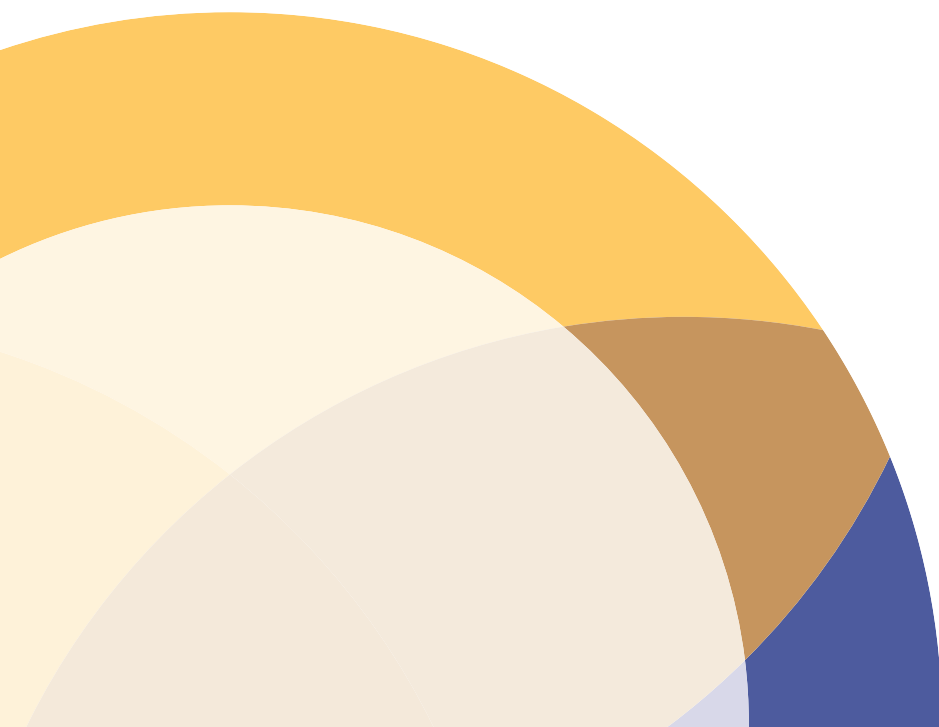




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# Beyond 2015: Perspectives and Proposals for Development Cooperation between the European Union and Latin America and the Caribbean



**Cátedra de Cooperación  
Internacional  
y con Iberoamérica**



**ICEI** Instituto Complutense  
de Estudios Internacionales



**EU-LAC FOUNDATION, 2015**

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**PRINT:** SCHARLAU GmbH

DOI: <http://dx.doi.org/10.12858/0915en1>

Note: This study was financed by the EU-LAC Foundation. The EU-LAC Foundation is funded by its member states and the European Union. The contents of this publication are the sole responsibility of the authors and can not be considered as the point of view of the EU-LAC Foundation, its member states or the European Union.

The first edition of this book was published in September of 2015 in 100 copies.

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# TABLE OF CONTENTS

Beyond 2015: Perspectives and Proposals for Development Cooperation  
between the European Union and Latin America and the Caribbean

<b>ABBREVIATIONS AND ACRONYMS</b> .....	<b>07</b>
<b>1 Introduction</b> .....	<b>11</b>
<b>2 New constellations of power and global governance of development: a scenario of change for the EU and Latin America and the Caribbean</b> .....	<b>13</b>
<b>3 From millennium to sustainability: Latin America and the Caribbean facing the facing the universal post-2015 development agenda</b> .....	<b>23</b>
<b>4 EU development policy facing the post-2015 scenario</b> .....	<b>35</b>
<b>5 South-South cooperation and triangular cooperation in the relations between the European Union and Latin America and the Caribbean</b> .....	<b>49</b>
<b>6 New geography of sustainable development in Latin America and the Caribbean: towards a multidimensional taxonomy of the Sustainable Development Goals</b> .....	<b>57</b>
<b>7 Cooperation between the European Union and Latin America and the Caribbean and the future of the Bi-regional Strategic Partnership</b> .....	<b>69</b>
<b>8 Conclusions and recommendations</b> .....	<b>87</b>
<b>BIBLIOGRAPHY</b> .....	<b>106</b>
<b>ANNEX</b> .....	<b>118</b>



## ABBREVIATIONS AND ACRONYMS

- ACP:** The African, Caribbean, Pacific Group of States
- ACRULAC:** Association of Councils of Rectors of Universities in Latin America and the Caribbean
- AECID:** Spanish Agency for International Development Cooperation
- ALBA-TCP:** Bolivarian Alliance for the Peoples of Our America - Peoples' Trade Treaty
- ASEAN:** Association of Southeast Asian Nations
- AST:** Agreement for Scientific and Technological Cooperation
- BNDES:** National Bank for Economic and Social Development
- BRICS:** Brazil, Russia, India, China and South Africa
- CABEI:** Central American Bank for Economic Integration
- CAF:** Development Bank of Latin America
- CAN:** Andean Community
- CARICOM:** Caribbean Community
- CELAC:** Community of Latin American and Caribbean States
- CIF:** Caribbean Investment Facility
- CYTED:** Iberoamerican Programme for Science and Technology for Development
- DAC:** Development Assistance Committee
- DCI:** Development Cooperation Instrument
- EBA :** Everything but Arms
- ECLAC:** Economic Commission for Latin America and the Caribbean
- EEAS:** European External Action Service
- EHEA:** European Higher Education Area
- ENLACES:** Latin American and Caribbean Higher Education Area
- ERA:** European Research Area
- EU:** European Union
- FDI:** Foreign Direct Investment
- FOCEM:** Mercosur Structural Convergence Fund
- FONCICyT:** EU-Mexico International Cooperation Fund in Science and Technology

**FPRD:** Framework Programme for Research and Development  
**G24:** Group of 24  
**G20:** Group of 20  
**G7:** Group of Seven  
**GPEDC:** Global Partnership for Effective Development Cooperation  
**GSP:** Generalised System of Preferences  
**GTZ:** German Agency for International Cooperation  
**HDI:** Human Development Index  
**HE:** Higher Education  
**HEI:** Higher Education Institutions  
**HLF:** High Level Forum  
**IADB:** Inter-American Development Bank  
**IAPSSC:** Ibero-American Programme for Strengthening South-South Cooperation  
**IATI:** International Aid Transparency Initiative  
**ICT:** Information and Communications Technology  
**I+D+i:** Research, Development and Innovation  
**IMF:** International Monetary Fund  
**ISAGS:** South American Institute of Government in Health  
**JIRI:** Joint Initiative for Research and Innovation  
**KfW:** Credit Institute for Reconstruction  
**LAC:** Latin America and the Caribbean  
**LAIF:** Latin American Investment Facility  
**LIC:** Low Income Countries  
**LMIC:** Lower Middle Income Countries  
**MDG:** Millennium Development Goals  
**Mercosur:** Southern Common Market  
**MIC:** Middle Income Countries  
**MIP:** Multiannual Indicative Programme  
**MMP:** Mercosur Mobility Programme



**NSC:** North–South Cooperation  
**ODA:** Official Development Aid  
**OECD:** Organisation for Economic Cooperation and Development  
**OEI:** The Organization of Ibero-American States  
**OWG:** Open Working Group  
**PAHO:** Pan American Health Organization  
**PAF:** Permanent Academic Forum  
**RCHE:** Regional Conference on Higher Education  
**SCTUC:** Southern Cone Trade Unions Coordinator  
**SDG:** Sustainable Development Goals  
**SDSN:** Sustainable Development Solutions Network  
**SEGIB:** Ibero-American General Secretariat  
**SICA:** Central American Integration System  
**SISCA:** Central American Social Integration Secretariat  
**SSC:** South–South Cooperation  
**STI:** Science, Technology and Innovation  
**TrC:** Triangular Cooperation  
**TTIP:** Transatlantic Trade and Investment Partnership  
**UMIC:** Upper Middle Income Countries  
**UN:** United Nations  
**Unasur:** Union of South American Nations  
**UNDP:** United Nations Development Programme  
**WTO:** World Trade Organisation



# 1 INTRODUCTION

The European Union (EU) and Latin America and the Caribbean (LAC) share a long history of political dialogue and bi-regional cooperation in which development has always played a key role. Both regions also share a commitment to multilateralism and cooperation and have collaborated at the regional and global level towards the achievement of the Millennium Development Goals (MDG) by September 2015.

In 2015, both regions will need to work jointly to determine new goals and targets for sustainable development in the post-2015 framework. This will raise considerable challenges for development cooperation between these two regions as well as for cooperation with other countries and regions. Given the changes that have occurred since the establishment of the MDG both within the two regions and on a global scale, the present situation as well as the capacities, responsibilities and aspirations of both regions within a post-MDG context need to be analysed. Both regions have to understand how global and regional developments have affected their strategic partnership and how they can cooperate so as to effectively shape the new global governance of development.

Based on an agreement with the EU-LAC Foundation, this study aims to address two major objectives: firstly, the study examines the new framework for post-2015 cooperation and the agenda for the Sustainable Development Goals (SDG), taking into account the new priorities established by the multilateral framework, the bi-regional relation and the new EU framework of cooperation for development initiated with the “Agenda for Change”. Secondly, the study aims to analyse the roles of the EU and LAC within this new framework based on their Strategic Partnership and the inter-governmental EU-CELAC process and to identify how the two regions could continue to cooperate within this context.

In order to rwork towards these objectives, the Complutense Institute of International Studies (ICEI) of the Complutense University of Madrid and the Chair of International and Ibero-American Cooperation of the University of Cantabria (COIBA) have collaborated in organising a multidisciplinary team of specialists from both regions. Its members include as joint directors and researchers, professors José Antonio Sanahuja (Complutense University of Madrid, Spain) and Sergio Tezanos Vázquez (University of Cantabria, Spain), and as researchers, professors Alejandra Kern (San Martin University, Argentina) and Daniela Perrotta (Buenos Aires University). Jorge Hernández Moreno, Fiorella Wernicke and Débora Fagaburu have collaborated as research assistants on this project.

The research team wishes to thank the EU-LAC Foundation for its support, and in particular the guidance and assistance received throughout the different stages of compiling this study from the Ambassador Jorge Valdez, Executive Director of the EU-LAC Foundation, Bettina Trüb, Arturo Esquivel and Anna Barrera who were responsible for the Foundation's Explore Programme during distinct stages of the elaboration of this study. The gratitude also extends to the participants of a seminar in April 2015 in which a preliminary version of the study was discussed, as well as to the experts who shared their views with the researchers, in writing or during the interviews conducted for the study, all of whom are mentioned in the final annex.

The opinions and ideas expressed herein are exclusively those of the study's authors and in no way do they represent the position of the EU-LAC Foundation, of its members, or of the consulted experts.

Somosaguas, Pozuelo de Alarcón (Madrid), July 2015

## 2 NEW CONSTELLATIONS OF POWER AND GLOBAL GOVERNANCE IN DEVELOPMENT: A SCENARIO OF CHANGE FOR THE EU AND LATIN AMERICA AND THE CARIBBEAN

The EU and LAC are currently facing important changes in the sources, nature and standards for the distribution of power in the international system which affect the governance of global development. This process has a dual dynamic, firstly by affecting interstate relations and implying the rise of emerging countries, and the apparent transition, as both fact and narrative, from a unipolar to a multipolar international system. Secondly, by power shifts towards non-state actors and to markets without effective public control, shaping thereby a globalised world that requires wider frameworks of cooperation and regional or global governance.

These processes of change have imbued the 21<sup>st</sup> century with historic significance, which appears to be emerging as a post-Western or post hegemonic period, while at the same time witnessing the creation of a more globalised and interdependent world. This century has seen the emergence of new power constellations which challenge traditional hierarchies and balances of power and which, at the same time, have redefined global challenges and responsibilities implied by the agenda of international cooperation and development. Thus, not only are there new challenges but also new responsibilities for LAC in terms of global governance, requiring changes in the way foreign policy is viewed and implemented, and in the operation of regional and multilateral bodies, all of which pointing to the region's redefinition as a global player. For the EU these developments present both a difficult scenario of adversity and the need for change, as the current situation challenges its power and influence, its legitimacy, its values and identity, its institutions and policies, partnerships and relations —in particular the partnership with LAC—, while putting its performance as a *global player* to the test (EEAS 2015).

Within the scope of global development and the post -2015 framework, specific challenges have arisen in the following areas:

### **2.1. The rise of emerging countries and new geographies of poverty and development**

Since the nineteen nineties, alongside the processes of globalisation, emerging countries have undergone an extended cycle of economic growth which has accelerated their convergence with developed countries. As a result, some emerging countries have begun to see themselves as new powers and their membership of G20 is seen as a (late) recognition of this new status (Barbé 2010).

The rise of these emerging countries has also led to a process of increasing differentiation in the developing world. On one hand some countries are beginning to address development challenges that coincide with richer countries, and the “global risks” deriving from their greater exposure to transnational dynamics. At the other extreme, some countries remain trapped in vicious circles of poverty, institutional fragility, economic dependence, and in some cases violence and armed conflict. This transforms the geography of development, questioning the traditional North-South divide and the concept of the “Global South”. In general terms, by 2010 the MDG’s main goal was achieved, namely, to reduce extreme poverty rate by half. However, poverty is distributed more homogenously today, and a significant proportion of poverty is now concentrated in middle income countries (MIC). It is also clear that while inequality between emerging and more advanced countries has been reduced, in terms of personal wealth the differences have increased at both national and global levels (Milanovic 2012; Sumner 2012; Sanahuja 2013).

### **2.2. Deployment of South-South Cooperation (SSC)**

On various grounds, SSC has challenged the relations of power, legitimacy, regulatory standards and governance of North–South Cooperation (NSC), wherein the visions of the members of the Development Assistance Committee (DAC) have been predominant, and whose coalition with the EU and its member states has played a relevant role in this respect. This affects the EU in the three dimensions of its international outreach: material capacities, institutions and ideas. In just a few years SSC has been amplified with new participants and measures and increased resources within a framework of more assertive foreign policies. SSC also redefines the interests, identity and values of countries which

have included this instrument in their external actions. The more or less explicitly conveyed motives of SSC are related to domestic or international legitimacy, political solidarity and/or strategic and economic interests of emerging countries (Quadir 2013). Although still limited and on a small scale, SSC has renewed the practices and modes of cooperation, integrating funding, trade, technology transfer and monetary cooperation based on a *double dividend* logic (UN 2010; UNDP 2013). The instrument has also displayed deficits in registration and information which affect transparency and accountability, especially in some SSC donor countries which are not particularly disposed, if at all, to inform their citizens about the resources employed and the criteria for their allocation. However, given the similarity of contexts and development issues, it is claimed that the instrument can more adequately respond to the needs of the partners. SSC is also frequently involved in narratives of self-legitimation, which question NSC and respective external policy interests. Although this rhetoric does not reflect the actual practices, it tends to erode the no less legitimising discourse of the EU and its attractivity and influence as a “regulatory power”.

### **2.3. Diversification and privatisation of development funding**

The EU and its member states continue to contribute most of the world ODA, however the development funding portfolio has been extended and become more fragmented: there are more options for access to public resources —emerging countries and the ODA granted by non-central governments and decentralised cooperation— and in many developing countries, especially the emerging ones, private agents and resources (such as remittances, foundations and foreign direct investment; FDI) have taken on greater importance. In some cases, considerable trade surpluses have been created as a result of export “bonanzas” and improved tax situations, which to a considerable extent enable financing in domestic as well as international markets. In terms of development funding, ODA seems to only be a relevant instrument in the poorest countries and/or in situations of state fragility, whereas in many upper middle income countries (UMIC) its absence would have little effect on a government’s funding capacity. However, even in these countries ODA continues to be more important in more specific areas such as knowledge transfer and support for institutional changes.

Therefore, as noted in the agenda of Addis Ababa, adopted at the Third UN Conference on Financing for Development (July 2015), the mobilization and a positive impact in the development of all types of resources, involving domestic and international, public and private, traditional and innovative ones, will be necessary to ensure the achievement of the Sustainable Development Goals (SDG).

## **2.4. Beyond North-South relations: development as a global problem**

The axiomatic link between development and aid policies has been broken: in order to create an environment which will broaden the development options, there is a need to address issues beyond aid policies, such as trade regulations and investment, access to technology, the role of migrations and conservation of the biosphere. Again, there is a need to improve coherence in development policies, and to discuss the role of development policies in the external action of donors and recipients, abandoning the deep-rooted tendency to subordinate such action to foreign policy and the donor's interests —a trend which also appears with some force with new SSC actors, who are acting with a marked “Southphalian” logic (Tokatlian 2014)—, converting development into a core component of comprehensive external action.

However, the most relevant aspect is the redefinition of development as a global problem and a universal transformative agenda, instead of a North-South agenda based on aid policies. Traditional challenges of reducing extreme poverty have been now complemented by other challenges derived from globalisation processes. As illustrated by climatic change and the recent financial crises, these challenges affect all countries by (re)situating development processes onto the transnational arena, rather than merely in a national context. This presupposes common responsibilities, although these may be differentiated according to the position and the capacities of each agent, and departing from this principle, it is necessary to place the former North-South cooperation and aid in a new context of global governance of development with a universal scope and with an agenda relevant for all countries. Thus, the post-2015 framework has to recognise the different problems and situations faced by each society and States from the outset, involve distinct development priorities, strategies and approaches, in order to establish differentiated responsibilities and claims and, at the same time placing them within a framework of global development governance with a shared horizon of a set of universal rights available to every human being.

## **2.5. Latin America and the Caribbean: rise, differentiation, consensus and autonomy**

Advancement and differentiation are processes which affect LAC both in terms of economic and social development and in their political models of regional integration and international insertion. More assertive foreign policies are deployed, along with new forms of regionalism and multilateralism which seek to extend the influence and the margins of autonomy in a world perceived as multipolar. Along with claims for the



reform of multilateral bodies, new geopolitical alignments are also being sought, either to converge with rich countries or to align with BRICS and other emerging countries. Varying views of economic development and regionalism exist within the region: on one hand, that represented by the “Pacific Alliance” with a marked liberal vision. On the other hand, other countries belonging to an amplified Mercosur or the ALBA-TCP promote politics of “developmentalism” and are centred on domestic markets. Within this context, Central American and Caribbean countries together with Mexico, have a greater economic connection with the United States, whereas South America is characterised by an increased export orientation towards Asia, focused on raw materials.

Despite these debates and the diversity of options, LAC has also displayed joint efforts to achieve more political consensus and the strengthening of regional autonomy, at least at the political level, as revealed both by the post-liberal regionalism strategies of the Union of South American Nations (Unasur; see Sanahuja 2012, 2014) and the emergence of the Community of Latin America and Caribbean States (CELAC). The latter can be considered an instance of consensus for promoting greater participation of the region in the governance of development either at the regional or at the global level (Nolte 2014). In particular, CELAC aims to promote sectorial cooperation in a multidimensional agenda in economic, social and environmental areas, in the fields of science and technology and disaster risk management, as well as in SSC strategies.

## **2.6. Global governance of development: the role of G20**

The rise of emerging countries and globalisation processes have subjected the multilateral system to considerable tensions by questioning their representativeness, legitimacy and efficacy in the adoption of global policies and/or the coordination of national policies in order to guarantee the adequate provision of global public assets. These problems and the difficulties inherent in the reform of international bodies, help explaining the recourse to informal or “G” groups, based on their alleged advantages in terms of speed and flexibility.

The traumatic emergence of the crisis in September 2008 led to the replacement of G7 by G20 as the main forum for macroeconomic coordination at the global level. While the EU participates in this forum in a unitary role, the three participating Latin American countries —Argentina, Brazil and Mexico— are not acting on behalf of the region. This forum cannot resolve, but strives to mitigate, some of the problems of the group that it replaced: despite the fact that emerging countries joined the G20, serious problems of representativeness and legitimacy remain (Ocampo and Stiglitz 2012), and once the

acute phase of the crisis had been overcome, in which the G20 had a prominent role in mobilising joint international action, some doubts regarding its effectiveness continue characterising this group.

The G20 has acquired a prominent role in one of the dimensions of the global agenda for development, namely that of the architecture of international finance, in which, despite all efforts, little progress has been made. Since 2010, moreover, it has been apparent that the G20 has experienced some difficulties in ensuring adequate international macroeconomic coordination, to which the Eurozone crisis contributed (Sanahuja 2014b). At the same time an extensive agenda of global development has arisen with issues relating to infrastructure, trade, climate change and “green” development. Subsequently issues such as employment as well as food and nutrition security and the volatile agricultural prices were included in the agenda. The prominence of this “developmentalist” agenda raises an important question with respect to the nature and scope of the G20: is it a crisis management mechanism or a forum for wider global governance which extends to world development?

## **2.7. New coordination instances in the global governance of development**

Emerging countries have not yet proposed their own or an alternative institutional architecture to the DAC (Stuenkel 2013). The majority —in particular BRICS— do not seem interested in joining this club which they consider as distanced from their identity as leaders of the “Global South”. Rather reluctantly emerging countries have taken part in the initiatives to create links with emerging donors, which in some occasions they have interpreted as a means of co-optation or as an instance of *free-riding*. Within the multilateral sphere, and in the framework of the G20 or the G24, emerging countries are calling for the reform of the Bretton Woods institutions, while simultaneously establishing new instances of financing for development, such as the New Development Bank and the Contingent Reserve Arrangement of the BRICS created in 2014. These initiatives respond to the major funding needs of emerging countries and also to the reluctance of advanced countries, including the EU, to reform the governance of the IMF and the World Bank.

However, the most relevant area of consensus in terms of the governance of development cooperation has been the *ad hoc* and non-institutionalised instance promoted by the DAC, the High Level Forum (HLF), which has met on several occasions between 2003 and 2011 with the participation of donor and recipient countries, and which since 2008 has included non-state actors and civil society organisations. This Forum led to the 2005 Paris Declaration with an agenda which initially focused on aid effectiveness and therefore more

related to DAC concerns. The Declaration established five governing principles for aid — ownership, alignment, harmonisation, managing for results and mutual accountability— initiating a process of adapting aid policies with an approach which, in retrospect, was markedly technocratic (Sanahuja 2007) and with some extremely ambitious goals regarding ownership and alignment, which ultimately have only been partially achieved, something which has further eroded the legitimacy of traditional donors.

The 3rd HLF in Accra (Ghana 2008) led to severe questioning of this agenda, and developing countries and social organisations managed to re-politicise the discussion, introducing the wider issue of global governance for development beyond ODA and its efficacy linked to the technocratic evaluation based on indicators. The agenda was redefined as a political debate in which increasingly assertive developing countries questioned the traditional coalitions and claimed greater participation. Accra also called for increased participation and “democratic ownership” of development policies.

