

3.3. Our societies in the driving seat

The EU should continue to promote close engagement with civil society, think tanks, local governments, the business sector, employers' and workers' organisations, cultural organisations, academics and young people. This engagement should continue to inform EU-LAC political and policy dialogues, ensuring that they respond to the concerns of citizens of both regions. The ability of civil society to engage in effective advocacy and promote government accountability and transparency should be a continued aim of cooperation initiatives. The **EU-LAC Foundation** also plays a prominent role in this regard.

The **parliamentary dimension** is an essential component of the EU-LAC political engagement. The constructive and active role of the European Parliament and other parliamentary bodies in the bi-regional partnership should continue in the future.

The EU should continue its close collaboration with **regional and bi-regional organisations**, such as the United Nations Economic Commission for Latin America and the Caribbean (ECLAC), the Organisation of American States, the Ibero-American General Secretariat, the Italo-Latin American Institute, the Inter-American Development Bank, or the Development Bank of Latin America.

4. Towards a joint agenda

This Communication outlines a series of proposals to strengthen the partnership between the European Union and LAC. It reflects the EU's strong interest in deepening relations with LAC countries and regional groups and remaining a stable and reliable partner for the region.

The EU believes that the partnership should take a stronger stand for values and vital interests — prosperity, democracy, resilience and effective global governance — and make better and more targeted use of the different dimensions of EU-LAC relations to that effect. The EU will work towards more strategic political engagement, stepping up partnering efforts with those countries or regional groups willing to do more to further common goals. It will seek to further rules-based and progressive trade and investment policies, while working with LAC to preserve and reform the strong multilateral trading system. It will cooperate on action that will

attain high impact under the shared priorities and the 2030 Agenda for Sustainable Development.

At the same time, the EU-LAC partnership goes far beyond governments. The ties between the people of the regions are today as dynamic as ever; it is the citizens who build bridges between the regions, who research and innovate, create new jobs and hold decision-makers to account. More should be done to assist them in fulfilling their potential.

This should lead to a **more joined up and coherent EU external action in LAC,** pooling strengths and resources. The implementation of this Communication will be pursued in close cooperation with the EU Member States, whose diverse links to the LAC region strengthen the unique nature of the EU-LAC partnership. Joint programming and common initiatives to make Europe's external action more effective should be explored wherever feasible.

This is the EU's vision for the future of the EU-LAC partnership. Dialogue with LAC partners will allow to join forces for a common future.

List of acronyms (in alphabetical order)

5G	*5th Generation (Cellular Mobile Communications)*
ACP	*African, Caribbean and Pacific*
AMERIPOL	*Comunidad de Policías de América* *Police Community of the Americas*
CARICOM IMPACS	*Caribbean Community Implementation Agency for Crime and Security*
CELAC	*Community of Latin American and Caribbean States*
CEPOL	*European Union Agency for Law Enforcement Training*
COPOLAD	*Programa de Cooperación entre América Latina, el Caribe y la Unión Europea en Políticas sobre Drogas* *Cooperation Programme between Latin America, the Caribbean and the European Union on Drugs Policies*
CSDP	*(EU) Common Security and Defence Policy*
ECLAC	*United Nations Economic Commission for Latin America and the Caribbean*
EGNOS	*European Geostationary Navigation Overlay Service*
EIB	*European Investment Bank*
EL PAcCTO	*Europa Latinoamérica Programa de Asistencia contra el Crimen Transnacional Organizado* *Europe Latin America Assistance Program against Transnational Organized Crime*
EU	*European Union*
EUR	*Euro(s) - €*
EUROCLIMA+	*Programa Regional de Sostenibilidad Ambiental y Cambio Climático para América Latina* *Regional Environment Sustainability and Climate Change Programme for Latin America*
EUROPOL	*European Union Agency for Law Enforcement*
EUROsociAL	*Programa para la Cohesión Social en América Latina* *Programme for Social Cohesion in Latin America*
FDI	*Foreign Direct Investment*
G20	*Group of Twenty*
IDB	*Inter-American Development Bank*
LAC	*Latin America and the Caribbean*
LGBTI	*Lesbian, Gay, Bisexual, Transgender and Intersex*
MSMEs	*Micro, Small and Medium-sized Enterprises*
NDCs	*National Determined Contributions*

OAS	*Organisation of American States*
ODA	*Official Development Assistance*
OECD	*Organisation for Economic Co-operation and Development*
SDG(s)	*Sustainable Development Goal(s)*
SICA	*Sistema de la Integración Centroamericana Central American Integration System*
UN	*United Nations*
WTO	*World Trade Organisation*