Except for Colombia and Chile, LAC as a region was not actively participating in the definition of the aid effectiveness agenda. This was due to the lack of consensus-building mechanisms in this area; the rejection or the reluctance of other countries such as Brazil to accept that this agenda was set in a North–South context and was largely an initiative of traditional donors; and also because as it was an agenda of particular relevance for extremely poor countries which were more dependent on aid, rather than for middle income countries (MIC).

The 4th IV HLF (Busan, South Korea, 2011) was the most significant forum for global governance of development in that it redefined the main players, principles and scope (BRICS Policy Center 2011). The main result of Busan was the proposal for a new “Global Partnership for Effective Development Cooperation” (GPEDC) incorporating SSC as a new forum for monitoring the commitments adopted in Busan. The first reunion took place in Mexico in April 2014. The GPEDC has a more plural executive committee, it therefore is more representative and has raised higher expectations in terms of legitimacy, and it works with the support of the OECD / DAC and UNDP. Although the GPEDC’s future is not clear yet, its existence represents a change in the dominant coalition in the realm of development cooperation, redefining thereby also the framework within which EU and LAC countries are required to design their development policies on a global, bi-regional and bilateral level, both along the North–South and the South–South axes (Kharas 2011).

Busan made an important final declaration entitled “Busan Partnership for Effective Development Cooperation”, which redefines and reaffirms the governing principles of Paris and Accra: ownership, managing for results, partnership for inclusive development,

transparency, shared responsibility and accountability. One of the most strongly endorsed principles in Busan was transparency —an issue on which the EU took a tougher position— by supporting the International Aid Transparency Initiative (IATI) set up in 2008. However, Busan goes even further by confirming several key elements in the new global governance of development (Costafreda 2011; Van Rompaey 2012):

- Recognition of SSC and triangular cooperation as a complementary —and not a substitute— contribution to North-South financial cooperation, considering that this might better respond to the contexts and development needs of some partner countries. Busan called for greater support of this mode of cooperation, as well as the strengthening of local and national capacities to become engaged in South-South and triangular cooperation.
- The traditional vertical relation between donors and recipients was called into question, challenged by the rhetoric of SSC horizontality and the need for new forms of partnership, based on transparency and mutual accountability and not on conditions defined by donors.
- It acknowledged the diversity of cooperation modalities, strategies, policies, instruments and practices, and in particular SSC and cooperation protagonized by the private sector, civil society and decentralised actors, assuming that those defined by DAC are just one more modality and not necessarily the main reference to be emulated.
- It underlined the limitations of the “club” structure of the dominant coalition in development since the nineteen seventies pointing to the DAC, its claims of homogenisation on a global scale of principles, policies and practices and its shortcomings in terms of representativeness and legitimacy.
- The argument was shifted to the scope of “effective development”. That is, the onus is on development policies and not only in terms of effectiveness of ODA, claiming greater coherence of development policies in areas such as trade, investment and the role of the private sector, migration, the environment, climate change, regulation of global finance, illicit financial flows and transparency.

The EU kept a low profile at Busan, in marked contrast to its energetic leadership in the Monterrey Summit in 2002 on development funding, ill at ease with a scenario that was distanced from the traditional North–South approach. However, Busan has also demonstrated a reluctant attitude towards BRICS, unwilling to fully accept the requirements of the “Global Partnership” which was seen by them as a DAC-imposed

agenda. It was therefore agreed that the proposals put forward in Busan with respect to SSC would only be assumed on a voluntary basis, vis-à-vis the EU and DAC's objectives towards a joint programming, transparency and shared accountability in each country.

Within this context, the EU has maintained a consistent position with regard to the aforementioned requirements, both in terms of its own cooperation and that of the member states and emerging SSC. In the latter case the resistance manifested at Busan points both to the weaknesses inherent in this mode of cooperation, and their self-legitimizing discourses, often based on a strong counter-hegemonic rhetoric of claims for the Global South. However, this also reflects the struggle of traditional donors and the EU to recognize the advancement and particularities of the SSC, as well as a certain reservation to participate in triangular cooperation (TrC) mechanisms which even so have been already furthered successfully by some of the member states. As a whole, this reveals a major issue with adapting to the changes, and in some cases, difficulties to detach from a fixed concept of NSC which no longer corresponds to the new global development scenario and the post-2015 agenda as proposed by the UN.

In any case, no specific indicators or goals were established for the Busan agreements beyond a call to continue working on those previously established in Paris and Accra. This could be explained in part by a reluctance to assume once again extremely demanding requirements, such as those included in the Paris Declaration of 2005, which were halfway implemented and which later ran out of steam due to a lack of political will.



# 3 FROM MILLENNIUM TO SUSTAINABILITY: LATIN AMERICA AND THE CARIBBEAN FACING THE UNIVERSAL POST-2015 DEVELOPMENT AGENDA

## 3.1. From Millennium Development Goals to Sustainable Development Goals

The MDG were unquestionably a milestone in the history of the international cooperation system insofar as they provided a clear and measurable armoury of goals by way of a “road map” for world progress. The experience of the last fifteen years of cooperation under the aegis of these goals has demonstrated considerable progress at a global level, as shown by achievements in reducing poverty and mortality rates, children’s education, service of foreign debt, vaccination against measles and prevention of malaria. Notwithstanding, there has also been flagrant non-compliance in respect of other indicators —precarious labour conditions, maternal mortality, poor housing and living conditions and use of improved water sources in rural areas—, and improvements have been distributed in a worryingly unequal way among the different regions of the “developing world” (UN 2014a). Thus, although none of the 10 geographic areas comply with all the MDG, only LAC and eastern and south eastern Asia finally came close to achieving them. The remaining regions have met in a disparate manner a handful of goals, and Sub-Saharan Africa scarcely achieved any.

In September 2015 the MDG will reach the finish line and give the go ahead to their successors, the SDG. During the first 15 years of the 21<sup>st</sup> century the international context has changed enormously, thus the post-2015 development agenda is in need to adapt to this new context in order to take a truly transformative shape. Thus, the world has passed from a period economic bonanza to a phase of turmoil involving multiple problems of

a global nature, such as the financial and economic crisis, the serious environmental crisis, the rise of inequality, volatile food and energy prices, and transnational problems of insecurity and terrorism. At the same time a new global geopolitical scenario has been arisen in which emerging countries have played a more significant role and in which technological change has been accelerating at an unprecedented rate, but where the opportunities for progress have been distributed in an very unbalanced manner.

The debate defining the post-2015 agenda has been going on for some years and in recent decades entire “rivers of ink” have been expended on this issue, well exceeding —in intensity and pluralism —the MDG debate. To coordinate this strategy, the UN has been directing the “official” debate, while at the same time working towards the completion of the still valid MDG. And in order to stimulate the discussion, the Secretary General of the UN has commissioned a number of contributions by means of the “Reports for the Secretary General”.<sup>1</sup>

This consultation process finally resulted in a report issued by the UN General Secretariat entitled *A life of dignity for all*, which proposed a universal post-2015 agenda based on goals which consider the three dimensions of sustainable development that arose from the *Earth Summits*: economic development, social inclusion and environmental sustainability. For this to be feasible, and in accordance with Río+20, there should be a favourable environment which should include good governance, although, as some developing countries have indicated, this should not imply conditionality of any kind. In accordance with this vision, “sustainable development is the path to the future” (UN 2013a: 4) and the MDG “represent only the halfway mark towards the aim of tackling poverty in all its forms” (UN 2013a: 14). In a constructive exercise synthesising the “Reports for the Secretary General” (in which the “common ground in these contributions far outweighs any difference” UN 2013a: 5), 15 “transformative actions” were proposed which, in order to be effective, “need to be limited in number, measurable, easy to communicate and adaptable to both global and local settings.” It was also stated that in order for this agenda to become viable an international agreement based four components was required: i) a vision of the future entrenched in human rights and universally accepted values and principles ii) a set of concise goals and targets emphasising the priorities of the agenda; (iii) a global partnership for development to mobilize the necessary means for its implementation; and (iv) a participatory monitoring framework for tracking progress and mutual accountability mechanisms for all stakeholders. This UN General

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1 The six most influential reports were : The future we want, elaborated by the UN Working Group for the Post-2015 Development Agenda (UN, 2012a); A new global partnership: eradicate poverty and transform economies through sustainable development, compiled by the High Level Group on the post 2015 Development Agenda (UN, 2013b); An action agenda for sustainable development, written by the Sustainable Development Solutions Network (SDSN, 2013); Corporate Sustainability and the United Nations Post-2015 Development Agenda, drawn up by the UN Global Compact (2013); A Regional Perspective on the Post-2015 United Nations Development Agenda, a joint collaboration of the five UN Regional Commissions (2013); and A million voices: the world we want, drawn up on the basis of the My World (2013) global survey.



**Table 1. Seventeen Sustainable Development Goals proposed by the OWG**

1	End poverty in all its forms everywhere
2	End hunger, achieve food security and improved nutrition and promote sustainable agriculture
3	Ensure healthy lives and promote well-being for all at all ages
4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
5	Achieve gender equality and empower all women and girls
6	Ensure availability and sustainable management of water and sanitation for all
7	Ensure access to affordable, reliable, sustainable and modern energy for all
8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
9	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
10	Reduce inequality within and among countries
11	Make cities and human settlements inclusive, safe, resilient and sustainable
12	Ensure sustainable consumption and production patterns
13	Take urgent action to combat climate change and its impacts
14	Conserve and sustainably use the oceans, seas and marine resources for sustainable development
15	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
17	Strengthen the means of implementation and revitalize the global partnership for sustainable development

Source: UN (2014c). See the Open Working Group proposal for Sustainable Development Goals (pages 12-27) for a detailed list of the 169 targets attached to these 17 goals.

Secretary's report obtained the support of the General Assembly in September 2013, which determined to "craft a strong post-2015 development agenda, which will build on the foundations laid by the MDG, complete the unfinished business and respond to new challenges" (UN 2013c: 2).

In order to comply with this resolution, in September 2014 the *General Assembly Open Working Group on the SDG* (OWG) presented its proposal and the UN General Assembly

decided that “sustainable development goals should be coherent with and integrated into the United Nations development agenda beyond 2015” (UN 2014c: 1). The report affirms that the SDG should prioritise the eradication of poverty and hunger, and amend unsustainable production and consumption guidelines and sustainable management of natural resources. However it also expressed that achieving the goal of putting “people at the core of sustainable development” would depend on the capacity of the international community to provide the impetus for a real “global partnership for sustainable development”.

At a practical level the OWG proposed an SDG agenda with a structure similar to that used for the MDG ranging from the general (17 goals) to the particular (169 goals which can be assessed using indicators; see Table 1). The goals proposed are universally applicable and global in nature, and constitute an integrated and indissoluble set of priorities for sustainable development. In addition, the proposal is based on “foundations” provided by the MDG and pursues the two-pronged aim of “completing the unfinished task” and responding to new challenges. Despite its universal nature, the proposal aims to respect the policies and priorities of each country; therefore, the goals are defined as ambitious global goals, without precluding that each government sets out its own national targets. In short, “the goals and targets integrate economic, social and environmental aspects and recognize their interlinkages in achieving sustainable development in all its dimensions” (UN 2014c: 10).

Finally, in December 2014 the UN Secretary General provided a second report summarising the various contributions to the post-2015 agenda. *The Road to Dignity by 2030* (UN 2014d) outlines a universal rights-based sustainable development agenda which places people and the planet at the core of its strategy. Furthermore, six essential elements were proposed in order to strengthen and making the agenda operable: i) dignity, to end poverty and fight inequality; ii) to ensure a healthy life, knowledge and inclusion of women and children; iii) prosperity to develop a robust, inclusive and transformative economy; iv) planet, which demands to protect our ecosystems for the sake of the future generations; v) justice, to promote safe and peaceful societies and strong institutions; and vi) partnership, to catalyse global solidarity for sustainable development.

The General Secretary also proposed definition of an “integrated” agenda, which would not only enumerate goals but also identify the resources needed for their implementation –funding, technology and investments– and which would employ an adequate monitoring and evaluation system, which would require improved statistical capacities and the creation of new information sources.

### 3.2. Record of the Millennium Development Goals in Latin America and the Caribbean

How has the overall performance of the MDG with regard to Latin America and the Caribbean looked like? And which have been the main limitations of this agenda as a reference in the regional development process?

With respect to the overall result —and still without the final data at the closure of the MDG—, LAC appears to have achieved most of the goals.<sup>2</sup> The UN considers that the region has complied with 10 of the 16 targets, while in six of them the progress was insufficient (UN 2014a). If the projections for compliance with MDG in LAC are compared with those of the other nine regions evaluated by the UN, only East and Southeast Asia show similar, albeit partial, expectations of compliance.

More specifically, if we consider the 44 indicators corresponding to the first seven MDG—precisely those indicators that permit an assessment of the result of the development policies implemented by the countries—, LAC offers a general balance of progress (see Annex 1). On an aggregate level, the region has managed to complete 29 indicators and there were setbacks in only six; one relating to gender equality, two concerning the fight against major pandemics and a further three related to sustainability of the environment. Progress was almost non-existent in three further indicators —consumption of the poorest quintile of the population, self-employed workers, and the relation between boys and girls in secondary education. In the case of six other indicators the progress cannot be assessed due to a lack of information. In addition, with respect to those indicators for the eighth MDG which directly affect LAC— this goal refers to the efforts the international community was expected to make in order to reform the system of international relations—, three additional setbacks were recorded, due to the reduction of ODA from donors of the DAC destined for basic social services, such as the aid disbursed to landlocked countries and small LAC island states. Moreover, information on the sustainable access to essential medicines at accessible prices was unavailable.

It is important to take into account that LAC was one of the most advanced regions in terms of compliance with MDG. Additionally, LAC constitutes a mainly middle income area— 61% of countries are located within this income bracket, and within these, 72% belong to the middle to high income group—, which tends to obscure the significant heterogeneities and inequalities existing in the countries and in their domestic environments. Thus, the study led by Tezanos (2010) identified a group of countries which

<sup>2</sup> Only by the time that the final statistics of the 60 indicators will become available, which could take several more years, the definitive results can be actually assessed.

lagged behind, particularly in terms of millennium goals. These were the countries of the Central American isthmus, the Andean region and the Caribbean with the lowest income per capital and high rates of extreme poverty— most of these over 10%— and low results in most of the millennium goals. At the opposite extreme, the countries with lower rates of poverty and malnutrition —in particular, those with poverty rates below 9%—, and better rates in social indicators comprise more than two thirds of the Latin American and Caribbean population, which largely explains the aggregated compliance with MDG in the region.

As a result, the performance of LAC in the MDG agenda provides a balance with both lights and shadows, with a promising result in terms of the overall progress in most of the targets and an unequal division of progress among the region's countries and within these countries. To a considerable extent, these contrasts are due to limitations and risks inherent in the goals agenda. Among others, it is possible to highlight six relevant aspects which have hindered the pertinence of the MDG for LAC:

Firstly, some of the MDG targets, given their construction, have been more feasible—and therefore less ambitious— for LAC. This is the case of the targets that fixed universal coverage —that is, 100% of the target population, as in the goals of primary education, reproductive health, and HIV and AIDS— with LAC being one of the world regions that started with rates closest to 100%, which determined smaller gaps to close and less ambition.

Secondly, the definition of MDG did not consider the adverse effect caused by serious multidimensional inequalities within Latin American and Caribbean countries, and nor did they properly acknowledge the political dimension of social exclusion, especially with regard to the importance of participation and empowerment of the most vulnerable individuals. This has meant that progress in achieving millennium goals was distributed throughout LAC in a worryingly unequal manner, generating groups “excluded from development “ on grounds of sex, ethnicity, age, disability and/or income.

Thirdly, the success of LAC in fulfilling the MDG agenda was seconded by its lower population growth rate compared to other developing regions. In this regard, those indicators that evaluate progress in percentage terms with regard to target population —which is the majority— have been affected by the different population growth rates. The LAC population grew by 39.3% between 1990 and 2013, compared to 47.2% of southern Asia, 52.7% or the near East and north Africa and 84.7% of sub-Saharan Africa, facilitating its advancement.<sup>3</sup>

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<sup>3</sup> Estimations based on World Bank figures (2015). Only the population of developing countries in each region was taken into account here.

Fourthly, the region has been negatively affected by the scant success of the two United Nations Conferences on Development Funding (Monterrey 2002 and Doha 2008), which did not manage to mobilise ODA sufficiently to cover universal compliance with MDG. The prolonged international economic recession has also undermined the willingness of DAC donors to finance this type of public policies. In this scenario of moderate increase in aid figures since 2000 —well below the funding undertakings of donors— and underfunding of the system, the countries with the highest levels of development have faced a gradual reduction in their share of global ODA. In particular, the LAC share of global aid payments has been reduced from an average of 12% in the decade prior to application of the MDG (1991-2000), to 9.5% in the era of MDG (2001-2013). And, as a result of this process of reallocation of aid, there was a notable rise in volatility of resources paid out to LAC, placing the region among those areas with more variable ODA.<sup>4</sup> In any case, this reduction in ODA has been more than compensated in the region —and particularly in some emerging Latin American countries— by a considerable increase both in domestic resources and other international sources of development funding.

In fifth place, the choice of 1990 as benchmark year for MDG was also not beneficial for LAC. Basically, because the nineties were characterised in the region by a slow and volatile rate of growth following the crisis of the decade of the eighties, due to increased unemployment and lack of formality, deterioration of the trade balance, the fall of capital incomes and an increase in service of the debt. All this contributed to a virtual stagnation of development indicators during the nineteen nineties and therefore, when the strategy was properly initiated in 2001, LAC had barely advanced since the year of reference.

Finally, the targets for percentage reductions of the indicator chosen in comparison with the base year —among others, the targets of poverty and hunger— implied extremely disparate dimensions for each country, and in particular, they resulted in being less ambitious for countries which were based on lower sufficiency levels at the outset. For example, in terms of the goal of reducing poverty by half, LAC faced the challenge of reducing the poverty rate registered in 1990 by around six percent, which rose by 12.5%. This challenge is not comparable to the drop of more than 22% which was proposed for the sub-Saharan region of Africa, with a poverty rate of 44.6% in 1990. And although the disparities were further aggravated, if the poverty rates per LAC country are compared: Haiti has —unsuccessfully— addressed the goal of reducing its poverty rate by over 26%, whereas, Uruguay has faced a less demanding challenge equivalent to 0.28 points.

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<sup>4</sup> According to the Tezanos study (2010: 53), the volatility of ODA received by LAC increased by over 39% between 1994-2000 and the period 2001-2007. Notwithstanding this fact, this level of variability was less than that registered in Subsharan Africa, where the volatility was accentuated as a result of successive aid increases — in contrast to the reductions experienced in LAC.

### 3.3. Latin American and Caribbean proposals for the post-2015 development agenda

LAC countries have been trying for several years to reach a consensus on a common position which would enable them to exert more influence as compared to the past agenda, on the definition of the post-MDG strategy. In order to steer this debate, the ECLAC has drawn up three reports –the “equality trilogy”– in which it proposes a sustainable development agenda designed to reduce inequalities (ECLAC 2010, 2012, 2014a). The “ECLACist” vision was synthesised in 2013 in the report jointly drafted by the five UN Regional Commissions. In particular, the report identified 11 regional priorities for the post-2015 agenda which can be framed within four dimensions of sustainable

**Table 2. Eleven LAC priorities for the post-2015 agenda according to ECLAC**

Economic sustainability	Social sustainability	Environmental sustainability	Governance and institutions
1. Intensify the diversification of production	4. Close gaps in wellbeing and inequities which perpetuate the inter-generational transmission of inequality	7. Incorporate sustainable development principles into national policies and development strategies	9. Promote a global partnership for development, esp. in the aftermath of the global crisis
2. Create productive and decent employment and facilitate job opportunities for all	5. Address extreme poverty and hunger	8. Address climate change and reduce the loss of biodiversity	10. Promote international development cooperation and fulfil the ODA target of 0.7% of gross nat. income. Identify innovative sources of additional funding for development (e.g., taxes on financial transactions and tax havens)
3. Close productivity gaps between different sectors and strata of the economy and, and in the area of social protection.	6. Promote inclusion and effective participation of citizens in economic and social development, in particular promoting gender equality and respect for ethnic and racial diversity		11. Identify innovative sources of additional funding for development (e.g., taxes on financial transactions and tax havens)

Source: authors' adaptation of priorities outlined in UN Regional Commissions 2013: 69-70.

development, with particular emphasis on reducing socio-economic inequalities (Table 2). In a more detailed manner, in 2014, ECLAC presented its vision of the post-2015 agenda in the report *Latin America and the Caribbean post 2015 agenda for development* (ECLAC 2014b), which synthesises the contributions of its “trilogy of equality”. In this report ECLAC proposes the promotion of a “a global compact for

sustainable development based on rights and with equality as its ultimate goal and ethical guiding principle and economic, social and environmental inclusion as the process for promoting equality” (ECLAC 2014b: 29). This logic requires a rights- based approach to equality and in order to achieve this, LAC needs to address three clear challenges: i) achieving sustainable rates of growth sufficient to close structural gaps and generating quality employment; ii) provide the impetus for a “technical revolution” which will bring about changes in consumption and production patterns; and iii) ensure more effective distribution of productivity through tax and social policies, improved distribution of profits between capital and work and set up universal social protection systems.

The challenge of equality is even more ambitious as it is part of an integral strategy for sustainable development which ECLAC defines as a “virtuous circle of growth, productivity and environmental sustainability”. Given this challenge, CEPAL calls for the strengthening of the state’s role in promoting a process of three-dimensional inclusion (economic, social and environmental) which will help to close the three structural gaps suffered by LAC (productivity, educational capacities and labour conditions).

ECLAC also highlights seven cross-cutting issues to be incorporated into the post-2015 agenda so as to reflect a Latin American and Caribbean perspective: i) the eradication of poverty (as there are still 30 million Latin American and Caribbean citizens living on less than 1.25 dollars a day); ii) achieving gender equality in order to mitigate the worrying fact that in LAC women constitute the majority of the poor, and this trend has worsened throughout the MDG years; iii) achieve environmental sustainability; iv) improve urban development and build sustainable cities; encourage sustainable consumption and production; v) improve the sustainability of consumption and production; vi) address issues of particular interest for the Caribbean (vulnerability in confronting external shocks and climate change and access to international funding); and vii) address issues of particular interest for landlocked countries considered in the Almaty Action Programme (transit policies, modernisation of infrastructures and promotion of international trade).

In addition to the debate encouraged in the region by the UN, CELAC’s vision has acquired considerable relevance. In its 2nd Summit held in Cuba in 2014, the LAC leaders proposed an integrated development agenda which would promote “solidarity, cooperation and mutual responsibility, based on ample inclusion” and in which “people were at the core of its concerns, which promoted sustained and inclusive economic growth, participatory social development, the protection of the environment and human dignity” (CELAC 2014: 1). In addition, leaders proposed the construction of a post-2015 development agenda

based on the positive experience of the MDG, while recognising the Latin American and Caribbean priorities of eradicating poverty and significantly reducing inequality and social exclusion.

In short, CELAC advocates for an agenda characterised by the following six features:

- i.* Universal nature, but with sufficient flexibility to address the specificities of each country
- ii.* Promotion of a “structural change for equality”— in line with the ECLACist vision – in order to eradicate the gaps (international, regional and national) in terms of wellbeing and in order to ensure respect for human rights
- iii.* Inclusiveness and putting people first, especially with regard to the eradication of poverty and the achievement of sustainable development
- iv.* Advancement towards the construction of a genuine “global partnership for development” to consolidate the funding commitments for development reached in Monterrey and Doha, and which would include the means and resources required to implement a sustainable development agenda (new financing mechanisms, ODA, external debt, South-South cooperation and international trade).
- v.* Contribution to achieving peace, security, democratic governance (including of multilateral bodies), the Rule of Law —on both national and international planes— gender equality and human rights (in particular the right to development).
- vi.* Inclusion of specific goals, indicators and time frames on delivery of resources which would guarantee their compliance, which should include additional and foreseeable financial resources, technology transfer, and promotion of innovation capacity

The III CELAC Summit held in 2015 in Costa Rica, the Political Declaration of Belén (CELAC 2015a) and the Special Declaration on the post-2015 development agenda (CELAC 2015b) reaffirmed the LAC commitment to “continue strengthening CELAC and its role in the global agenda, in a manner that will also promote the interests of the Latin American and the Caribbean region” (CELAC 2015a: 8). At the same time, the Community called for progress in two key strategies to create an effective global partnership for sustainable development: on the one hand, the international strategy for development funding, which was to be concretized during the UN Third International Conference on Financing for Development of July 2015 in Addis Ababa (Ethiopia); and on the other hand, the *Comprehensive Action Plan for Cooperation with Middle Income Countries*, linked to the SDG, which seeks to prevent this group of countries from being sidelined in the future post-2015 agenda, as occurred with the MDG which focused on countries with lower incomes.



In this context, it is also important to keep in mind that the Pro-Tempore Ecuadorian Presidency of CELAC has intensified the bid for the 2020 regional development agenda along five major areas: poverty and inequality reduction; education, science, technology and innovation; environment and climate change, infrastructure and connectivity; and financing for development.

It is important to point out that beyond the regional consensus reached on the post-2015 agenda, there are also important differences that need to be considered. LAC is a region of countries which are extremely heterogeneous in development terms and in which there are considerable political differences which are reflected in the *collage* of regionalist projects, directed towards integration, cooperation or political consensus-building (Mercosur, ALBA-TCP, SICA, CAN, CARICOM, Unasur, the Pacific Alliance and CELAC). The diversity of countries has translated into a variety of visions on how to address regional development challenges, particularly in respect to the question of how to deal with inequality, problems of security and (intra-national and cross-border) conflicts, and how to strike a balance between national and regional obligations and differentiated responsibilities in the framework of a global development agenda based on the principle of universality.

The LAC development process will neither be finalised with the MDG, nor will this occur with the SDG. In 2015 the region is facing specific development challenges, among others, equality —in a multidimensional sense, including gender— security, respect for human rights and cultural diversity, health, the strengthening of institutions and democracy. In order to fulfil these challenges which have been partially considered in the SDG, LAC should first decide with which kind of “ambition” it proposes to address the challenges of the SDG agenda and, second, how it proposes to interpret and adapt them to its own reality.



# 4 EU DEVELOPMENT POLICY FACING THE POST-2015 SCENARIO

## 4.1. The European Union, a global development player

The EU has designed a development cooperation policy in accordance with its interests, identity and values as a global player, within the framework of its external action services and based on decision making procedures, capacities and policy instruments which are differing from those of its member states. In this process the EU has attempted to combine, not always harmoniously, the preferences of the member states which derive from political options and economic, political and security interests, or from post-colonial links, with the requirements of a distinctively “European” global policy which is characterised by an affirmation of multilateralism and the policies and goals of DAC and of the UN, in particular the MDG.

Because the EU’s development policy constitutes a field of shared competences, it coexists alongside those of its member states, which presupposes coordinated action based on complementarity of all agents involved. With a considerable number of donors involved, and accounting for around two thirds of global ODA, the EU is at the same time part of the problem and part of the solution for the fragmentation of aid which compromises the efficacy of the international cooperation for development. Addressing those problems requires a more coordinated and “europeanised” action which should also be consistent with multilateral frameworks.

As protagonist of global development, the EU is a, “model”, a “player” and an “implementer” at the same time (Barbé, Herranz and Natovski 2012), - a “model” by providing a “European

vision of development; a “player” whilst participating in the global governance of development and negotiating its rules, goals and procedures; and an “implementer” through the design of EU policies and those of 28 member states. The success of the global development targets and the effectiveness of the cooperation policies depend largely on the EU’s capacity to coordinate its member states as well as to enhance coherence between development and other policies such as those governing trade, agriculture, migration, environment, etc., which affect southern countries and condition their political space.

#### **4.2. The EU and development policy: identity, values, capacities and interests**

This section examines the EU’s activity in development cooperation considering its evolution during the past decades, with a special focus on the reform of its development policy based on the Lisbon Treaty (2009) and the so-called “Agenda for Change” (2011), followed by its positioning towards the post-2015 goals, and taking a closer look at the problems of policy coherence that condition its action and leadership.

The EU development activities were established several decades ago in the framework of the classic paradigm of North-South aid and post-colonial relations; they were gradually transformed in order to respond to the global challenges and multilateral rules introduced in the 21st century, among them the MDG. Nevertheless, the rise of emerging powers, globalisation processes and changes in poverty and international inequality have required even further policy adaptation to this new global scenario. In addition, there other endogenous challenges related to the coherence of its policies have arisen which have tended to weaken the EU’s role as player in the global development scenario. Given these problems, the EU’s responses have oscillated between change and continuity, along with a problematic and contradictory adaptation and still “entrenched” views and practices which in some occasions may turn out dysfunctional. This attitude compromises the EU’s legitimacy as a model and its influence as a player and implementer and tends to weaken its leadership in global development. However, the singular nature of the identity, values, interests and capacity of the EU still convert the EU into a unique actor which can and should continue to play a prominent role in the arena of international development, seeking new partnerships with emerging and developing countries and in particular with LAC, so as to define and subsequently achieve post-2015 global goals.

Since the nineteen eighties, alongside increased ODA from European institutions, the EU’s influence in defining the agenda, strategies and policies of global development

has increased. In the final stage of the Cold War, confronting an overriding bipolarity, European cooperation promoted the goals of peace, democracy and development in places like Central America which defined the EU as a “normative” actor in international relations. In the Post Cold War era the EU reformed its development policy, extending it to all geographical areas and aligning it with multilateral consensus, both in the World Trade Organisation (WTO) in matters of trade preferences and within the framework of DAC and the UN, by means of the MDG and the aid effectiveness agenda. As a result the post-colonial link reflected in its geographical preferences, has lost weight in comparison to other criteria like the levels of income and proximity which gained importance as of differentiation.

Although the EU has been part of the dominant coalitions of governance in global development with the DAC and the World Bank, it has also attempted to cast a “European” vision when defining global targets which were distinctive, albeit not contrary to, the “Washington Consensus”. The EU has thereby attempted to counterbalance or complement the more openly neoliberal views of the globalisation process, or more “securitised” visions of aid in the context of the “Global War against Terror”. The MDG, in turn have provided a legitimatising discourse and a framework of reference for the design of the EU’s own development policy and that of its member states. As a result, EU cooperation has become “multi-lateralised” and became part of the international consensus for development and reduction of poverty.

The EU has been a particularly active supporter of the multilateral development consensus. It was assumed that promoting the MDG, and placing the development policy of the EU within this framework, would contribute to broader goals of an external action focused on regionalism and multilateralism. It was also expected that this strategy would enhance the international cooperation and the promotion of a “better world”, increasing the prosperity and security of the EU itself, as claimed the European Security Strategy of 2003 *A Secure Europe in a Better World*. Both member states and the EU institutions have endorsed the MDGs and subsequent commitments: the 2002 Monterrey Consensus, with the commitment from the EU and some other countries to enhance ODA, and other policies promoting greater mobilization of internal and external resources for development, like the support for tax reform or the combination or blending of funding resources. Secondly, the agenda of aid effectiveness, and in particular the commitments arising from the principles of ownership and alignment. The EU institutions, in particular, are pioneers and leaders in the use of instruments that respond the most to those principles (e.g., budget support). In some LAC countries up to 40% of bilateral ODA of the Commission is channeled through this instrument, which has also been used in situations of particular fragility such as Haiti. The new Multiannual Indicative Programmes (MIP), which replace the previous Country Strategy Programs (CSP) as a new programming framework based on alignment

with national policies and development plans, follow this logic. Third, with respect to the coordination, and assuming a decisive role in terms of joint programming and an enhanced integrity and division of labor among the member states. Finally, enhancing the policy coherence, although, as argued below, this issue still poses a considerable challenge for the EU.

In this context, EU development policy and its goals of reducing poverty have contributed to shaping its international identity, in contrast to other less “benevolent” or “disinterested” players, and also in relation to other EU policies or instruments — trade policy, agricultural and common fishing policies, etc.— in which endogenous interests of economic, political or strategic nature are present. These perspectives have brought the EU closer to developing countries, in particular to a LAC with which values and visions coincide, and which, independent from the unevenness and divergences among both regions, has come to see the EU as an alternative or counterweight to traditional hegemonies, and as a partner more likely to heed their demands and expectations.

In the process of the construction of an identity as a “civil power” through development policy, the Lisbon Treaty (2009) constitutes an essential reference. It aims to strengthen the role and identity of the EU as “global player”, through a more integrated design of its external action, including both community policies — trade, development...— and its Foreign and Common Security Policy, and a more explicit implementation of the aforementioned policies in the values and objectives of the Union in a policy matrix of a “cosmopolitan nature”. This Treaty establishes the fight against poverty as a general goal of all components of the EU’s foreign action, including foreign and security policy, common trade policy, and others, instead of an exclusive goal of external aid. This presupposes a greater coherence of its policies. However, this coherence may not serve the interests of development but rather other goals of foreign action which may go hand in hand with the risk of a more “politicised” and “securitised” cooperation for development, subordinated to a *realpolitik* matrix contrary to the principles and values of the EU (Guerrero 2014). This question has been raised in practice with the emergence of the European External Action Service (EEAS) —one of the results of the Treaty of Lisbon— and its participation in the planning of EU cooperation, which has generated some tensions between the more “political” and security orientated vision of the EEAS in alignment to the Union’s external policy, and the “developmentalist” view of the European Commission and Devco in particular. The reorganisation of external action undertaken in November 2014 by the High Representative and Vice President of the European Commission, Federica Mogherini, should contribute to a more integrated vision and activity, which is particularly important in 2015 in which negotiations on climate and the post-2015 framework are taking place (Helwig 2015).

The rise of the EU is also a consequence of its growing importance as an ODA donor. From 1990 onwards the European institutions and the member states have provided on average over 50% of the ODA of DAC. Furthermore, European institutions have ranked second and third in the world ranking of donors according to the year, only behind the United States and the United Kingdom. Of the overall aid originating in the EU between 2012-13 European institutions contributed an annual average of 22%. LAC only receives 7% of the ODA from European institutions, with the bulk going to Europe (31%), sub-Saharan Africa (24%) and North Africa and the Near East (14%). And except for Spain, it is not a priority region for any of the DAC donors. Despite this fact, overall, the EU and the member states constitute the main source of aid for the region. European institutions are one of the main donors in all LAC countries and the ODA granted by the member states and European institutions overall represents over 50% of the total aid, and in some countries such as Bolivia, Costa Rica, Cuba or Ecuador, even between 75% and 100%. However, this European ODA is only important in less developed countries which do not receive much external funding from private sources, and it is not particularly relevant for those countries which capture more Foreign Direct Investments (FDI), portfolio investments and remittances (see Table 3).

**Table 3. Official Development Assistance to LAC 2012**

Country	ODA EU/ Total flows	ODA/ GDP	Country	ODA EU/ Total flows	ODA/ GDP
Argentina	9.6%	0.01%	Honduras	106.5%	3.64%
Bolivia	77.6%	2.44%	Jamaica	10.1%	0.51%
Brazil	4.0%	0.05%	Mexico	1.0%	0.05%
Chile	0.6%	0.03%	Nicaragua	54.2%	4.54%
Colombia	5.3%	0.23%	Panama	1.1%	0.02%
Costa Rica	13.0%	0.08%	Paraguay	38.4%	0.46%
Ecuador	27.3%	0.17%	Peru	7.7%	0.19%
El Salvador	23.8%	0.73%	Dominican Republic	38.0%	0.26%
Guatemala	37.4%	0.94%	Surinam	77.9%	0.58%
Guyana	61.0%	3.31%	Uruguay	2.4%	0.07%
Haiti	36.1%	13.74%	Venezuela	0.5%	0.01%

Source: Development Aid Committee 2015. Net ODA as proportion of the GDP and EU ODA and as proportion of the total external funding, both public and private.

Finally, strengthening the EU is a result of the gradual europeanisation of member state policies, reaffirming a common vision and strategy and greater complementarity and coordination and joint programming initiatives.

In 2002 the EU adopted the so-called “European Consensus on Development” which was subject to a substantial revision in 2005 (European Union 2006). This consensus defines the common framework for development goals and strategies based on MDG; and in alignment with the terms of the “Monterrey Consensus” of 2002 and the “Paris Declaration” of 2005, it proposed the promotion of improved coordination and complementarity between donors through joint planning, calling for every member state to specialise in areas and regions where they would have comparative advantages. With the adoption and implementation of the “Division of Labour Code of Conduct” (European Commission 2007), complementarity and coordination become processes and instruments for Europeanisation and multilateralisation of EU and member state cooperation policies. Nevertheless, these criteria have not been easy to implement, as they question the preferences and interests of the member states which do not always coincide with the former. Examples of the “uneasiness” of this process of Europeanisation could be seen, for instance, when the MDG and their poverty eradication goals would contradict the priorities of the neighbourhood policy of the EU, or when member states such as Spain would privilege middle income countries in Latin America as recipients of ODA. In any case, this process has already given rise to joint programme frameworks for the Commission and member states which began to be applied in 11 countries in 2012, and were extended to further 40 countries in 2014,<sup>5</sup> with the aim of carrying out between 60% and 70% of the Commission’s bilateral programmes by 2017 within this common framework.

### **4.3. EU development policy: difficult adaptation to the post-2015 scenario**

#### **4.3.1. The Agenda for Change: differentiation and “graduation”**

Given the changes in global development, the EU has deployed reform initiatives which reflect both its willingness to adapt to change, and its resistance deriving from political positions, normative entrenchment, and institutional obstacles. This became observable in two relevant processes: i) the reform of development policy through the “Agenda for Change” (European Commission 2011a) and the proposals for financial instruments for that period (European Commission 2011b); and ii) the positioning of the EU towards the post-2015 targets.

The Agenda for Change, which coincides with the new budgetary cycle 2014-2020, responds above all to the evolution of the developing world, the North-South relations

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<sup>5</sup> In Latin America, with different degrees of progress, these are Bolivia, Guatemala, Honduras, Nicaragua and Paraguay, and launch planned for El Salvador by 2016-17, with Haiti currently under study.



and the “map” of global poverty. Based on the principle of “differentiation”, it aims to concentrate aid from the EU on a reduced number of political and geographical priorities (Table 4) as well as on the poorest and “fragile States”, with emerging countries as potential “partners” in respect to the global challenges, rather than recipients of classic ODA. Other goals address global risks, the improvement of the link between security and state fragility, the improvement of complementarity and division of labour, and a greater coherence between the fight against poverty and other “general interests” of external action.

**Table 4. EU’s “Agenda for Change”: political priorities**

Democracy, human rights and governance	Inclusive and sustainable growth for human development
<ul style="list-style-type: none"> <li>• Democracy, human rights, and the rule of law</li> <li>• Gender equality and women’s empowerment</li> <li>• Public sector management</li> <li>• Tax policy and administration</li> <li>• Corruption</li> <li>• Civil society and local authorities</li> <li>• Natural resources</li> <li>• Development-security nexus</li> </ul>	<ul style="list-style-type: none"> <li>• Social protection, education, health and decent work</li> <li>• Business environment, regional integration and access to world markets</li> <li>• Sustainable agriculture and energy</li> </ul>
Source: European Commission 2011a: 6-11.	

Following the principle of differentiation, the proposal for a new Development Cooperation Instrument (DCI; see European Commission 2011c) implied cancelling bilateral aid to 19 middle income countries,<sup>6</sup> which would only be eligible for the DCI thematic regional programmes “public assets and global risks” and “local authorities and civil society”; and eventually for new regional programmes to be defined. By the same token, these states could access funds from the EU Instrument for Democracy and Human Rights.

“Graduation” was measured by income per capita, but the list of countries was rejected by the European Parliament, which is why the final Regulation established an exception clause, and in the cases of Colombia, Cuba, Ecuador, Peru and South Africa, bilateral aid would be retained for a transitory period during which resources would be gradually reduced. As will be shown below, the Generalised System of Preferences (GSP) of the EU has also involved a significant reduction of the number of states which would benefit from this instrument.

The new Partnership Instrument for higher income countries — industrialised and emerging states — provides a mechanism for adapting to the rise of the South. Considered as the

6 The following countries would “graduate”: a) 17 high to middle income countries: Argentina, Brazil, Chile, China, Colombia, Costa Rica, Ecuador, Iran, Kazakhstan, Malaysia, Maldives, Mexico, Panama, Peru, Thailand, Uruguay and Venezuela; y b) two lower middle income countries with a GDP below 1% of the global GDP, namely, India and Indonesia.

main innovation for the 2014-2020 period, it is as “a key instrument for external policy” in order to “advance and promote EU interests (...) and by addressing major global challenges” (European Commission 2011c: 7). However, it only represents 1.1% of the funds for external actions of the Multiannual Financial Framework 2014-2020, in contrast to the 37% destined for the Africa-Caribbean-Pacific Group (ACP) and 24% of the DCI.

At first sight, this new cooperation approach appears convincing. It adopts a more selective and focused aid concentrating on the poorest countries, while at the same time responding to the rise of emerging countries and the growing heterogeneity of the developing world. However, by obviating the already existing asymmetries with these countries, it somehow releases the EU from the obligations assumed in the framework of its development policy —aid, trade preferences— and its democratic conditionality, facilitating thereby that those member states interested in boosting national businesses and trade, could proceed and promote their economic interests through free trade agreements, competing in better conditions with those countries which, like China, do not apply policies of conditionality. This scenario would stand in line with member states’ policies to promote national companies, which in some cases include the positioning of “national brands” and which are characterized by an economic nationalism and an essentially geo-economic vision (Martinigui and Youngs 2012). Indeed, according to this logic, these member states would only have to coordinate their policies and subject them to EU’s exigencies of coherence of policies or of joint programming in the poorest countries, in which development cooperation would still have to be maintained, but this would no longer be the case with the emerging countries.

However, precisely in these countries areas such as infrastructure, renewable energies and environmental technologies, science and technology, higher education and the strengthening of institutions are in need of further development, - and in all of these areas the EU has comparative advantages. Here, instruments of an advanced cooperation would be required, yet according to the Commission’s proposals, this type of “differentiation” would rather lead to the gradual termination of aid, rather than the opening of new and more advanced modes of bilateral cooperation, given the scant resources for “graduate” countries of the new Association Instrument. While it is true that in case of Latin America the significant increase in the resources of the regional programs foreseen for 2014-2020 will compensate to a significant degree the reduction of bilateral aid for “graduate” countries, it still appears that it would not meet the strong demand for an advanced cooperation by the EU —including joint TrC actions towards third parties— that have been articulated by these countries and regional organisations like ECLAC. Some of these “graduate” countries, in fact, have displayed a somewhat ambivalent attitude which included satisfaction to becoming an emerging and “graduate” country on the one hand, whilst continuing to demand foreign aid from the EU on the other hand.

This would indicate that the criterion for graduation —classifications according to income levels— is not the most appropriate one, as the European Parliament has highlighted (2012a and 2012b): it does not consider problems of poverty in MIC, it conceals the issue of internal inequality, and it does not take into account the vulnerability of these countries to adverse shocks. It would appear to indicate that the EU has adopted a minimal approach towards MIC that leaves the development agenda and social cohesion aside (Furness and Negre 2012). This approach could affect the credibility of the EU as a “normative power”.

At least until 2015, this new policy design has not considered new forms of partnership for the EU with SSC through mechanisms of triangular or trilateral cooperation, as claimed by the “Global partnership” established in 2011 in Busan, and as already practised by some member states in order to improve the impact of their cooperation and to maintain their relationship with the MIC. However, the Commission has been somewhat passive, if not reluctant, in respect to SSC. It has recognised the “importance of SSC”; asked for “a greater comprehension” of this phenomenon for the EU; inquired about its “added value”;<sup>7</sup> and insisted that SSC should respond to the principles of effectiveness, transparency, accountability and joint planning which the EU has adopted within the framework of DAC and Busan (European Commission 2014a; European Union Council 2014). The Commission signalled that the short history of SSC in LAC, the limited scale of its actions, the lacking definition of its modes of cooperation, and its lower technical and political standards as compared to those applied by the EU, would imply considerable difficulties for cooperation. Within LAC there are also varying perspectives on SSC and TrC with the EU: Mexico and Chile have displayed rather favourable views towards these instruments and the obstacles they have identified are set on a rather technical level; meanwhile, for distinct political reasons Brasil and Argentina have adopted rather renitent standpoints. However, this resistance appears to be also related to bureaucratic and financial obstacles in the EU institutions, to a defensive administrative culture, and a reluctance of these institutions to accept current changes in the classic paradigm of aid and North-South relations. All of this has not impeded, however, that some regional programmes such as EUROSocial have promoted the exchange of experiences and good practices between Latin American experts and institutions, which, according to the Commission, would constitute an example of an established practice of triangular cooperation, albeit until the beginning of 2015 this practice was not formally presented in this way. A gradual change in attitude towards these instruments could be observed during the II EU-CELAC Summit in June 2015 where a new mode for financing innovative TrC initiatives in the region, with the support of national aid agencies and an initial amount of 12 Mio. Euros, was announced.<sup>8</sup>

7 See the EU’s position for the first GPEDC (Council of the European Union 2014).

8 See item 59 of the Brussels Declaration elaborated at this Summit.

The “Strategic Partnerships” that the EU has established with emerging countries such as Brazil, China, India, Mexico and South Africa could serve as a framework in order to establish new formulas between SSC and EU cooperation (Fejerskov 2013: 39-43). So far, the EU–Brazil case has been the only concrete one which has implemented triangular cooperation actions in distinct African countries through their Action Plan 2012-14 (Lazarou 2013). Still, the ambivalence of both parties in respect of this undertaking, the “Southphalian” positioning of Brazil in the North–South issue, the Commission’s doubts with respect to the added value of these formulas vis-à-vis the traditional modes of aid, and the rigidity of their procedures, explain why those commitments have been diluted without concrete actions being taken (Cabral 2014: 6).

#### 4.3.2. The link between other financing sources and blending

The Agenda for Change also aims to encourage innovative financing mechanisms, departing from the assumption that the resources of the Commission do not permit addressing required investments in crucial areas of development, regional integration and international competitiveness of MIC, such as transport, energy and environment. Therefore the combination or *blending* of private and public financing has been promoted, the latter through loans, risk capital, financing of pre-investment costs, guarantees or interest rate subsidies. In this way additional financing is leveraged and other players and resources are aligned with the EU policy. *Blending* has constituted an effective mechanism of risk management which is meant to enhance the appropriation of the recipients, to reinforce these countries’ reforms and to encourage participation of the private sector. The operations of *blending* combine financing from the EU and from public institutions of the member states, the only ones that can lead projects, once their suitability is assessed by means of the so-called *pillar assessment*, securing thereby the standards of management which should be comparable to the standards of the Commission. This procedure allows for the complementation and coordination with the Commission and with the regional development banks. The latter are not only relevant players for this mechanism as providers of resources, but also as providers of technical know-how and expertise.

*Blending* was introduced during the multiannual financial framework 2007-2013, when the European institutions established seven regional financial facilities, designating 1,600 Mio. Euros for 200 projects, of which 60% were related to energy and transport infrastructure. These investment funds have mobilized 40,000 Mio. Euros, with a *ratio* of 1 to 31. Among those facilities are the Latin American Investment Facility (MIAL) and the Caribbean Investment Facility (CIF). MIAL was created in December 2009, with three strategic objectives pursued during the past five years: regional integration

and improved interconnectivity by the provision of transport and energy infrastructure; environmental protection and support for adaptation projects and mitigation of climate change following the “green growth” logic (Hernandez and Sandell 2013); and socio-economic development through support to SMEs and infrastructure for social services, complementing regional programs as EUROSOCIAL or EuroClima. In that period, 197.7 million Euros were invested in 25 projects, mobilizing around additional 5,000 Mio. Euros, with 45% destined for water and sanitation, 25% for energy, 10.5% for environment, 9.5% for transport, and the remaining 10% for other sectors. These projects have been involved bilateral agencies such as Agence Française de Développement (AFD), the German Kreditanstalt für Wiederaufbau (KfW) or the Spanish Agency for International Cooperation for Development (AECID), and in some cases the Inter-American Development Bank (IDB), CAF Development Bank of Latin America, and the Central American Bank for Economic Integration (CABEL) have participated. Meanwhile, CIF was established in 2012 and has granted 35 Mio. Euros to four projects, which involved the mobilisation of additional 66 Mio. Euros, and in some cases also the participation of IDB and CABEL (European Commission 2014b: 4; 2015c: 10).

*Blending*, however, also responds to “mutual interests” as well as to economic and other interests of the EU in these countries (Krätke 2014). According to the Commission (2014b: 1) it is “an instrument for achieving EU external policy objectives”. These include the development goals that are present in the EU policy in this field, particularly in its Development Cooperation Instrument (DCI), which is the legal basis of this instrument, but also include objectives which form part of other areas of its external action. Among those economic interests of the EU are, in particular, those to generate business opportunities for European companies involved in the construction of infrastructure in emerging countries, with *blending* operating as a subsidy for those interests. In this context, criticism has been raised for the bias of this instrument towards UMIC, to the detriment of poorer countries which are in need other types of assistance. Taking into account the current boom of extractive industries, this instrument might finance investment projects without providing adequate social and environmental guarantees. Therefore, arising problems of coherence of development policies would have to be addressed (Eurodad 2013; Tovar et al. 2013; Bilal and Krätke 2014; European Parliament 2014b: 34).

The Commission, for its part, has indicated that the financed projects were fully aligned with the host country’s development strategy. And while *blending* tried to respond to the particular needs of development financing of MIC, especially UMIC, within the MIAL initiative LMIC were given more weight. During the period 2010-14, 30% of the funds were designated for Nicaragua. Tendering procedures for the projects were open and competitive and in accordance to international standards, so no bias towards European companies existed. And by the involvement of bilateral or multilateral financial institutions measures such as

social consultations, environmental impact assessments, or eventual displacements of the population, would comply to standards comparable to those prevailing in the EU.

Doubts exist not only in respect to the capacity of *blending* to mobilize additional resources, but also due to the presence of other interests in this instrument which might lead to the conditioning of development and the fight against poverty. These call into question the effectivity of this instrument and, from a wider perspective, also the normativity and legitimacy of the EU as an agent of development.

#### 4.3.3. Differentiation and “graduation” in the trade-development axis

The EU cooperation policy has an important trade dimension, and the “graduation” logic is also present in this dimension (European Commission 2012a). In 2012, a new Generalised System of Preferences (GSP) was approved; it is considered the main mechanism of preferential access to the EU market for developing countries and entered into force on 1 January 2014. In order to focus the benefits of this System on countries known as those most in need, UMIC are now considered as “graduate” beneficiaries. As a result, the total number of beneficiaries of that scheme has been reduced from 177 to 90 countries, and 49 of them, classified as Least Developed Countries (LDC), will belong to the most extensive scheme known as *Everything but Arms* (EBA). It is important to note that the GSP list of “graduate” countries does not coincide with the terms established by the new DCI, which again shows that income classifications are not the most appropriate guide for development policy decisions. The GSP graduation thus appears to express a defensive or protectionist stance of the EU towards emerging countries, which becomes more visible in the aftermath of the economic crisis, while, simultaneously reflecting a liberal stance towards emerging countries.

As proposed by Stevens (2012) the elimination of preferences appears to respond to EU’s intention to push these countries towards the signing of an agreement in Doha or reciprocal free trade agreements, thus leaving space for member states to deploy their national policies and promote their own economic interests (Stevens 2012). In this way, the EU was attempting to bilaterally or multilaterally achieve what was unachievable during the WTO Doha Round; a negotiation that the EU, despite its multilateralist discourse, appears to have abandoned in favour of bilateral, plurilateral or “megaregional” negotiations such as the Transatlantic Trade and Investment Partnership (TTIP) with the United States. Studies assessing the impact of this latter argue that it would divert trade flows; presuppose the imposition of “de facto” rules and standards outside of the multilateral framework of the WTO, and by covering aspects such as environmental and labour regulations of

each country, the protection of copyright and personal data in the digital field, public companies or controls to capital flows, TTIP would imply a considerable loss of autonomy and space for development policy both for participating countries and for third parties, and in particular for LAC (Ferbelmayr 2013; Rosales *et al.* 2013).

Finally, neither the new focus on trade and development nor the new GSP manage to resolve the deeply entrenched problem of (in)coherence of policies by failing to address the common agricultural policy, the complex relation between trade, environment and human rights or the secular obstacle of EU non tariff barriers.

#### 4.4. The EU and post-2015 goals: vision, positioning and influence

Apart from the climate negotiations which are played out at a distinct forum, the EU has developed its position with respect to the post-2015 framework parallel to the work of the UN system and the OWA.<sup>9</sup> Since the EU did not have its own representation in this group, its influence has been mediated by those member states which were represented in this forum, which is why this representation reflected varying degrees of “europeanisation”. The EU has also sought to coordinate its position within the regional groups so as to promote a more active participation of emerging countries and to achieve previous agreements related to the post-2015 agenda.

The EU has aligned with the UN vision of goals focusing on the eradication of extreme poverty, which should be at the same time capable to integrate in a balanced manner the economic, social and environmental dimension of development. It has emphatically advocated for the incorporation of democracy, good governance, the rule of law, transparency and accountability as well as human rights in the post-2015 framework.<sup>10</sup> The latter, however, are elements that other emerging and developing countries have questioned, as they consider that these issues were not covered by the OWG mandate, that these would go against the principle of state sovereignty, and that these could give rise to some forms or mechanisms of political conditionality in the SDG or development cooperation. The EU has also pronounced itself, albeit in less concrete terms, in favour of incorporating the issues of security and peace, although some member states have

<sup>9</sup> See the two communications of the Group (UN 2013a and UN 2014c) and its conclusions of the Council from 25 June 2013 (“The Overarching Post-2015 Agenda”; Doc. 11559/13) and from 16 December 2014 (“A transformative post-2015 agenda”; Doc. 16936/14). The European Commission has issued a text on the role of the private sector (European Commission 2014d), and the European Parliament the informs provided by Rapporteur Cortés Lastra (European Parliament 2012a), Goerens (European Parliament 2012b) and Stier (European Parliament 2014c). On financing for development, see European Comisión 2013b and the conclusions of the Council from 12 de December de 2013 (Doc. 17553/13).

<sup>10</sup> These are considered “essential” elements for sustainable development according to the terms of Rio+20 and the resolution *The future we want*, and specifically in paragraph 10 of this document.

been disinclined to do so considering the risk of “securitisation” of the SDG. The EU has also reaffirmed the need for a general framework which should reflect states’ aspirations and be universally applicable to all countries; this framework should be based on national contributions and take into account the distinct contexts, capacities and levels of development of each country and allow for different approaches and the use of different indicators to measure progress, in order to ensure ownership and pertinence of the goals. In particular, it has drawn attention to justice and equity –with a specific emphasis on gender—, as well as to the peace and security agendas. It has also claimed for the post-2015 framework to cover all human rights and to incorporate justice, equality, equity, good governance, democracy and the rule of law, in order to promote peaceful societies without violence. The EU found that the goals to be defined should be limited in number. Finally, it has insisted that national responsibility was paramount to achieving these goals, independent from the fact that international cooperation was required to achieving them in many places, and it also emphasised the importance of accountability in accordance with the proposals of the synthesis report of the UN Secretary-General of December 2014 (UN 2014b).

The commitment to financing, trade, other “means of implementation” and the “enabling environment” are also relevant aspects of EU’s position. The EU confirms its commitment to coherent development policies, and it expects developing countries to adopt this principle, as well. The EU institutions recall the efforts made through their trade and development policy by means of trade preferences –GSP, EBA etc.— and ODA, reiterating the commitment to achieve 0.7% by 2015, and refer to advances achieved in the area of science and technology. However, the central role of the private sector is reaffirmed, and the main responsibility to mobilising resources should be placed at the national level. This leads to a policy agenda focusing on tax reform and combating corruption and illegal cash flows. External financing, on the other hand, should rather be complementary in nature and contribute to mobilising private investment through the instrument of *blending*.

The proposals raised by the EU for development financing are more extensive and ambitious than those proposed by the OWG, which confined itself to reiterating the issues considered in the previous MDG, and these proposals involve an integral perspective covering national resources, the reform of international financial architecture, ODA, international taxation and, in particular, the tax on international financial transactions, private investment and remittances. These proposals have constituted the basis of the EU’s position at the 3rd UN Conference on Financing for Development in July 2015 in Addis Ababa and will be an important input in the definition of the post-2015 agenda.



# 5 SOUTH-SOUTH COOPERATION AND TRIANGULAR COOPERATION IN THE RELATIONS BETWEEN THE EUROPEAN UNION AND LATIN AMERICA AND THE CARIBBEAN

## 5.1. South–South and Triangular Cooperation: definitions and approaches

### 5.1.1. SSC as a political field

Within the framework of profound changes in the international system, development cooperation is currently undergoing a process of transformation which has opened up a debate on its nature, forms and its governance. In this context, SSC and TrC have gained new impetus and amplified the available options for joint development efforts. At the same time, these instruments also reflect existing tensions and nurture debates about the traditional model of ODA which is based on ideas and institutions which existed for more than fifty years.

In this context, it is necessary to understand SSC in LAC as a political concept which fulfils two functions at the same time. On one hand, it strengthens bonds within a space in which states also pursue national political goals. On the other hand, it constitutes a vehicle to articulate demands and claims toward traditional cooperation as practised by DAC donors. In this respect SSC is perceived as part of the foreign policy of Latin American countries –and in an incipient manner also of the Caribbean countries–, designed both to protect their progress and to promote changes in a highly unequal international system, where their development needs are conditioned by the global and regional environment. This perspective has not been as evident in Caribbean countries which began to share and debate these issues more recently within the context of the CELAC Working Group on International Cooperation.

Gradually, a political consensus among political leaders of LAC has emerged which defines SSC according to several regulatory aspects which seek to differentiate it from NSC, based on the principles of horizontality, solidarity, mutual interest and benefit, non-conditionality, reciprocity and respect of sovereignty. These principles have also gained relevance at the international level and have been highlighted as guiding principles of SSC at the Third Conference on Financing for Development held in Addis Ababa in July 2015.<sup>11</sup> At the same time, the definition of CSS is completed by means of learning and the observation of practices with which it also distinguishes between particular modes of action. To summarise, the construction of this definition is essentially political and it is shaped by a normative discourse which seeks to generate consensus, identity and group cohesion, and also by incipient practices which are shared, registered and systematised, and which will eventually provide evidence of differentiated models and approaches.

### 5.1.2. Triangular Cooperation: concept and approaches

Aside from the different specific concepts of TrC, consensus exists in respect to the advantages that this cooperation modus seeks to contribute by integrating the participation and contributions from different actors in the same project or action. It is held that TrC facilitates the combination of different technical, financial and symbolic capacities —such as the prestige of a cooperating entity or recognition of the identity of the South— which may complement each other and generate mutual benefits based on diverse interests.

The TrC concepts differ in the perception of their forms and approaches. Some definitions are based on the nature of the players involved (developed, MIC, developing) or on the resources that each player contributes (financial or technical). Among the approaches are those which perceive TrC as “instrument” of NSC, or else as a support to SSC. This latter approach has gained prominence in LAC, with specific importance shifted to the “roles” of the involved partners of a TrC project. With its own language, the *first provider and recipient* —which may be one or several developing countries in each case—, and *second provider*, which may be a developing country, a developed country, a regional or multilateral body or a partnership between these. In this triangle, “the distinguishing feature is determined by the role of the first provider, who acts as the main responsible party for capacity building” (SEGIB 2014: 109). In accordance with this definition, TrC’s approach as support to SSC would be guaranteed in the role performed by a country of the “South” as primarily responsible for the technical support.

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<sup>11</sup> See especially items 56 y 57 of the Action Plan of Addis Abeba, A/Conf.227/L.1

### 5.1.3. Regional coordination platforms for SSC and TrC in LAC

At this moment, there are two spaces where functionaries responsible for international cooperation in the region gather and where exchange and agreements on SSC and TrC are promoted:<sup>12</sup> the Ibero-American Programme for Strengthening South–South cooperation (IAPSSC) has been a key instrument for political discussion and the development of learning and know-how; based on this knowhow the currently predominating definitions of these instruments have been developed. This programme has also served as an important base for the technical training of personnel working in the field of cooperation. More recently, the creation of the Working Group on International Cooperation of CELAC provided a new forum for dialogue and exchange for the entire LAC region. In 2014, this group approved a “Conceptual Framework for International Cooperation” (CELAC 2014a) which reviews history, reaffirms principles and proposes a consensual vision of cooperation in the region, based on agreements and previous organisations.

As a result, in LAC two very similar concepts of SSC coexist, each one with particular nuances. On one hand, a SSC concept restricted to the mode of technical cooperation which was set up within the framework of IAPSSC and which facilitates the systematisation of statistical information which is limited to SSC actions and projects in the region. It is a programme set up by the Ibero-American cooperation which addresses cooperation as a policy –in the sense of a public policy– and which seeks to strengthen capacities of systemisation and management. On the other hand, there is a wider concept related to integration and regional political consensus, which is being consolidated within the framework of CELAC. The conceptual framework of CELAC addresses SSC from a wider political perspective (in the sense of politics), considering different forms and aims which could contribute to consolidating the integration of the region under the umbrella of a Latin American and Caribbean identity. While including technical cooperation in a substantive manner, this concept also extends in scope of goals to processes and mechanisms of sub-regional integration. In addition, it establishes that the priority during a first stage be focused on the region and that the two areas “cooperation between regional and sub-regional integration mechanisms” and “cooperation at the intra-regional level” be promoted. Still, we can expect that the establishment of a global development agenda and the bi-regional relations EU-ECLAC which have acquired more weight, will nurture this field of cooperation with new impulses.

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<sup>12</sup> It is important to keep in mind that, based on a more technical profile, ECLAC has also developed initiatives and documents within the South-South Cooperation Committee. It has also provided support for the respective initiatives of the Ecuadorian Pro-Tempore Presidency of CELAC.

## 5.2. National institutional frameworks for international cooperation

Regulatory frameworks and the forms of organisation are the two pillars which shape the institutions of development cooperation. In order to devise a “map” of these institutions in LAC, information on both aspects is provided in 31 countries.<sup>13</sup> It starts off by distinguishing the different roles played by countries in respect of international cooperation and identifies a “map” which, shows that the countries –independent from their heterogeneity– do share some common characteristics. As a general observation on SSC in the region, taking as a basis the IAPSSC report 2013-2014 on SSC in Ibero-America,<sup>14</sup> most countries assume the role of recipients, whereas nine countries play a dual role (recipients and providers), and two are mainly providers. It should be noted that the offer of cooperation has concentrated on three of the largest and most influential

countries in the region (Argentina, Brazil and Mexico), which were responsible for approximately 70% of that cooperation. This picture is altered if DAC data are taken into account, as these give evidence of the flows towards Mexico and Brazil which have a dual role within this extended framework (see Table 5).

In terms of regulatory frameworks for development cooperation, Mexico, Peru and Venezuela have enacted general laws, although these differ widely in origin, scope and content.<sup>15</sup> In the absence of a general law, countries such as Bolivia, Chile, Colombia, Costa Rica, Ecuador, Uruguay and the Dominican Republic dispose of laws regulating specific aspects of international cooperation.<sup>16</sup> In a third group, general state regulations on administrative functions and procedures are applied to international cooperation.

In half of the countries the institutional structures for development cooperation are linked to ministries of foreign affairs. This is the case of Argentina, Venezuela, Panama, Paraguay and El Salvador, these institutions dispose of several layers of hierarchy within ministries –vice ministries, secretariats, or government departments– which are specifically responsible for coordinating international cooperation received and/or offered by the country. In other cases, particularly in the Caribbean, cooperation is not coordinated

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13 There is a considerable scarcity of data especially for small Caribbean countries. The difficulty to obtain information on Puerto Rico prompted the authors to exclude this country from this analysis.

14 It is important to bear in mind that this report only considers projects and actions based on information provided by states. These have been the common indicators agreed upon by countries participating in the IAPSSC. This procedure cannot fully account for the entire amount of resources mobilised by each country and the data cannot be compared to the information provided by the CAD. Still, this procedure can provide us with an idea on the main role of each country in LAC.

15 Mexico's Law on International Cooperation for Development is the most innovative in this regard. It has been designed taking into account Mexico's dual role in international cooperation and establishes the institutional architecture for coordination, operation, registration and diffusion, in addition to the administration and fiscalisation of resources destined for cooperation actions.

16 In various cases, applicable legislation derives from regulations created by the agency or body of the country responsible for international cooperation.

**Table 5. Categorisation of countries according to their role in LAC South-South Cooperation**

Dual	Recipient	Provider
Argentina	Antigua y Barbuda	Brazil
Chile	Barbados	Mexico
Colombia	Belize	
Costa Rica	Bolivia	
Cuba	Dominica	
Honduras	Ecuador	
Panama	El Salvador	
Uruguay	Granada	
Venezuela	Guatemala	
	Guyana	
	Haiti	
	Jamaica	
	Nicaragua	
	Paraguay	
	Peru	
	Dominican Republic	
	Saint Kitts and Nevis	
	Saint Vincent and the Grenadines	
	Saint Lucia	
	Trinidad and Tobago	

Source: authors' adaptation based on SEGIB 2014: 37-38.

within a specific organisational area, even though it is adscribed to the ministry of foreign relations. Six other countries —Brazil, Chile, Colombia, Mexico, Peru and Uruguay— dispose of their own international cooperation agencies with variable degrees of hierarchy, functional dependence and autonomy,<sup>17</sup> but which share the same original design of managing cooperation received by the country, and which have incorporated SSC with varying degrees of intensity.

The institutional outlook is therefore heterogeneous and this has practical implications in the moment in which all those responsible for cooperation sit down together at the table. At the same time, there is evidence of an institutional set up in transition which is still not well equipped to address the current transformations of an international cooperation system in which the velocity of change of its organisational structures has lagged behind the changes at the discursive level.

<sup>17</sup> The agencies of Brazil, Mexico and Peru are dependent on or attached to the Ministry of Foreign Affairs, whereas Uruguay and Colombia are decentralised bodies linked to the presidency; in Chile the AGCI is a decentralised public service.

### 5.3. Experiences of South-South and Triangular Cooperation

According to the 2013-2014 Report on SSC in Latin America carried out by SEGIB (2014), Latin American countries have undertaken a total of 506 projects and 203 bilateral South-South cooperation actions in 2012. These figures have been maintained at this level with only minor variations over the last three years.<sup>18</sup> Almost 40% of the projects were concerned with strengthening the economy, and most of these— 70%— were designed to support productive activities, and the rest were dedicated to creating infrastructures and economic services in energy and scientific and technological applications. The support for social policies and other activities in areas such as public management, security, justice and human rights accounted for the remaining 60% of projects in almost equal proportions.

Aside from some limitations in terms of methods and scope, available case studies and systematisations of experiences with SSC and TrC (UNDP 2009; Alonso, Aguirre and Santander 2011; Kern and Weisstaub 2011; PIFCSS 2013; Tassara 2013; Vázquez 2013) have evidenced a growing and diverse spectrum of actions and projects developed in LAC. In this context some advantages of SSC become evident, such as the provision of solutions deriving from similar experiences, the type of relationship forged between parties based on a common identity —“the South”, “developing countries”— and the dynamics of complex learning which exceed the scope of a mere transfer mechanism. At the same time they imply the dissemination of knowledge, the adaptation to a different reality and mutual learning. The value shifted to experience is higher than that of the acquisition of theoretical knowledge. A particularly interesting factor concerning SSC in LAC is that although diverse experiences have been registered, the main actors in this type of cooperation have been state agencies. As sources for knowledge, experience and links with similar bodies in the region, they offer the advantage of working in sectors at different levels, from political coordination to the development of skills.<sup>19</sup> It was also noted that institutions taking part in SSC processes develop management skills and consolidate their experience which help improving their capacities to manage programmes and projects.<sup>20</sup>

On the other hand, however, there do exist problems in the management of SSC. The abovementioned studies criticise the lack of information and transparency in respect

18 In the 2012 SSC report on Latin America (SEGIB 2012) 586 projects were registered and 229 actions for 2011, whereas in 2010 there were 529 projects and 310 actions. The difference in figures for 2011 and 2012 can be partly explained by the absence of Cuba which no longer provided information for this report.

19 The health sector is an excellent example in this regard, where regional efforts of the Unasur in with the South American Institute of Health Governance (ISAGS) and the Pan American Health Organisation (PAHO) seek to eliminate global obstacles and obtain substantive goals such as access to medicines.

20 Examples in this respect are the National Institute of Agricultural Technology (INTA) in Argentina or the Brazilian Agricultural Research Cooperation (Embrapa) and the Oswaldo Cruz Foundation in Brazil.

to the resources allocated to this cooperation. These problems can be partly explained by difficulties to quantify the particularity of a technical cooperation based on available capacities within state agencies, which are difficult to measure and to compare with ODA. What is more, tensions have arisen between political and technical levels, as there were partnerships accorded at the political level without the sufficient technical justification. This fact is aggravated by the weakness of appropriate regulatory frameworks which often lead to *ad hoc* agreements. Issues also emerge at the implementation level, particularly due to the limited human and financial resources designated for the systemisation, monitoring and evaluation of actions and projects.

As for TrC, 77 projects and 55 TrC actions have been conducted in 2012, reflecting a significant increase as compared to 2010, during which 42 projects and 41 actions were registered (SEGIB, 2014). Among the results, TRc contributed to the strengthening of the capacities on the part of the countries offering cooperation. There is also evidence of difficulties and risks which can be explained by several factors. The highly institutionalised practices of traditional cooperation which are based on principles, regulations and rules agreed upon within the framework of DAC, are at times not particularly receptive to the new ways and practices of cooperation of developing countries. The strategies adopted by Latin American countries in respect of their acceptance of DAC criteria vary, and the TrC agreements seem to yield better results in cases where these criteria are accepted and incorporated in the cooperation policies of countries in the region. When these criteria are resisted, these can ensue debates and increase transaction costs. But even so these mechanisms provide an important channel for dialogue and for the incorporation of new mechanisms, instruments and principles in accordance with the political specificities of the region, which, on the long term, might lower the costs implied. Furthermore, the weakness —or in many cases, the absence— of common frameworks for action are illustrative for the difficulties to convert this dialogue into a set of consensual criteria for the practical implementation of this mechanism. While these specific difficulties tend to be resolved through negotiations, they also imply delays in the implementation of projects.

Another significant difficulty lies in ensuring leadership of the beneficiary of a TrC, as some experiences have shown that leadership tends to be diluted in the implementation phase of a project. In this regard the *ad hoc* agreements on concrete projects might prove more advantageous when compared against other mechanisms such as mixed funds, where the relation between the first and second offerer predominates —even though this proceeding would again increase transaction costs.





# 6 NEW GEOGRAPHY OF SUSTAINABLE DEVELOPMENT IN LATIN AMERICA AND THE CARIBBEAN: TOWARDS A MULTIDIMENSIONAL TAXONOMY OF SUSTAINABLE DEVELOPMENT GOALS

## 6.1. Where are Latin America and the Caribbean situated in the new geography of sustainable development?

In view of initiating the SDG strategy, humankind continues to face a formidable challenge: almost 17% of the people on this planet live in extreme poverty, which is the reason why the goal to eradicate poverty by 2030 will imply the need to address the hardship of over one billion people.

Which importance has been shifted to LAC in the strategy for eradicating poverty? As already explained above, LAC has “successfully” addressed —in aggregate terms— the MDG of reducing extreme poverty by half by lowering its poverty rate by almost 8% —from 12.5% registered in 1990, to currently 4.6%— freeing almost 25 million Latin American and Caribbean citizens from the poverty trap. Having addressed this first challenge LAC now faces the probably more complicated goal of eliminating the remaining pockets of poverty affecting a further 30 million people within the next 15 years.

While this regional poverty figure is significant, we also have to take into account the fact that “only” 3% of the poor inhabiting the planet live in Latin American and Caribbean countries. Conversely, more than 80% of the world’s poor are concentrated in the regions of Sub-Saharan Africa and southern Asia. In order to eradicate world poverty, these regions have to become a priority for international cooperation policies.

Notwithstanding this fact, the SDG agenda is not just a strategy for combating economic poverty, as it also includes a wide range of universal goals for sustainable human development which define a complex *world map* of priorities. Precisely in order to facilitate the identification of these multi-faceted priorities and channel cooperation policies, diverse multilateral bodies have drawn up “international development classifications” which group together countries based on specific challenges for advancement. Interestingly, the most frequently used classification is at the same time the most simplistic one: the ranking of *per capita* income compiled annually by the World Bank.<sup>21</sup> While its simplicity is its principal virtue, this classification fails, to explain the “geography” of sustainable development in the 21<sup>st</sup> century. In accordance with this classification, the majority of the world’s poor no longer live in lower income countries, but rather —according to Sumner’s estimates (2012)— approximately three quarters of the poor live in MIC as a result of the pockets of poverty that continue to prevail in those countries with huge middle income populations, mainly China, India, Pakistan, Nigeria, Indonesia and Brazil.<sup>22</sup>

LAC’s place in this new geography of development is therefore ambiguous: as a predominantly middle income region it does not figure prominently in the world’s poverty. Thus, there is a risk in that the international community will interpret, or rather, misinterpret —as occurred with the MDG— these figures and that it assumes that LAC is not a priority for the new SDG agenda. Given that the traditional classification of incomes provides only superficial information of the regional development challenges, it seems appropriate to analyse the positions occupied by LAC in the three most influential international classifications: the aforementioned World Bank classification based on income per capita; DAC’s classification which distinguishes between “developed countries” —basically high income countries according to the World Bank classification— and “developing countries and territories” —low income, middle to low income and middle to high income countries according to the World Bank, which are potential ODA recipients—; and the classification of the UNDP measuring levels of *human development* which is based on the *Human Development Index* (HDI).

By applying these three criteria to the LAC context it is possible to assess the degree to which development classifications coincide:<sup>23</sup> of the 41 countries in LAC, 12 are “developed countries” —that is high income— and the remaining 29 are “developing countries and territories”, of which only one is a low income country, several are middle to low income, 18 are middle to high income, and three are already high income countries which by 2017 will no longer feature on the list of DAC recipients. In HDI terms, three

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21 More specifically the World Bank evaluates the Gross National Product (GDP) *per capita* in US Dollars applying the “Atlas method” to compensate fluctuations in exchange rates in the comparison between countries’ national incomes.

22 For a review of the discussion on the new geography of poverty and inequality, see Sanahuja 2013.

23 See the full table of classifications in Annex 2.

countries account for very high levels of human development, 22 for high levels, seven for a medium level, and one for a low level of human development; the remaining eight countries are not included in the UNDP index. To summarise, LAC is a predominantly middle-high income region with a high rate of human development. Despite the fact that the indexes coincide on a general level, some discrepancies stand out between the classification by income levels (World Bank and DAC) and classification according to human development levels (UNDP): only one high income country (Chile) achieves high levels of HDI; and two UMIC (Argentina and Cuba) display a very high level of human development, whereas the remaining UMIC account for a high human development. It is also important to highlight the fact that three UMIC (Panama, Brazil and Venezuela) are very close to overcoming the high income threshold and so – in the foreseeable future – they will be the next three to join the group of developed countries, despite the fact that they have not achieved the highest level of human development.

## **6.2. An alternative taxonomy for Latin America and the Caribbean based on Sustainable Development Goals**

It is not easy to classify countries based on their development levels, firstly, because the very definition of the concept “development” is a complex and multidimensional one. In addition, the socio-economic realities of the countries are very diverse and subject to changes, which makes it difficult to carry out universally valid analyses. In fact, as Nielsen (2012) points out, there does not exist one single classifying criterion –based on development theory or on an objective point of reference– which would be “generally accepted”.

In addition to these conceptual difficulties there are different procedures for establishing classifications of countries once the indicative variable(s) for levels of development have been selected. In the cases of the World Bank and the UNDP, the groups are created by the use of an ordinal indicator which implies determining in an arbitrary manner the adequate number of groups of countries and the thresholds that separate the aforementioned groups. Conversely –as will be shown below– the analysis of conglomerates can offer a more nuanced and objective statistical technique as compared to the fixing of a specific development indicator.<sup>24</sup>

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<sup>24</sup> Other earlier studies which have elaborated development taxonomies by analysing conglomerates were Tezanos and Quiñones (2012) for the case of MIC in LAC, and Tezanos and Sumner (2013) and Sumner and Tezanos (2014) for all “developing countries”.

### 6.2.1. Classification procedure: analysis of clusters of sustainable development dimensions

The construction of an international classification of development has to depart from a clear identification of the “dimensions” to be evaluated. Given that the international community has already identified the prioritised goals of the international development agenda, in this study the classification shall be based on the principal dimensions of the SDG. Following the findings of the previous sections, this strategy combines two converging agendas: on one hand the *human development* agenda inherited from the MDG and on the other the *sustainable development* agenda resulting from the four *Earth Summits*.

It is important to clarify that the concept of sustainable development has evolved in recent times, in the heat of the debate on the post-2015 agenda. The *Earth Summits*, and in particular “Rio+20”, have culminated in a three-dimensional definition of sustainable development that includes economic, social and environmental dimensions. Nevertheless, the final definition of the SDG will adopt a four-dimensional concept by adding the issue of good governance, in line with the proposals elaborated by the Open Working Group (UN 2012a), the UN Sustainable Development Solutions Network (SDSN 2013) and the European Union (European Commission 2013a). This procedure has been endorsed by the UN Secretary-General in his synthesis report on the SDG agenda (UN 2014b: 11), which recommends integrating the following “four interdependent dimensions of sustainable development”: *economic development* (including the eradication of extreme poverty and hunger); *social inclusion*; *environmental sustainability*; and *good governance*, (which includes peace and security).<sup>25</sup>

As a result, these four dimensions of sustainable human development shall constitute the basic pillars of the proposed taxonomy. In order to undertake an analysis of the clusters, each dimension is linked to one of the 169 goals proposed by the OWG Report on the SDG (UN 2014a). Finally we have selected one indicator which allows for approaching to each of these goals (see Table 6).

Selecting the most appropriate indicators for each dimension/target is not an easy task, among other things because the necessary information for evaluating many of the OWG proposals is still not available. As happened previously with the MDG, the SDG strategy will probably be initiated under the “statistical fiction” of available data (Tezano 2011), even though in reality the compilation and systematisation of required data takes will take

<sup>25</sup> See in this report, paragraph 37, which contemplates the respective proposals, and paragraphs 82 to 84 proposing a framework which integrates the three dimensions of sustainable development —economic, social and environmental— with the essential elements for achieving them: democracy, human rights, new governance, peace and security.

**Table 6. Dimensions of sustainable development and classification variables**

Dimension of the development	SDG* Target	Indicator	Source	Period
1. Economic development	By 2030, eradicate extreme poverty for all in the world	Poverty rate (less than 1.25\$ per day, PPP) (% of the population)	World Bank (2015b)	2012 or most recent year available
2. Social inclusion	By 2030, progressively achieve and sustain income growth of the bottom 40% of the population at a rate higher than the national average	Participation in the GNP of the poorest 40% of the population	ECLAC (2015) World Bank (2015c)	2012 or most recent year available
3. Environmental sustainability	Integrate climate change measures into national policies, strategies and planning	Carbon dioxide emissions per capita	ECLAC (2015)	2010
4. Good governance	Substantially reduce corruption and bribery in all their forms	Controlling corruption	Kaufmann et al. (2014)	2013

Note: \* The SDG targets were selected from the UN Open Working Group proposals on the SDG (UN 2014a).

Source: Development Aid Committee 2015. Net ODA as proportion of the GDP and EU ODA and as proportion of the total external funding, both public and private.

several years, thus leaving an initial period during which it will be virtually impossible to evaluate the progress of the agenda in most countries. Consequently, the selection of indicators has been guided by the practical —and inevitable— criterion of availability.

With respect to the statistical technique used, the analysis of hierarchical clusters allows for the construction of a “taxonomy” of countries with heterogeneous levels of development and to divide them into a specific number of groups to ensure that: *i*) each country belongs to one, and only one of the groups; *ii*) all countries can be classified; *iii*) the countries pertaining to the same group are to a certain degree, “homogenous”; and *iv*) countries pertaining to distinct groups are clearly differentiated. This type of analysis can thus help us to identify both the “general” development characteristics of each cluster and the appropriate number of groups into which the countries are divided.<sup>26</sup> In this case, the analysis includes 26 of the 41 Latin American countries, which accounts for 63.4% of the countries of this study, and 88.6% of the population of LAC.<sup>27</sup>

26 More specifically, we analysed the hierarchical clusters using the Ward method computing the Euclidean distances to the square between each element and standardising the variables in order to correct differences of scale.

27 The 15 countries excluded from the analysis due to lack of information are all Caribbean countries: Cuba, Puerto Rico and a further 13 island states with populations below half a million inhabitants (Antigua and Barbuda, Aruba, Bahamas, Barbados, Cayman Islands, Curaçao, Dominica, Dutch Saint Martin, French Saint Martin, Saint Kitts and Nevis, Saint Vincent and the Grenadines, the Turks and Caicos Islands and the Virgin Islands).

### 6.2.2. Principal results: SDG taxonomy of LAC

The analysis of clusters generates a classification of six categories: on the one hand three groups of Latin American and Caribbean countries, and on the other hand, three “singular” countries that form unitary groups (Haiti, Jamaica and Trinidad and Tobago; see Table 7 and Map 1). The six clusters can be characterised by means of a comparative analysis of the averages of the four indicators which were included in the classification (Table 8):

The first cluster (C1) comprises four Latin American and Caribbean countries with high levels of development but with considerable carbon dioxide emissions *per capita*. They present —on average— high incomes *per capita* and low poverty rates, as well as the best indicators in terms of social inclusion and the most effective controls to combat corruption (in fact they are the only countries in the sample, along with Costa Rica and Belize, with positive values in this indicator). Their high level of development in comparative terms also presupposes that they constitute the third group with greater CO<sub>2</sub> emissions *per capita*, which are especially high in Chile. At the same time, this is the most heterogeneous cluster; within the group, Chile and Saint Lucia (the countries with the highest and lowest income in the group respectively) are the most dissimilar cases. Chile distinguishes itself mainly by its high carbon dioxide emissions —which almost double that of the group average in *per capita* terms— and Saint Lucia has the highest incidence of poverty, three times the average of the group.

The second cluster (C2) includes four Latin American countries with intermediate levels of development but with problems of corruption and pollution. On average these countries have the third highest income *per capita* and the third lowest poverty rate. Notwithstanding, this group of countries has extremely high levels of pollution and very negative indications of corruption. Although it is a relatively homogenous group, the most dissimilar country is Venezuela, which, despite having the highest income *per capita* of the group, has a high poverty rate, the highest carbon dioxide emissions and the highest levels of corruption.

The third cluster (C3) is the biggest one (15 countries), and it includes Latin American and Caribbean countries with the lowest levels of development and problems of poverty, inequality and corruption. Thus, this group presents the third lowest income *per capita* and the third highest poverty rate, while at the same time ranked second in terms of elevated economic inequality, and with the second worst records of corruption. Conversely, these countries display low carbon dioxide emissions *per capita*. The main differences within this group refer to the poverty rates; with three Central American countries (Honduras, Guatemala and Belize) accounting for elevated rates (over 11%), whereas Costa Rica’s poverty rate is less than 2%.

In addition to these three groups of countries, the analysis detected three “particular” countries which deserve a separate analysis:

Jamaica is a particular country because of its high incidence of poverty —the second highest after Haiti—, and this is precisely the reason why Jamaica is not included in the second conglomerate (C2), with which it shares considerable similarities.

Haiti has the worst levels of development: it is a country with a low *per capita* income—almost 63% less than the next low income country on the list, Honduras—, with the highest poverty level —19 percent higher than Jamaica—, with the lowest economic participation of the poorest population (together with Honduras) and with the most negative corruption levels. At the same time, it constitutes the country with the least carbon dioxide emissions per person, in this case followed by Guatemala.

Conversely, Trinidad and Tobago is the country with the highest income per person and with the lowest incidence of poverty (after Uruguay and Chile) and economic inequality (after Granada and Saint Lucia). It is therefore a country similar to those in group C1, except for the CO2 emissions *per capita* which are by far the highest in LAC, converting it into an atypical case.

As for the regional distribution of the poor population (Table 9), most of them (almost 60%), live in countries pertaining to the largest cluster (C3), principally due to the region’s population giant, Brazil, which accounts for the largest share of the poor in this group (and 30% of LAC). Around 20% of the poor live in the C2 countries (more than half of them in Mexico). Furthermore, Haiti contributes 17% of the region’s poor —taking into account its extremely high incidence of poverty. The remaining 1% of the poor is distributed among the C1 countries and Trinidad and Tobago.

In contrast to the previous distribution, the conventional classification by income levels creates a greater concentration of poverty: two thirds of the poor live in the middle to high income stratum —which includes Brazil and Mexico—and the remaining third is distributed among the high income, middle to low, and low income countries. As a result, in the LAC region the classification of countries by income level generates the same inconsistency as at a global level; it is not the poorest countries —in the LAC context, these are low income and middle to low income countries— which concentrate the highest numbers of the poor, but instead the UMIC.

The here-presented LAC taxonomy provides important complementary information to the classification by income. The proposed taxonomy integrates the four dimensions of sustainable development included in the SDG strategy (economic development, social

**Table 7. LAC countries' membership in clusters**

Country	Cluster membership	GNP <i>per capita</i>	Position according to <i>per capita</i> income	Classification according to <i>per capita</i> income	Poverty rate	Participation poorest 40%	CO <sub>2</sub> <i>per capita</i>	Corruption control
Chile	1	15.230	2	High income	0.83	12.4	4.22	1.52
Uruguay	1	15.180	3	High income	0.25	17.2	1.97	1.34
Granada	1	7.460	12	Middle to high income	2.4	17	2.49	0.41
St. Lucia	1	7.090	13	Middle to high income	11.75	15.1	2.31	1.17
Venezuela	2	12.550	4	Middle to high income	5.58	15.6	6.96	-1.28
Argentina	2	11.700	5	Middle to high income	1.41	14.1	4.47	-0.46
Mexico	2	9.940	8	Middle to high income	3.26	12.8	3.91	-0.48
Surinam	2	9.260	10	Middle to high income	10.52	10.4	4.54	-0.38
Brazil	3	11.690	6	Middle to high income	4.53	9.8	2.15	-0.12
Panama	3	10.700	7	Middle to high income	3.55	10.6	2.74	-0.36
Costa Rica	3	9.550	9	Middle to high income	1.36	11.6	1.67	0.59
Colombia	3	7.560	11	Middle to high income	4.95	10.6	1.63	-0.44
Peru	3	6.390	14	Middle to high income	2.97	13.4	1.98	-0.44
Dominican Republic	3	5.620	15	Middle to high income	2.54	10.8	2.11	-0.85
Ecuador	3	5.510	16	Middle to high income	4.04	13.2	2.26	-0.61
Belize	3	4.660	18	Middle to high income	11.29	11	1.35	0.02
Paraguay	3	4.040	19	Middle to low income	4.43	10	0.79	-1.04
Guyana	3	3.750	20	Middle to low income	5.33	12.7	2.25	-0.64
El Salvador	3	3.720	21	Middle to low income	2.82	14.6	1.01	-0.35
Guatemala	3	3.340	22	Middle to low income	13.7	9	0.77	-0.58
Bolivia	3	2.550	23	Middle to low income	6.97	12.2	1.56	-0.59
Honduras	3	2.180	24	Middle to low income	16.48	8.6	1.07	-0.95
Nicaragua	3	1.780	25	Middle to low income	6.83	12.8	0.79	-0.73
Jamaica	4	5.220	17	Middle to high income	32.49	14.4	2.61	-0.37
Trinidad and Tobago	5	15.760	1	High income	1.15	15.8	37.78	-0.35
Haiti	6	810	26	Low income	51.6	8.6	0.21	-1.15

The clusters are numbered in order of increasing income *per capita* of the countries included. The indicators relating to the *per capita* income (columns three, four and five) are included as a reference although they are not part of the conglomerate analyses.

Source: authors' elaboration, based on sources indicated in Table 6.



Map 1. SDG Taxonomies of LAC countries



inclusion, environmental sustainability and good governance) and differs notably from the classification according to income level *per capita*. Thus, although the two initial clusters, on average terms, group together the countries with the highest incomes, the third cluster includes two of the richest countries (Brazil and Panama) together with a considerable number of countries with incomes much lower than those with which they share similar development challenges. In short, these results reveal that beyond overtly simple and “economistic” classifications such as those based on income *per capita* there is no “monotonically increasing” distribution of development levels, ranging from a group of countries with the worst records in *all* indicators to another group with better results in *all* variables. Conversely, the present multi-dimensional taxonomy offers more complex and differentiated groupings, allowing thereby the identification of both challenges and opportunities for progress in any of the clusters.

**Table 8. Socioeconomic characteristics of the clusters**

		GNP per capita	Poverty rate	Participation of poorest 40%	CO <sub>2</sub> per capita	Corruption control
C1 (4 countries)	Median	11.240	3.81	15.43	2.75	1.11
	Typical deviation	4.581	5.37	2.23	1.01	0.49
	Minimum	7.090	0.25	12.4	1.97	0.41
	Maximum	15.230	11.75	17.20	4.22	1.52
C2 (4 countries)	Median	10.863	5.19	13.23	4.97	-0.65
	Typical deviation	1.524	3.94	2.21	1.36	0.42
	Minimum	9.260	1.41	10.4	3.91	-1.28
	Maximum	12.550	10.52	15.60	6.96	-0.38
C3 (15 countries)	Median	5.536	6.12	11.39	1.61	-0.47
	Typical deviation	3.095	4.37	1.73	0.63	0.41
	Minimum	1.780	1.36	8.6	0.77	-1.04
	Maximum	11.690	16.48	14.60	2.74	0.59
Jamaica		5.220	32.49	14.4	2.61	-0.37
Trinidad and Tobago		15.760	1.15	15.8	37.78	-0.35
Haiti		810	51.6	8.6	0.21	-1.15
Total (26 countries)	Median	7.432	8.19	12.47	3.68	-0.27
	Typical deviation	4.387	11.14	2.50	7.11	0.73
	Minimum	810	0.25	8.6	0.21	-1.28
	Maximum	15.760	51.60	17.20	37.78	1.52

Source: authors' elaboration, based on sources indicated in Table 6.

**Table 9. Poverty distribution in LAC clusters**

	Poverty rate (%)	Population (millions)	Number of poor (millions)	Participation in regional poverty (%)
C1	3.81	20.98	0.18	0.58
C2	5.19	187.44	6.06	19.89
C2 without Mexico	5.84	71.48	2.28	7.48
C3	6.12	360.17	18.17	59.68
C3 without Brazil	6.23	163.23	9.25	30.38
Jamaica	32.49	2.62	0.85	2.80
Trinidad and Tobago	1.15	1.33	0.02	0.05
Haiti	51.6	10.03	5.18	17.00
High income countries	0.74	22.02	0.17	0.55
Middle to high income countries	6.84	498.17	20.17	66.25
Middle to low income countries	8.08	52.34	4.93	16.19
Low income country (Haiti)	51.60	10.03	5.18	17.00
Not included in the analysis (15 countries)	n.d.	74.89	n.d.	n.d.
<b>Total LAC</b>	<b>4.63</b>	<b>657.45</b>	<b>30.44</b>	<b>100.00</b>

Source: authors' elaboration, based on sources indicated in Table 6.



# 7 COOPERATION BETWEEN THE EUROPEAN UNION AND LATIN AMERICA AND THE CARIBBEAN AND THE FUTURE OF THE BI-REGIONAL STRATEGIC PARTNERSHIP

## 7.1. The construction of the bi-regional strategic partnership: points of departure and sectorial agendas

Around 15 years after the first bi-regional summit, the EU and LAC are currently finding themselves in a moment of stocktaking and amidst a change of a cycle (Sanahuja 2015). A reflection of the *status quo* seems necessary in light of the global changes and other developments which have occurred in both regions and which will have an impact on the future of bi-regional relationship. The context in 2015 could be briefly described as follows: both regions have experienced significant changes and there has been a considerable readjustment of their relations, which now tend to be more balanced and horizontal, independent from the fact that major asymmetries still exist. Internationally, geopolitical and economic changes have affected the partnership —the interaction of the Latin American countries with the Asia-Pacific region and with BRICS and their respective initiatives, or the attempt to revive the North Atlantic region through the TTIP—, as well as the new post-2015 development agenda which is discussed in the present study. As indicated above, these developments coincide with the strengthening of Latin American SSC and the redefinition of EU's development policy.

The bi-regional strategic partnership between the EU and LAC may play an important role in post-2015 global development in several aspects. In the first place, by contributing with their particular vision of democracy and its components of cohesion and social inclusion. Secondly, by promoting the establishment of a consensual political framework. The EU and LAC could jointly help shaping the structure of world governance of development,

setting goals and a methodology for sustainable development and incorporating the themes of social inclusion and cohesion. Thirdly, by means of a dialogue and bi-regional cooperation which at the same time would provide the partnership with a strategic meaning; on the basis of a “development pact” with which the two regions could jointly promote the SDA agenda in five areas: democracy and social cohesion: regionalism and integration: higher education (HE) science, technology and innovation (STI); and climate change.

Increasing cooperation in these five areas could strengthen and extend bi-regional dialogue on the post-2015 development agenda. These areas are crucial to the development debate in the following way: social cohesion involves social, labour and taxation policies. Cooperation in HE and STI is required to enhance social cohesion and is central to the improvement of productivity and international competitiveness by means of technical advancement. This, in turn, helps to transforming the production matrix in LAC which is still very dependent on the extraction of natural resources —and which constitutes the reason for the external dependence and the increasing deterioration of the terms of exchange for the region— and to directing production towards sectors with greater aggregated technological value. In addition, the strengthening of HE and STI improves the employability conditions of workers in the region, especially for the young generation. And all of this will result in improvements of equity and social development indicators. Moreover, reforms in the educational system, including higher education, will also have a democratising effect in the construction of citizenship.

However, it must be emphasised that the results will depend on the way in which economic, political and social tensions are resolved in each of the regions; how some problems linked to the state of regionalism are addressed on either side of the Atlantic —the EU crises (Sanahuja, 2012a) and the multiple and overlapping regional projects of LAC—; how asymmetries between the regions are dealt with, and how all this plays out in the search of forms of partnership which will be strengthened by actions for development cooperation undertaken by each region through NSC and SSC, respectively.

## **7.2. Democracy and social cohesion**

Both regions are committed to the goal of more inclusive societies and this is a condition as well as the result of a democratic regime and a participating citizenry. The promotion of social cohesion was addressed from the start of the strategic partnership, and from the Guadalajara Summit (2004) onwards, it has been considered a priority.

Social cohesion —a disputed and sometimes wrongly defined concept, and a concept of European origin (FIIAPP 2010; Sanahuja 2010)— is conceived as an instrument and methodology for promoting social policies directed enhance wellbeing and social development based on equity; it is therefore a concept which gives meaning and content to the economic and social aspects of democracy and the rights of citizens. In LAC, although questioned initially, this concept has been incorporated and redefined, based on the reality of the region and the prevailing claims for social inclusion (ECLAC 2007). There has been a rapprochement between the regions on the concept of social cohesion which has been affected by the different perspectives on the policies that sustain this concept in the EU, which have been exacerbated by the crisis; beyond ECLAC conceptualisations in LAC no homogenous articulation of this concept for public policies exists. In this region, perspectives on social cohesion policies —that is, not only social but also labour and taxation policies— differ from country to country. However, in recent years, greater consensus has been generated regarding the need to perceive social policies in a comprehensive manner and to promote social and citizens' pacts. Precisely with regard to this latter aspect institutional spaces have been created in order to address social development in various sub-regional bodies (Mercosur, Unasur, and SICA) as well as in distinct forums held between Latin American Ministries of Social Development.

The main bi-regional programme for promoting social cohesion is EUROSociAL, which aims to bring about changes in public policies for improving social cohesion through a more horizontal methodology of peer learning, the exchange of experiences between the two regions' institutions, in particular those in charge of education, health, justice, tax policies and employment. The programme was successful and has led to increased networks and exchanges of experiences between the agencies involved, as well as to the initiation of innovative processes in social policies. Notwithstanding, the assessments of this programme yield three major conclusions: the countries which transferred most knowhow were those with the highest domestic levels of development in LAC; the participation of countries is linked to specific demands on the part of LAC, and to implementing consortia on the part of the EU; and given that participation is focused on the central governments, the presence of sub-national governments and thus, their capacity to involve other players from the local level, was given less weight. With regard to thematic fields actions focusing on administrative improvement and institutional quality were far better represented than actions directed at reforms of public policies and at the strengthening of citizenship. To the extent that the programme worked on the basis of sectors, the working mechanisms failed to adopt inter-sectorial perspectives (Zamora 2014). Nevertheless, one of the important achievements of the EUROSociAL project was seen in the “peer learning” mechanism in order to influence public policies, a cooperation which aims to “support endogenous policy processes through the exchange of experiences, actions of accompaniment, peer reviews and other similar modalities the

essential characteristic of which is collaboration between similar public institutions in different countries” (Chiodi 2013: 187).<sup>28</sup> As FIIAPP indicates: “experience sharing is part of a new set of cooperation instruments which emphasise the principle of ownership, one of the pillars of the Paris and Accra Declarations on Aid Effectiveness” (FIIAPP, 2011: 63). Thus, it is an instrument that enables the identification of requirements and solutions from the perspective of the very experts of public institutions.

Another relevant programme in this sectorial agenda is URB-AL “Promoting local public policies for social cohesion in Latin America”. As a Euro-Latin American decentralised cooperation programme, it responds to the common interests of both regions. The last of the three phases of this programme incorporates the concept of local social cohesion and has generated networks of local governments and thematic networks for developing local public policies. Among the merits of this programme were the creation of strategies to capitalise on best practices and the creation of multi-level areas offering space for the participation of public and multi-sector authorities through regional dialogues which involved a total of over 600 people (Tassara 2014). These actions have contributed to improving the articulation toward a better design of public policies for social cohesion on the ground. As an approach and as methodology for decentralised cooperation, these experiences may offer useful lessons for other cooperation initiatives.

### **7.3. EU-LAC regionalism as a strategy to steer globalisation and provide regional public goods**

The promotion of regional integration has been one of the goal of the partnership between LAC and EU, with European institutions being one of the few players whose policy and actions for development cooperation were designed to promote regionalism and regional integration, and whose role was based on its own experience of regional integration which has been cemented in a peculiar and complex set of interests, values and identities (Sanahuja, 2013).

Although there are differences between European integration and the diverse regional and integration projects that categorise LAC, in all cases, regionalism is perceived as an instrument for steering globalisation and for strengthening the region’s external presence and the actions of member countries in international forums. Recently, a minimal consensus has been also notable among LAC countries to conceive of regionalism not only as a

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<sup>28</sup> For more information about the CSS fostered by EUROSocial II- mentioning the participation of the transfer countries, and in relation with the exchange experiences- please visit: [http://www.sia.eurosocial-ii.eu/files/docs/1427372313-Informe\\_sur\\_sur.pdf](http://www.sia.eurosocial-ii.eu/files/docs/1427372313-Informe_sur_sur.pdf) (accessed 15 May 2015)



vehicle for economic integration but also as an instrument for the provision of regional public goods, a view which coincides with EU policy. This minimum consensus refers to the creation of high level forums for the exchange of experiences of national policies — such as the Ministerial Forums on Social Development— and for the implementation of regional policies and the commitment to specific decisions— as exemplified by Unasur in the area of health, Mercosur in higher education and SICA in the realm of regional security. In short, both regions have attempted to provide regional public goods in areas such as social inclusion STI, HE and climate change.

These differences between the approaches become apparent when analysing the capability of these regional projects to undertake development policies which have the potential to mitigate intra-regional imbalances. The EU is the first regional integration agreement which was designed to meet these goals and therefore —among other elements— it has managed to be perceived as and perceives itself to be, a model of “successful” regionalism. In fact, the EU has promoted its model of integration using both direct and indirect mechanisms of influence (Börzel and Risse 2011) and, in particular, it has attempted to promote integration and regionalism in LAC through the “incentive” of the Partnership Agreements and instruments of regional cooperation (Morazán *et al.* 2011; Sanahuja 2013b; Tassara 2013). Within the framework of its multi-annual indicative planning the EU has channelled cooperation through three sub-regional agreements: the CAN, MERCOSUR and Central America (SICA). LAC has taken some of these elements and adapted them to a greater or lesser degree to their own domestic contexts, and with varied results in terms of effectiveness of this “best practice”.

An analysis of negotiations between the EU and the different sub-regional groups appears to show firstly, that the possibility of signing Partnership Agreements continues to be a powerful incentive for integration. This has occurred, for instance, during the negotiations between the EU and Central America. Logically, this “transformative power” of the EU is weaker if the probability that such an agreement will be signed is striking, as well. This can be illustrated by the case of the EU-Mercosur negotiations, which were not only diffculted by some positions of Mercosur members, but also by some elements of EU’s trade and agriculture policies the abovementioned issue of incoherence of some of these policies, its development policy and the compromises that may have been assumed in the course of bi-regional dialogue.

Logically, the limits of the EU’s power as “external federator” are also defined by the scope of commitment to integration in each sub-region, within the framework of their respective strategies for international integration, and the role that “South-North” agreements within these strategies play with external actors such as the USA and the EU itself. The integration processes of CAN on the one hand and Central America on the other hand seem to confirm

this tendency. In the first of these groups which is less committed to integration, the free trade agreements with the USA and the EU have been a factor for disintegration, whereas in a more cohesive Central America, these agreements have had the opposite effect (Sanahuja 2013b). Not least, there have been contradictory proposals in respect of purposes, methodology, and the rationality of this inter-regional strategy, with bilateral agreements established with some countries (such as Mexico and Chile), regional negotiations with CAN, Mercosur and Central America and the possibility that these negotiations would be “bilateralised”, as occurred with CAN and the agreements with Peru and Colombia, and the subsequent negotiation with Ecuador, or the risk of separate negotiations, such as those conducted with Brazil, which would have weakened Mercosur.

The EU has constituted one of the few sources of regional cooperation, both on a regional level and with LAC in general, as well as at the sub-regional level with Central America, the CAN or Mercosur. Overall, the net annual payments for cooperation of EU institutions for Latin America represent some 1,000 Mio. US Dollar per annum, of which approximately 20% have been regional actions.

At the regional level, this cooperation has been asymmetric, as to date there is no body which groups together the whole LAC. Therefore the EU has opted for regional programmes based on “networks” of decentralised agents —local governments, universities, public institutions etc.— which promote dynamics of “regionalisation” rather than an institutionalised regionalism. Assessments of these programmes (which include AL-INVEST, UR-BAL, Alfa, @Lis and EUROSocial) highlight their contribution in creating thematic networks between both regions, and within each region, along with the transfer of knowledge and best practices. The emergence of Unasur for South America and of CELAC for the region as a whole have also generated new sectorial cooperation agendas in LAC which, at the same time, have opened up new possibilities of interregional cooperation; these recently opened channels could be strengthened to the extent that these bodies become consolidated and that they manage to enhance their capabilities to generate consensus and to provide instruments for a more intense regional cooperation and for the implementation of common policies.

Sub-regional cooperation bodies, where integration groups do exist, have focused on economic integration —with greater emphasis on promoting customs unions—, on the strengthening of regional institutions and on the promotion of the participation of civil society in consultative bodies in each group, although these actions have had a relatively little weight in the overall cooperation of EU institutions in Latin America. Of the 2,569 Mio. Euros allocated in the 2007-2013 planning budget, 71.5% were destined for bilateral and 28.5% for regional actions. Sub-regional actions represented 6.7%: 2.9% for Central America, 1.9% for Mercosur and 1.9% for the CAN. The assessments of these sub-

regional programmes reveal that the effectiveness of these actions has depended largely on the degree of inter-group cohesion and the conditions of each integration process and those of its institutions, and for the latter, contrary to the original intention, in some cases the excessive weight of external funding may have weakened them (Sanahuja 2013b).

Taking the EU cooperation with Mercosur as an example, it has been observed that from 1995 —when the Interregional Cooperation Framework was signed— until 2013, most of the resources were directed to economic integration and the support for the implementation of the bi-regional agreement (70%), and the remaining resources to the strengthening of institutions and the participation of civil society. About 22% of the funds were directed to the sphere of knowledge, specifically to research programmes in biotechnology, mobility in HE, and support for the Mercosur education sector. In some of these areas, agencies from European countries also cooperated, particularly in the fields of environment and clean technologies, or in the labour and social aspects of integration.

The redefinition in 2013 of the bi-regional EU-LAC partnership as EU-CELAC is relevant as an expression of LAC's willingness and need to coordinate its relations with the EU, now as a political reality rather than just a geographic region. CELAC has taken some significant steps as a regional player by means of forums organised with China, Russia, India and ASEAN, and with the establishment of a Latin American and Caribbean agenda in key areas of development. This will allow for the advancement towards a clearer, more focused and consolidated bi-regional work agenda. It is clearer because it facilitates to extend beyond superimposed regional structures which do not always coincide; focused in that it is able to concentrate on some key issues for social inclusion; and consolidated because it provides the prospect of greater consensus—despite the continuation of ideological and other differences— regarding the role of regionalism in the search for greater political autonomy of LAC. Clearly, this raises two concomitant questions. Firstly, how will CELAC's interaction adapt and develop in respect of other regional structures in progress, as so far CELAC's only progress has been to collect proposals for promoting complementarity and convergence. Secondly, in a supposed scenario in which CELAC managed to include pre-existing regional agreements and to adopt regional policies, how would intra and inter-regional asymmetries be addressed?

#### **7.4. Euro-Latin American cooperation in higher education**

The setting up of the “Euro-Latin American area of knowledge and higher education”, which involves both promotion of HE and STI, is not an innovative agenda, but it is a relevant area of cooperation which supports the re-launching of the bi-regional agenda. It

constitutes a field in which the EU could make a singular contribution, and which reflects its values and interests with respect to the dissemination of its technologies and the internationalisation of its universities and research centres. For LAC, this cooperation can contribute to its development goals, and in particular, to its need to rise in the global value chain, advancing toward a more productive model which provided added value for its exports and which would therefore imply higher salaries and improved living conditions, corresponding thereby directly and indirectly to the bi-regional goal of greater social cohesion. From an environmental perspective this would, in turn, provide more sustainable solutions as proposed by CELAC and considered in the SDG. This challenge is particularly important for emerging upper-middle income countries, and those with the largest populations in LAC, as the abovementioned results of the taxonomy and the balance of compliance with MDG revealed.

From the beginning, actions aimed at the creation of that common ground were designed to ensure greater understanding between the regions, based on mutual recognition, the building of trust and confidence, and the strengthening capacities of institutions of higher education (HEI) in the Latin American region and its actors, promoting organisational improvements in HEI, improving curricula and teaching methods, and stimulating the pooling and diffusion of capacities and knowledge among students, professors and research personnel. At the same time, the reinforcement of research skills as part of EU cooperation with LAC sought to promote technology transfer and encourage innovation processes, such as a deepened participation of Latin American science and technology in the production and knowledge circles at the global level. Currently, through the science and technology agreements and international cooperation instruments of the EU R+D+i framework programmes, joint actions in key areas have been prioritised with which LAC partners with elevated capacities in STI receive material support.

The cooperation programmes to create the Common Area of Knowledge concentrate on the strengthening of HEI and on bi-regional academic mobility. The two programmes that were specifically developed for the LAC region and which have already been completed, were the ALFA Programme (Latin America – Academic Training), which underwent three phases between 1994 to 2013, with a total investment of 162.9 Mio. Euros, and the ALBAN Programme (Latin America – High level grants), which was operative between 2002 and 2010 with a budget of 109.8 Mio. Euros, out of which 75 millions were spent exclusively on grants. The mobility actions were channelled through the *Erasmus Mundus* Programme. Currently, cooperation actions in this field open to LAC are conducted within more general EU instruments such as the 2020 Horizon Programme – successor to the previous R+D+i framework programmes – and *Erasmus+* (European Commission 2015d).

Evaluations of the ALFA and ALBAN Programmes identified common problems and put forward proposals for improving the subsequent phases of each programme. There were five main issues. First of all, accelerating the management of programmes in order to simplify them and to reach a wider spectrum of HEI. Secondly, strengthening the participation of actors and institutions in Central American countries which have had less of a presence, by means of selection mechanisms (e.g., specific grants reserved) and strengthening the capacities of the latter by means of intraregional cooperation mechanisms, in a South-South logic, involving LAC countries with more developed HE/STI systems. Furthermore, improving monitoring and implementing the necessary adjustments. Fourthly, despite the greater visibility of ALFA III, improving the diffusion and knowledge of the Programme as well as the results achieved by this Programme. And finally, incorporating elements which allow the beneficiaries of cooperation to take actions in their countries of origin to socialise and share the skills and knowledge acquired from the experience of exchange – a recommendation which particularly applies to the the grant programmes.

Most of the subregional agreements of LAC, including CELAC, have adopted regional HE policies, especially regarding mobility, accreditation and inter-institutional cooperation. These initiatives have also contributed to a greater convergence in these areas with the EU (Perrotta 2014).

One of the latest initiatives to be considered in this discussion about the axes of birregional cooperation in this field, since the creation of CELAC, has been the Permanent Academic Forum (PAF) and the setting up of bi-regional academic summits. The first LAC-EU academic summit was held in January 2013 in Chile and its result has characterised itself by its interest in issues such as social inclusion, the quality of education at all levels, accreditation and recognition of qualifications and degrees, professional qualifications, development of basic and applied research, innovation, the link with the environment and the university-business relationship. The PAF has contributed to the preparation of two academic summits. Although this forum has been created only recently, it has the potential to channel a consensual cooperation and collaboration agenda agreed on by agents related to HE which may well help to strengthen governmental actions. Until this moment it has operated as a space for formulating declarations and has encountered difficulties to formulate specific proposals for promoting bi-regional convergence and stimulating improvements and synergies in HE systems. Furthermore, the processes of the incorporation of participants in this forum have not been very transparent and it is unclear whether it will achieve a higher participation from relevant HE players and whether it will improve its capacity to formulate concrete initiatives for action.

Next to the activities organised by regional bodies directed towards the construction of a bi-regional HE area, the Ibero-American Conference has promoted the Ibero-

American Higher Education Area, with the involvement of non-governmental actors (private foundations) such as of the Santander Group through the Universia platform. This platform defines itself as one of the most extensive university networks in the Ibero-American region and offers services of two kinds: academic projects (publications, grants information for students, online courses and meetings with Chancellors); and university employment services, training and online marketing. Its agenda is aligned with the Santiago Declaration on university cooperation in HE and STI and with the EU-CELAC area of knowledge. In particular, it aims to share information in respect of HE/STI systems, to operate in the management of cooperation, to establish procedures for greater articulation between systems and institutions and to develop HE/STI in line with development needs. Precisely for this reason, Universia is attractive to institutions and actors using these services in a regional and bi-regional market of knowledge, without this necessarily being a response to the challenges of LAC in matters of social inclusion, economic development and/or improved productivity.

This interaction of public and private actors should be considered from a broader perspective of the contradictory trends observed in the EULAC area of HE. On the one hand, the dynamics of internationalisation and globalisation place university systems and the generation of knowledge under strong competitive global pressures —international rankings and metrics for evaluation applied both to teachers and researchers and universities—, and lead to HE privatisation and commercialisation processes (Perrotta 2014b). On the other hand, these dynamics also evoke strong social pressures and pave the way toward greater access and the democratisation of knowledge as a mechanism for sustainable development and social cohesion, and toward an enhanced regulatory capacity of governments and regional organisations to improve quality, promote convergence and regional and international cooperation. In this context, it could be questioned whether the agendas of private groups and foundations such as those mentioned above are not eventually going against the goals for cooperation between universities and research centres on either side of the Atlantic established by the bi-regional partnership, namely, the building of bridges for mutual understanding based on solidarity and reciprocity, allowing for a socio-cultural rapprochement and, based on this, the search for strategies to strengthening both HE and STI with a view to resolving global and local problems. For this reason, bi-regional action in this field may lead to improvements in the multilateral governance of the area, but it will also be conditioned by the developments in this field.

## 7.5. Euro-Latin American cooperation in science, technology and innovation

The STI agenda has been placed on the agenda since the initiation of the bi-regional dialogue (including the framework of the meetings with the Rio Group), it has gained importance and today it is directed toward the achievement of sustainable development and social inclusion by means of the social appropriation of knowledge. For this reason, the focus to promote cooperation between the EU and LAC, as well as with some of the countries with which it has bilateral agreements, is to prioritise key thematic areas. Political dialogue on this agenda was established ever since the first bi-regional Summit, and cooperation has been implemented, as noted above, through bilateral agreements on scientific and technological cooperation and the Framework Programmes for Research and Development through the mechanism of cooperation with third countries, including the LAC (INCO-NET projects).

Cooperation between the two regions has been implemented through various mechanisms: bilateral cooperation with a selected group of countries (Argentina, Brazil, Chile and Mexico); Agreements of Cooperation in Science and Technology (AST) signed by these countries with the EU; cooperation based on regionalisms; and bi-regional political dialogue. The future of these instruments is similar to that indicated for the HE agenda. Cooperation and dialogue is based on considerable intra and inter-regional asymmetries between scientific and technological institutions, and, simultaneously, on the the growing significance of the capacities in this area to support the development process both in LAC and the EU, in a globalised context in which new productive and technological poles are emerging, and which, as indicated, calls for policies which promote the transformation of production and improvements in productivity by means of intensified knowledge activities and a greater emphasis on technological innovation.

In this context, the EU can help to strengthen the research capabilities in LAC, to the same degree as the more developed countries of the latter region are able to support those countries with less developed capacities; in both cases this can be achieved by the establishment of consensual relations involving solidarity and the capacity to learn from the experience of various STI sectors.

It seems worth mentioning that contrary to the experience of HE cooperation, regional STI actions in LAC have exclusively been carried out with resources from EU institutions and those of some of its member states, since regional LAC groups have not designated any funds for common actions or policies in this area; also bilateral cooperation schemes and SSC mechanisms have prevailed in the implementation of STI cooperation (Perrotta 2009; Kern 2014).

The EU's action in this field responds to a global rather than a specifically bi-regional strategy.<sup>29</sup> It aims to address the global challenges of research and innovation in sustainable development, which implies that the EU strengthens its cooperation with external partners. The commitments assumed by the EU in the context of its initiative *Innovation in the Union* and the European Research Area (ERA) and the recommendations of the intermediate analysis of the 7<sup>th</sup> Framework Programme have oriented EU's international cooperation in STI in the Horizon 2020 programme (2014-2020) with respect to the following goals: i) strengthening the excellence and attraction of the EU in areas of research and innovation, as well as its economic and industrial competitiveness through cooperation based on mutual benefits, access to external sources of knowledge, the attraction of talents and investments, facilitating access to new and emerging markets and based on the agreement, access to common practices for developing research and the use of research results; ii) facing global social challenges; and iii) supporting EU's foreign policies by coordinating efforts.

On this ground, there are two principles that guide the current phase of EU cooperation within the field of STI: an open approach combined with directed (or focused) activities developed on the basis of common interests and mutual benefits, optimal scale and scope, partnership and synergy. This open approach implies that instruments and EU programs (like Horizon 2020) become opened to a large number of partners. The EU seeks to achieve a greater participation in this initiative (with its own resources) from certain countries, and the directed actions intend to maximise these efforts. On the one hand, the areas where a partnership with third countries is desired are actually those resulting from a coherent and systematic analysis of the combination of four elements: the capacities in research and innovation; the risks and opportunities of the markets and their impact on the competitiveness of the EU ; contribution to the international commitments of the EU (such as the post-2015 development agenda); and existing legal and administrative frameworks in each country. The innovation dimension seeks to generate a framework of conditions and the establishment of a level playing field which strives to balance between the need to tackle global challenges jointly with other countries and EU's own interests as well as those of its private sector. On the other hand, the EU has established multiannual work agendas to cooperate with some key countries and regions. In the case of the EU-CELAC partnership, the areas of bio-economy, renewable energies, ICT, health and biodiversity, climate change and research careers (professional component) have been identified as priorities.

Another aspect worth highlighting is EU's willingness to promote common principles for international cooperation in STI: responsible innovation and research; research integrity; peer review; promotion of the role of women in science and the gender dimension in

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<sup>29</sup> See the strategic approach for international cooperation in research and innovation (European Commission 2012) and, subsequently, the report on implementation of the 2012 strategy (European Commission 2014a and 2014f).



research; research career; fair and equal treatment in intellectual property rights and open access to publications and results of research carried out with public funds.

In addition, one of the central tenets of the 2015 Communication on a *“Global Partnership for Poverty Eradication and Sustainable Development after 2015”* indicates the need to incentivise STI as a way of stimulating transformative changes, based on the global partnership for development.

This approach has also been reflected in the Agenda for Action of Addis Ababa of July 2015, which in respect to STI has stressed the importance of promoting I+D+i in developing countries by means of the creation of a regulatory framework and suitable governance, the protection of intellectual property rights and an improved articulation between governments, businesses, the academia and civil society.

Based on this political-regulatory structure, the EU maintains bilateral agreements on cooperation in science and technology (AST) with only four LAC countries: Argentina, Brazil, Chile and Mexico. These are countries with greater STI capacity, but not with greater income; for upper-middle income countries such as Uruguay or Costa Rica which are also “graduates” of the “classic” bilateral cooperation with DCI, are not considered in this scheme. For each AST signed, a bilateral Advisory Commission is created which is responsible for setting up multi-annual route maps, which, in turn, are based on the Multiannual Indicative Programmes (MIP) and the country strategic documents established for each cycle of planning. Support for agreements of this kind is provided by the BILAT projects. Within this framework, the following institutional spaces guiding STP cooperation have emerged: in Argentina the liaison office ABEST III; in Brazil, B.BICE+; in Chile, CEST+I; and in Mexico, EU-MEX-INNOVA.

Argentina has cooperated with the EU in the field of research since 1990, is has actively participated in EU’s bi-regional programmes in this area, and it is the second in this field after Brazil. The most frequently addressed issues are food, agriculture, biotechnology, health, environment and transport. There appears to be a need for concentrating action on prioritised areas of mutual interest, with the ability to seek synergies, ranging from traditional themes (foods, agriculture, biotechnology, health, and environment) to other more innovative issues, in line with the goal of meeting global challenges. As a “graduate country” of DCI, within the framework of Horizon 2020, Argentina is required to cooperate by providing resources, although so far no actions have been developed in this context. However, Argentina has a notable role as an STP organiser in the region and has taken the lead in managing sub-regional projects, for instance in the case of BIOTECH in Mercosur and, especially, in bi-regional areas such as in the case of coordination ALCUENet project.

The STP between the EU and Brazil was signed in 2004, entered into force in 2007, and was renewed in 2012. Its particularity resides in the fact that it is the only AST contemplated in the European Commission's Working Document supporting the Communication of 2014, based on the "road map" which identifies thematic areas which will be the subject of joint programmes –that is, with contributions from Brazil– in Horizon 2020, whereas this identification of priorities is still pending as regards the other countries. Acknowledging both the capacities and needs of Brazil, as well as the need of addressing global challenges, the four priorities are: i) marine research, bio-economy, food safety, and sustainable agriculture; ii) energy; iii) nanotechnology; and iv) information and communication technologies (ICT).

The STP between Chile and the EU was signed in 2002, parallel to the Association Agreement between these two parties, and entered into force in 2007. Within the context of the current CEST+I project, the possibilities of strengthening cooperation were analysed, and as a result a 2013-2017 plan of action was designed with an updated list of priorities, improved information resources, new opportunities for setting up networks and new partnership mechanisms for uniting CONACyT with the calls of application of Horizon 2020. The prioritised areas of mutual interest identified are: i) safe, clean and efficient energy; ii) climatic action, environment, efficient use of resources and raw materials; and iii) food safety, sustainable agriculture and water. Furthermore CONACyT incorporated as areas of interest for EU researchers: astronomy, Antarctic and glacier sciences, oceanography, biodiversity, organisms in extreme environments, anti-seismic engineering, mega cities, population studies and renewable energies.

Finally, the EU-Mexico AST was also developed alongside the Association Agreement signed in 2000. A distinctive feature is the early creation of an EU-Mexico Fund for CT Cooperation (FONCICyT) as an instrument of support for joint calls within the framework of the 7th FP in the areas of nanotechnology and new materials (2009) and energy (2010). The AST was renewed for the 2010-2015 period. The bilateral EU-MEX-INNOVA project (EU-MEX bilateral Innovation project) seeks to strengthen cooperation in order to address social challenges and promote industrial technologies in areas of climate change, food safety, sustainable development, clean energies, health and transport. As in the case of Brazil and Chile, Mexico will provide resources for the participation of institutions and teams in Horizon 2020 through CONACyT.

One way of assessing these bilateral initiatives is to focus on the generation of synergies between policies and programmes, seeking cooperation from the initial moments of a policy cycle (design and fund raising) and proposing solutions for global challenges from the sector of knowledge.

As a link to these EU framework programmes, the INCO-NET programmes have provided platforms for coordination of political leaders, researchers and the private sector of the EU and third countries in order to identify cooperation priorities in STI, to implement awareness-raising and diffusion activities, to carrying out strategic analyses of STI trends, to draw up an inventory of available research capacities, and to supervise and review cooperation activities. In LAC the INCO-NET projects conducted in the context of the 7th Framework Programme were the following: EUCARINET (Caribbean), ENLACE (Central America) and EULARINET (AL). There are currently two operative INCO-NET projects: the Latin America, Caribbean and European Union Innovation and Research Network (RedALCUE) and ERANet-LAC: Latin America, Caribbean and European Union. The latter promotes a cluster of research programmes focusing on innovation through government research funding agencies.

Within the context of the summit process of the bi-regional strategic partnership, from 2010 onwards (Madrid Action Plan, recovered by the Santiago Action Plan of 2013), STI has been prioritised and provided with concrete institutional and programme definitions. Thus Heads of State and Government established a Joint Initiative for Research and Innovation (JIRI) designed to improve scientific cooperation between the two regions. The JIRI is coordinated by Heads of State and Government and policy suggestions for its implementation have been developed by national representatives of the two regions in the context of the Senior Officials Meetings EU-CELAC (SOM). For this purpose, working groups have been created for the established priorities: energy, ICT, bio-economy, biodiversity, climate change and health. The projects currently underway are: EU-LAC Health, ALCUE-KBBE, ENSOCIO-LA and LEADERSHIP.

From this general analysis of EU's cooperation in STI, and the definition of strategic priorities in the context of the bilateral STP with Latin American countries –except for Argentina, as already mentioned– the situation could be summarised as follows: first, the central themes are those which seek, through STI, to resolve problems linked to the three dimensions of development, social issues, improvement of economic competitiveness, and promotion of environmental sustainability. The four main axes of the bi-regional agenda thus reflect and create synergies with the bilateral programmes already underway.

Secondly, the system has been transformed from a mode of cooperation which destined funds to a counterpart, to one which, while maintaining European funding, aims to mobilising other resources, for example from other EU programmes or from partner countries. With a few exceptions of bilateral cooperation –such as the one between Argentina and Brazil in the nuclear sector– LAC has not managed to design regional policies in this area. This calls for the political leaders of the most advanced countries of

LAC to open this field of cooperation and to share their knowledge with other countries, contributing thereby to a reduction in the asymmetries of knowledge. One of the challenges for LAC in this regard will consist in the establishment of a mechanism for joint financing —South-South and /or triangular — which will help increasing the innovation capacities of the most relegated countries both in terms of governmental management of STI and HE systems. Furthermore, potential synergies within the Euro-Latin American framework and bilateral cooperation in STI and HE should be further explored; traditionally cooperation used to be more intense among countries with cultural and linguistic affinities, as is the case of the Iberoamericans, the members of the Commonwealth, or the French speaking community.

This cooperation has arisen in a favourable economic context, which has enabled LAC countries to extend their national R+D+i policies, contributing more resources and reducing basic imbalances with respect to the EU. However, this has also widened the gaps in STI within LAC. In programmes where there is a situation of asymmetry, tensions often arise in the moment that research agendas are being defined —what shall be the priorities; how will these priorities respond to the demands and needs of the countries receiving cooperation, and not just to those of the donor; who will appropriate the results, and how; will intellectual property rights and the patents generated in LAC be publicly or privately owned, and will these remain in the region or will these be shifted to the resource provider. These questions need to be addressed in a serious manner by means of bi-regional dialogues which promote STI, if the main intention is to contribute to socio-economic development and the improvement of capacities in both regions, avoiding thereby the creation of “niche” areas of research. In case the cooperation would also involve the participation of actors from the private sector in the research process, frameworks would have to address the problem of incentives which will arise if the patent rights created are not guaranteed.

Finally, it is important to adopt more progressive funding mechanisms for STI policies and cooperation, taking into account from the outset common and differentiated responsibilities and respective capacities, acknowledging the intra-regional asymmetries existing within LAC, and not just the asymmetry between EU and LAC. This would imply greater involvement of the relatively more developed LAC countries, similar to intra-EU practice, where progressive funding mechanisms are provided for all of its policies and among them, including R+D+i.

Therefore, it will be a challenge for LAC to establish a joint funding mechanism based on solidarity which would help to strengthen the innovation potential in those countries which lag behind both in terms of governmental management of STI and HE systems.

## 7.6. Climate change, environmental sustainability and development

An essential priority of bi-regional cooperation is the fight against environmental degradation and the promotion of a more sustainable economic and social model. However, as in other issues of the development agenda, different countries and both regions have dissimilar points of departure with respect to the environmental challenges of sustainable development. In matters of climate change, the asymmetries are even greater in terms of visions, responsibilities and economic, technical and political capacities, as well as in terms of each region's international role, based on a common policy and voice. In particular, Latin American and Caribbean groups have done little to design regional policies in this field and national policies are diverse, disparate and dispersed and in many cases contradictory, especially in countries with a focus on extractive industries.

The climate change agenda is particularly important for the EU, which is why it has promoted several initiatives, among them the emission rights trading scheme, regulations on the use of renewable energies, measures for increasing energy efficiency and the European Programme for Climate Change. The EU has taken an active role in international forums by applying the UN Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol. At the international level, it is expected that a new global climate agreement will be achieved in order to prevent the average global temperature from exceeding pre-industrial era values by two degrees centigrade. During the Third Conference on Financing for Development (Addis Ababa, July 2015) all parties expressed their willingness to reach an agreement in Paris (December 2015), and commit themselves to the principle of common but differentiated responsibilities and respective capabilities, taking into account the circumstances of each country. The EU is also a major donor for mitigation policies in developing countries through its Global Partnership for Climate Change. The Partnership provides technical and financial support to these countries, implements projects and provides a platform for dialogue and the exchange of shared experiences.

LAC presents a contradiction with respect to climate change: it is a region with an extremely rich biodiversity and yet the main economic activities are extractive in kind and based on natural resources. Furthermore, the MDG focusing on sustainability is one of the “laggards” in LAC (see above) and therefore, it poses one of the greatest challenges for meeting the upcoming SDG. Still, several LAC countries have put forward new ideas for alternative development approaches which are based on the concept of “living well” and which would involve a more harmonious relation with nature. The agricultural sector accounts, on the one hand, for an enormous population dedicated to family-based farming methods which are respectful of the environment; on the other hand, agribusiness generates enormous concentrations of sowing *pools*, and their owners, who are often of foreign origin, take advantage of the lax regulations on land acquisitions. Furthermore, coal and fossil fuels

are intensively used and in some countries these enjoy considerable public subsidies. And as in other fields, there are no common visions or interests, or comparable capacities which has traditionally made it difficult to achieve regional consensus in this field.

The environmental agenda for climate change is extremely important to both regions in respect of the multilateral agenda, because the joint actions of EU and CELAC, accounting for a total of 61 states —constituting almost a third of the negotiating parties in the UNFCCC—could be decisive. Moreover, countries pertaining to both regions have convened the COP in Warsaw (2013), Lima (2014) and Paris (2015) (Edwards and Timmons Roberts 2013). As implementers of environmental agreements and specifically in respect of climate change, there are many possibilities for cooperation, particularly because on the European side there are actors who headed the environmental debate and who are therefore better equipped to address these issues —in terms of the establishment of policies, regulations, technology and production of knowledge— and, on the LAC side, this issue has become a key element of its development strategy, in particular with respect to the reformulation of the traditional extractive economic model which is dependent on natural resources, in order to conserve its biodiversity.<sup>30</sup>

Thus, the challenge for the strategic partnership resides in the contribution to the development of LAC capacities in order for the region to become an relevant player in the designing of the global agenda, which should also allow for the incorporation of its ancestral knowledge and wisdom in this process —for example, in respect to the conservation of the enormous genetic heritage of food crops such as maize or potatoes or the use of natural methods of pest control— which have been highlighted in several countries in the region. The main bi-regional initiative in this regard has been EUROCLIMA (Regional Programme for Cooperation on Climate Change 2010–2016). Moreover, as mentioned in the STI cooperation agenda, cooperation on climate change is carried out through the JIRI, with a specific working group, through ENSOCIO-LA action and through bilateral cooperation actions, as is the case of the B.BICE+, since Brazil is one of the key strategic partners in the LAC region in this area.

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<sup>30</sup> Considering that LAC is rich in resources, the nature-society relation provides both opportunities and challenges in achieving a more just, equitable and sustainable development. It accounts for almost half of the world's tropical forests, along with many other natural biomes, which together contain a rich biodiversity. It is home to a third of freshwater reserves and a quarter of the world's arable land potential. And despite of five centuries of extractive industries supplying the world market, the region still has large amounts of important mineral reserves, including oil, gas, iron, copper and gold; see de Castro, Hogenboom and Baud, 2015.

# 8 CONCLUSIONS AND RECOMMENDATIONS

## 8.1. New global governance of development and post-2015 framework

The rise of emerging countries, the growing differences between countries, and changes in the geography of development, both in the North and the South, have led to significant changes in the scenario within which the EU and LAC have operated and developed their bi-regional relationship. The important asymmetries in the levels of development in both regions cannot be ignored —not to mention the disparities that still exist in the domestic sphere of these nations—, nor is it possible to ignore the different responsibilities and capacities of each party; however, it is also essential to accept the increasing global and transnational nature of the contemporary development agenda, and the need for more effective and legitimate collective action to address this.

These changes have also altered the traditional balances and coalitions in the global governance of development and they give rise to new structures and constellations of power which require all those involved to readjust, and to carry out a critical appraisal of their policies and strategies. Until the nineties, governance of international cooperation and development aid largely depended on an integrated coalition, dominated, among other actors, by the EU and by institutions such as DAC and the World Bank, which promoted the consensus that prevailed during that ten year period —the Washington Consensus, on one hand, and a focus on reduction of extreme poverty by the North–South cooperation and the MDG on the other hand— and it was in this context that the EU has developed and extended its presence and its role as a key player in cooperation for global development. More recently, new ventures have arisen such as the G20 and the

high level forums which have confirmed the aid effectiveness agenda, and subsequently the Global Partnership for Effective Development Cooperation (GPEDC) following the 4<sup>th</sup> High Level Forum on Effectiveness held in Busan 2011, with an increased presence of developing and emerging countries and non-state actors, and a willingness to define a new global governance of development.

These processes may be seen in terms of risk and adversity, but they also provide opportunities for change and in particular for both the EU and LAC to take a leading role. Thus LAC, and particularly some countries within the region have left behind their traditional status of aid recipients and today they are better equipped to address development goals by themselves and to act as drivers of SSC in order to address development issues of the region and of a global nature. Globalisation processes in particular place them in a different position to that of the traditional North-South model, with a development agenda in which transnational dynamics and interdependence and global risks carry more weight. This implies greater responsibilities and interests in the governance of global development, in which the traditional discourse of subordination and the defensive position of the “Global South” do no longer fit well. These dynamics also challenge EU’s perception of its power, influence, legitimacy, values and international identity, which on some occasions were anchored in a traditional paradigm of North–South relations which likewise does no longer seem appropriate in light of the global changes and in respect to its relation with LAC which is today more balanced from both a material perspective and in terms of perceptions and discourse. Both the EU and LAC should avoid remaining entrenched in their discourses and narratives of self legitimisation which are often part of the traditional North–South narrative; and they should also take into account that these positions could be major obstacles to the dialogue and deliberations seeking to define, legitimise and apply principles, rules and procedures for action required for the multilateral governance of global development.

In this context, the performance of LAC in the MDG agenda should be highlighted, offering a record of mixed results, positive in many of the targets, but with an unequal distribution of progress among countries in the region and within them. LAC appears to have achieved most of the goals, although in some cases there has been insufficient progress. This performance has been influenced by some favourable elements, such as an improved definition of some of the MDG targets, making them more feasible —and therefore less ambitious— for LAC, as well as the demographic dynamic of the region, which has been more favourable than in other regions. However, some factors have affected performance in the opposite sense, among them the detrimental effect deriving from the serious multi-dimensional inequalities existing within these countries and creating groups of people “excluded from development” on grounds of gender, ethnicity, age, disability and/or income. Other negative aspects refer to the unfavourable location of the region in terms



of receiving ODA which on a global scale has not reached the required levels; the lack of progress in multilateral and if appropriate, interregional trade negotiations; and the volatility of the economic cycles that have affected the region, conditioning its socio-economic situation and its capacity to mobilise resources for social investment. Despite their partial success in achieving MDG, in 2015 LAC countries have faced significant development challenges which include equality (in a multidimensional sense, including gender), security, respect for human rights and cultural diversity, health, the strengthening of institutions and democracy.

A central component of the new governance of global development will be the definition of the post-2015 goals or SDG. Just a few months away from the summit to be held in September 2015 in New York, the UN has – skillfully – managed to build a consensus around the alternative of defining an agenda which will pursue the twofold objective of consolidating the MDG challenges which are still pending, and on the other hand advancing towards a more ambitious strategy for human development which takes into account the four dimensions of sustainability—economic development, social inclusion, environmental sustainability and good governance—, thus bringing together the human and sustainable development agendas. Just like its predecessor, the new SDG agenda will have to be universal in nature, and it moves towards a more cosmopolitan development strategy with goals which involve both developed and developing countries.

For both regions, the post-2015 framework is also an opportunity for establishing a new “global partnership for development” with common responsibilities, however with the need for differing contributions, given the diverse points of departure, capabilities and responsibilities of the countries involved. It is within this field where significant differences between both regions can be found, not to mention those within them, and each region will also need to address the shortcomings and contradictions of its internal policies and external action. Bi-regional dialogue and cooperation should permit both parties, in their relations of political dialogue and development cooperation, and in their position at international forums, to contribute to that “global partnership” in a coherent and effective manner. Both regions in particular could jointly contribute to that global effort by means of new cooperation mechanisms, designed to provide global public goods and to work with other countries and regions in order to safeguard the achievement of SDG.

In this regard, the “Global Alliance for Development” could constitute one of the elements to revitalise bi-regional dialogue and cooperation and to contribute to a more strategic horizon, imbuing thereby the bi-regional strategic partnership with new impulses (Sanahuja 2015). In item 7 of the “Political Declaration” adopted at the II EU-CELAC Summit (Brussels, June 2015), leaders from both regions decided to task their Ministers of Foreign Affairs to engage in “an comprehensive and integrative reflection about the future

of the bi-regional relationship” based on which the programmes and actions adopted during the Ssummits could be evaluated. It remains to be seen, therefore, whether in this forum the issue of development cooperation and the “global alliance” which both regions have indented to promote, will be considered.

The EU has elaborated a legislative framework and policies for the budgetary cycle and for programmes during 2014-2020, which are part of the Programme for Change and which have been accompanied by a series of instruments for financing. Thus, before the definition of the SDG EU activities were designed which, even so, will need to adapt to the new global targets of development. Between 2015 and 2010, the model of cooperation between the EU and developing countries will need to undergo a revision, in particular its cooperation policy, for various reasons: firstly, in 2016 an intermediary evaluation of its Pluriannual Financial Framework 2014-2010 will be conducted, which will include external actions; secondly, the debate and definition of priorities and strategies of the EU in its external affairs and with regard to global development for the upcoming cycle of programming 2021-2027 will necessarily have to fully incorporate the commitments adopted in the context of the SDG; thirdly, the expiration of the Cotonú Agreement in 2020 which regulates its relationship with the ACP countries, and which will also imply an important reflection on the significance and role of these countries in EU’s foreign and development policies.

LAC countries have been trying for years to reach a common position which would allow them to influence the definition of a post-2015 agenda with more success than in the past. Once consensus on the SDGs is achieved, it will be necessary to jointly work on the implementation and monitoring of these goals at the global, regional and national level. The ECLAC contributions deriving from their “equality trilogy” have been especially constructive in this regard, along with the consensus reached during the most recent CELAC Summits, which have placed special emphasis on the resolution of the problems related to inequalities and environmental sustainability.

In the light of the foregoing, the following recommendations and proposals are put forward:

- a) *A strategic dialogue for defining governance of global development:* if, based on their European and Latin American values, visions, and principles both regions aspire to act as *rulemakers* in global development, they will need to address issues, within the framework of their bi-regional relation, through a strategic dialogue which will allow them to design a global vision. This dialogue will have to address their values, aspirations, capacities and responsibilities as significant actors in the new governance of global development which has

been shaped by the UN, the G20 and the new Global Partnership for Effective Development Cooperation (GPEDC) established in Busan.

- b) *A global partnership for sustainable development*: through the aforementioned strategic dialogue, both the EU and LAC, in the triple dimension of “models”, “players” and “implementers”, need to continue debating the principles and rules for action which are being defined in the emerging structures of governance for global development (G-20, GPEDC, UN), ensuring that they are inclusive and representative, as there are still varying positions with regard to their content and application. They are also required to contribute to their implementation, in particular in the GPEDC. “Placing people at the core of sustainable development”, as the OWG of the SDG claims, means that LAC and the EU should contribute to the forging of a “global partnership for sustainable development”. This implies to contributing with substantial content to the principle of shared but differentiated responsibilities at three levels: global, in the framework of UN negotiations; bi-regional between the EU and LAC; and in the LAC. This last will require an agreement —foreseeably within the CELAC— on the division of responsibilities and circumstances present in the region, based on LAC’s different capacities and opportunities for progress, taking account of the fact that some states — the “emerging countries”— have benefitted to a considerable extent from the globalised economy and they have a greater influence on international forums, while at the same time, they have subjected the environment to increasing pressures; therefore they should assume greater responsibilities in the joint project for human sustainable development in the region.
- c) *A more coordinated and coherent action in both regions in their respective cooperation policies*: the need to contribute to a legitimate and effective of global development is faced by both regions and has to be reflected in their cooperation strategies, which have their own limitations and shortcomings in respect of their aid and cooperation policies, either North-South or South-South, and countries have also respond to the principle of coherence of their development policies. Although this principle has only been formally assumed by the EU and its member states, it is crucial to achieving SDG and the post-2015 framework and therefore it calls for action from LAC in respect of its SSC and its external action. States have to analyse and discuss, not only on a bi-regional but also a global scale, about the impact of their economic, social and environmental policies and the joint external action of the EU and LAC on development, and this, in turn, will imply necessary reforms of these policies. However, it is not just a question of ensuring coherence between policies, but rather that all of these policies are consistent with the SDG as well as and with the multilateral framework in

which these are inscribed. Insofar as they adapt to these norms and standards— that is by “regionalising” or “multilateralising” them—, national cooperation and development policies, whether NSC, SSC or TrC, could be placed in regional and global development frameworks which would promote their coherence and effectiveness.

- d) *Improving consensus on EU and LAC positions as key players in the design of the post-2015 framework and the SDG:* both the EU and LAC, the latter through CELAC, have set out their respective positions for the post-2015 framework, and, in accordance with their traditional vision and action in respect of multilateralism, they largely coincide with the proposals of the OWG and the Secretary General, and in terms of climate change with the UNFCCC. With 61 countries in the process of negotiation, the contributions of the EU and LAC may be decisive in promoting this agenda. In many aspects there is a shared global vision which promotes adoption of pressing and universal SDG, allowing for a certain degree of flexibility to ensure that each country can adapt the goals according to its particular context, priorities and national capacities; with operational and concrete goals which are both measurable and realistic; with a rights-based approach centred on human beings, and a broad and integral vision of SDG in which, in addition to economic development, social inclusion and environmental sustainability, also contains the dimensions of democratic governance, human rights, peace and security as conditions for development. It is true that there are differences between both regions, as there are within them, and as will be mentioned below, this demands from both parties to consolidate their conditions and capacities as actors in international development cooperation.
- e) *Adapt the SDG and the post-2015 framework to the LAC development agendas:* LAC should decide how to interpret and adapt an agenda that is initially universal in nature but which encourages governments to establish their own national goals. They may decide —as in the case of the MDG— to adopt and closely follow an agenda which is less ambitious for them than for other regions of the planet, therefore running a lower risk of failure. Or, alternatively, they may decide to make the most of the opportunities for cooperation facilitated by CELAC and other regional bodies (such as ECLAC and the sub-regional integration bodies) in order to forge a consensus around the definition of a “multilevel” agenda of goals, creating positive incentives for promoting the dynamics of progress. This last alternative is consistent with the “Integral action plan for cooperation with middle-income countries” that CELAC is promoting at the UN, and which could be significant in preventing the new SDG agenda from “marginalising” MIC, as occurred with the MDG, which focused on the lower income countries.

- f) *LAC: a “multilevel” transformative agenda in three geographic areas:* in accordance with the previous aspect, an ambitious and thorough agenda of sustainable human development in LAC needs to cover three geographic areas: an initial level of global scope and universal coverage, defined by SDG. A second level of regional scope which improves and adapts SDG to the LAC context, in line with the CELAC 2015 Action Plan”, and a third national level which adapts the regional agenda to the specificities and potentialities of each country, which would make the SDG strategy more precise and realistic and help to mitigate the “problem of attribution” of the development agendas – facilitating the evaluation and accountability of all the partner countries— which in turn would stimulate shared experiences and cooperation between Latin American and Caribbean countries. With this multilateral definition, LAC could go a step further than the SDG, adopting a more transformative agenda which takes into account other relevant areas of development which are not included in the universal agenda.

## **8.2. SDG Taxonomies: a greater comprehension of development challenges in LAC**

The SDG agenda is not just a strategy for reducing economic poverty, but a multidimensional strategy for “sustainable human development” which defines a complex world map of priorities requiring a multidimensional comprehension of the “new geography of sustainable development”. In order to achieve that greater comprehension of development, and in particular the challenges faced by LAC, the traditional classification of income per capita is not the most appropriate one. Its simplicity is the main reason why, despite its limitations, it continues to be used in the planning and management of aid policies of DAC donors, and consequently of the EU. Thus, the decision on eligibility for receiving ODA is largely based on this classification. Together with some “neighbourhood” criteria relating to priorities of stability and security, it is income level which to a considerable extent determines EU development policy. In fact, the current “Agenda for Change” establishes an ODA allocation criterion based on a vague identification of “country needs” which do not question the underlying criterion of eligibility. In the context of LAC this has an immediate effect on Chile and Uruguay, countries which reached a high income level and which therefore, by 2017, will no longer be receiving ODA, in line with DAC criteria. In the near future three other middle to high income countries are about to “graduate” as high income countries: Panama, Brazil and Venezuela, despite their existing development challenges.

In the final instance, classifications should be useful for the purpose for which they were created: facilitating the comprehension of a complex world and guiding the design of

development policies. In the LAC context, the changes –and complexities– of the geography of sustainable development are such that a better comprehension –and management– of the goals of progress would call for the modification of the analytical perspectives with which we view the region, beginning with the way these countries are classified. The bi-regional partnership between EU-LAC should be aware of this new scenario in order to address universal and shared challenges raised by the SDG agenda in a strategic manner. All of these reflections lead to the following proposals:

- a) *Beyond international classification of incomes: the need for new taxonomies of development consistent with SDG:* it is important to move towards the creation of multi-dimensional taxonomies capable of identifying the disparate challenges which Latin American and Caribbean countries are facing, and which could contribute to guide international cooperation policies in the post-2015 context. The taxonomy proposed in this study includes the four dimensions of sustainable development included in the SDG, and by means of an analysis of clusters, we have identified a more complex taxonomy, defining six groups of countries with important differences in terms of the challenges they face. This exercise cannot be considered as a concluded, as other SDG goals or even other dimensions of sustainable human development, might be incorporated and approved by the UN General Assembly in 2015.
- b) *SDG-taxonomies as tools for planning, management and assessment of progress achieved:* taxonomies as the one proposed here aim to stage demands toward the EU and the LAC in the moment of strategic decision-making about the eligibility and priorities of countries as well as the fields of action of their development cooperation policies, including NSC and SSC. This analysis may provide a useful contribution in guiding strategic management of development policies in the region, which will enable states who aim at achieving the SDG to adapt these goals to the realities of each country, as the post-2015 framework proposes. The EU will need to adapt its new planning cycle for 2021-2027 and the policies replacing the Programme for Change to the SDG. Identifying relatively homogenous groups of countries helps to create “opportunities” for cooperation for each of the different clusters. In particular, classifications of this type allow for the evaluation among peers – that is, between countries in the same group– of their collective progress and setbacks, and moving forward in terms of identifying specific development strategies for each group, which will extend and refine the generalist nature of universal development agendas.
- c) *The SDG-taxonomies as instruments of SSC and TrC:* SDG-taxonomies may also be useful in guiding SSC initiatives in LAC, insofar as they allow for the

identification of both the potentialities of each group (which the countries can exploit in their role as regional donors) and their weaknesses and challenges in terms of development (which should be addressed by the actions of other countries in the region). In this regard, countries offering SSC are distributed among all the development clusters and these “diagonal” cooperation relations (neither vertical nor horizontal in terms of levels of donor development) highlight the existing synergies in a diverse region.

### **8.3. LAC and the EU as promoters of global development: the “Agenda for Change”, SSC and the TrC**

Given the weight of the EU in trade, funding, aid, climate and other dimensions of development, its commitment and action will depend, to a considerable extent, on the viability and results of the post-2015 goals. As indicated, the EU is expected to maintain a leadership role in global development as a model, as a player, and as an implementer. As in other fields of external EU action, there are also other interests involved in its development policy, such as the values and identity of the EU, and its relevance in international relations, which to a considerable extent are based on its singular nature as a “normative actor”.

This study has attempted to show that, next to external challenges, there are endogenous problems which affect the influence, identity and normativity of the EU. These problems are related to the EU's institutional construction, to the pending coordination and complementarity between policies, instruments and actions of EU institutions and those of the member states, to the contradictions between their interests, identity and their values, and to the incoherence of policies in fields such as trade and development funding.

The positioning of the EU in respect of the post-2015 agenda highlights some of these shortcomings: the EU has held a leading position and has contributed to a very ambitious, universal, and focused UN proposal. There are areas in which the EU proposals go beyond the consensus reached at the UN such as peace, security, democratic governance, a rights-based approach or the means of implementation, with very advanced proposals on ODA and international taxation. However, the EU proposal can also be questioned when compared against its trade and development policies, with decisions taken in different contexts and prior to that of post-2015 goals and policies which are not well adjusted to the EU's own position, for instance the issue of “graduation” considered in the Agenda for Change, or in some of its trade initiatives such as the proposal for mega regional agreements which undermine the multilateral framework of the WTO.

As has been the case in other issues of the international agenda, the EU is both part of the problem and also part of the solution. In fact, the EU faces a two-pronged challenge in the post-2015 framework: on the one hand, its leadership and action in UN negotiations will be decisive to ensure that the measures finally agreed upon will be concise and specific, that these will allow for the effective monitoring of progress and international comparison, without having to renounce the ambitious and integral nature and the universality which support the negotiating mandate of both the EU and the UN. Furthermore, it will be necessary to ensure that its development policy contributes effectively to the achievement of the goals, which will imply the addressing of the insufficiencies and problems of coherence and a more coordinated and effective action of the 28 member states and EU institutions. In particular the following aspects should be taken into account:

- a) *Beyond “graduation”*: new forms of partnership adapted to the realities of LAC development and the global challenges of SDG: the “graduation” of bilateral aid should not imply the end of development cooperation with these countries, but instead should give rise to new, more advanced forms of partnership, which include: a) EU actions and programmes, both at the bilateral and regional level, which are better adjusted to the specificities and based on improved comprehension of the development agendas of these countries, for which the SDG-taxonomy proposed in the previous section could serve as a reference, as well as cooperation in areas such as social cohesion, public policies, environment and education, and science and technology (see below); b) joint TrC actions with other less developed countries in the region, actions of a sub-regional nature; and c) joint initiatives at a global scale, in less developed countries in other regions or countries, with a TrC logic and supporting the provision of global public assets.
  
- b) *Trade and development - improving policy coherences*: the opportunities for LAC development in its relations with the EU are largely conditioned by the access to the European market, or by the framework of multilateral regulations or bilateral or interregional agreements. In this context, significant advances were not registered during the MDG period and these will thus depend from advances in the post-2015 framework. Improved coherence in the trade-development axis requires significant changes at various levels and in various fields of action: a) WTO multilateral negotiations, which are currently stagnant, but which continue to provide the appropriate framework for establishing an open, balanced, rule-based trade system, which is aware of the needs of less developed countries; b) partnership agreements currently in place and in the process of negotiation, with greater recognition of asymmetries and competitiveness policies, including “aid for trade” and c) the foreseeable impact of mega-regional negotiations (TTIP and



TPP), in terms of the opportunities and risks involved for both parties as well as the means by which these could be addressed, should be subject of intensive debate.

- c) *Development funding and coherent policies*: this is also a crucial issue for development and SDG, in which both regions are required to advance within a global “multilevel”, inter-regional and national framework consistent with SDG. This also implies action in various areas: international financial architecture, IED, remittances, official flows and ODA, innovative mechanisms, and mobilisation of national resources with tax and financial reforms. Action is also required on various levels: consensus building of positions in respect of the 3<sup>rd</sup> UN Development Funding Summit of 2015, with more ambitious goals than those considered in the modest “Monterrey Consensus” of 2002; the incentives and rules for investment in social and environmental quality, in line with the agreements set up in the I EU-CELAC Summit in Santiago de Chile; and the use of new instruments such as *blending* as catalysts.
  
- d) *Improving impact of development of blending*: It is necessary to ensure that there are resources in place and that the operations funded with this instrument are consistent with the priorities defined in the development policies of each country, through their respective Multiannual Indicative Programmes (MIP). This can be implemented, as appropriate, within the agreed programming frameworks and/ or through operations of multilateral or regional development banks operating in LAC. As noted by the final document of the Third United Nations Conference on Financing for Development in Addis Ababa (item 48), in order to improve the potential of *blending* projects with mixed funding, including partnerships between the public and private sectors, should share risks and provide appropriate compensations, including clear mechanisms for accountability and complying with social and environmental standards. Therefore, it is also necessary for the projects financed with this instrument to have in place mechanisms for public consultation and regulations for safeguarding social and environmental issues, similar to the most rigorous norms in the EU and the multilateral banks active in the region. The action of the LAIF and that of the CII should be fully integrated in the multilateral and regional strategies for combating climate change and contribute to the mobilisation of resources for funding.
  
- e) *Coordination and complementarity - effectiveness requirements for the EU*: in accordance with the Busan commitments and those adopted by the EU itself, it will be necessary to continue improving coordination and complementarity of EU institutions and those of its member states through joint planning and, if

appropriate, delegated cooperation. Together with greater Europeanisation of the member state policies within the context of division of work, more coordinated action from the European External Action Service (EEAS) and from the services of the Commission in charge of external action (development, trade, extension etc.) is needed; the political vision of some, and the development approach of others, on issues such as cooperation, planning and negotiations with developing countries, should be adequately combined. In this context, the reorganisation of these varying visions under the supervision of the High Representative and Vice President of the Commission for External Relations, Federica Mogherini, may well contribute to achieving this.

Not less relevant in this regard are the emerging SSC and the TrC impelled by LAC, which may play a significant role in the post-2015 context, and in particular in setting up new forms of partnership in the cooperation with the EU and its member states. However, to make this possible the following aspects would be required:

- f) *Strengthening of the institutional nature of SSC and TrC in LAC:* the political intentions of the SSC and the TrC require rules and structures which will make it possible to manage their practices. The region is undergoing a transitional process moving towards new institutional structures, requiring endogenous and innovative modalities which would allow for the development of a twofold role in the context of change towards an agenda that transcends ODA. In this regard, the post-2015 development agenda represents an opportunity for redefining the logics and approaches of cooperation on the basis of shared yet clearly differentiated responsibilities. A specific and differential aspect for LAC countries would be to have institutions that address the need for coordination between different state agencies involved in cooperation activities, based on different logics and institutional interests, which also include relations with global sectorial agendas. Furthermore, the growing relevance of this activity may in the midterm imply the increased involvement of social agents which can contribute –or question– policies, which would imply the consideration of permeable institutional frameworks, transparent and accessible information systems and communications channels adapted to social organisations and the citizenry.
  
- g) *Greater European comprehension and recognition of LAC SSC and TrC:* in terms of political dialogue, it is important that the EU understands SSC and TrC from the perspective of its political functionality and characteristics, which differentiate these mechanisms from the concept and traditional practices of NSC, in order to establish the basis for discussion on a new concept of development cooperation which will transcend ODA. In order to enable this discussion, the institutions of

both regions will need to acknowledge the political dimension of these definitions, eschewing entrenchment in rigid and exclusive definitions and becoming attentive to and flexible in respect of a changing context. At a bi-regional level this requires to consider the issue in EU's planning of its multiannual indicative programme and in the conceptual framework of cooperation of CELAC, by means of an open and continued political dialogue between EU -CELAC, which will also need to address the evolution of this issue in the global development agenda. Although CELAC initially intended to promote cooperation within the region, the regional component of the EU indicative programme could be an important support in prioritised sector issues. The broader SSC vision proposed by CELAC as a contribution to regional integration will provide a common ground for discussion. Within this context, the EU would be able to add value based on its experience in addressing community problems.

- h) *Incorporate TrC in regional cooperation:* cooperation between LAC and EU has implied various experiences in SSC and TrC which allow for the construction of a new framework for dialogue and bi-regional practices. Some member states of the EU, such as Germany and Spain, have been particularly active in incorporating TrC in their relations with LAC, developing valuable lessons for regional cooperation. Opportunities for bi-regional cooperation have also been opened by SSC experiences which have provided appropriate solutions for specific development problems and which have been extended through TrC with European countries. Those experiences can contribute to developing the bi-regional cooperation. The new financing facility to boost innovative TrC initiatives within the region with the help of national cooperation agencies launched at the II EU-CELAC Summit 2015, can constitute a useful instrument for such purposes. Regarding its implementation, the previous lessons regarding TrC should be taken into account, as well as the already developed relations between the two regions and third parties.
  
- i) *The potential of EU regional programmes for TrC:* while the lack of recognition of SSC and TrC by EU institutions has been already pointed out (see above), some of the EU's regional programmes actually constitute areas which help to make the most of both modes of cooperation and these could be adjust in their design to prioritize support for CSS and development priorities of the ALC. For example, EUROSociAL and URB-AL are dispose of mechanisms which have facilitated exchange of of experiences and knowledge in a horizontal manner in prioritised sectors. An inventory of the participation of LAC countries as transferees indicates that although those with the greatest number of regional SSC actions are the most active transferees, the sectorial dimension of the programme

facilitates action from countries less active in SSC yet with important experience in other specific areas. This regional cooperation would function in a way similar to that promoted by some UN organisations, which have generated platforms for the dissemination of knowledge and experience to resolve sectorial problems which are collectively identified and prioritised by the respective participants. The sectorial approach of these programmes facilitates to conduct this process at the level of specific areas (health, education, taxation, justice, employment, science and technology, environment, etc.) and it also has the advantage of allowing those directly involved, both central governments and decentralised agents, to intervene. Given that these sector agendas contain national issues which are also touching upon global dimensions, the dynamics of cooperation could be adjusted to the concept of development as a global problem.

- j) *Other modes of SSC as opportunities for bi-regional cooperation:* regional cooperation practices have been identified which, while they are distanced from a SSC concept restricted to technical cooperation, also open up new options for EU-LAC cooperation. They arise in the context of the regionalisms present in LAC such as Mercosur, Unasur and SICA. The potential of regional institutions such as CAF Development Bank of Latin America, and national institutions with regional activity such as BNDS (National Bank of Economic and Social Development of Brazil) should also be taken into account, as these mobilise resources for development based on specific modes and criteria which could be aligned, in the context of a broader development strategy, with the EU's *blending* strategy.
- k) *Promoting joint learning and synergies with already existing platforms:* in terms of management and practices, some lessons can be extracted from SSC and TrC experiences, but these cannot be automatically reproduced, as these need to take into account the particularities of involved agents and their political and social contexts. In order to capitalise on these experiences in LAC, one possibility would be to commission studies and joint EU-LAC missions based on an inductive approach, which would encourage mutual learning and contribute to a more proactive cooperation agenda in order to address the new SDG agenda. Within the bi-regional EU-CELAC framework, it would be appropriate to analyse the way in which the work already developed by IAPSSC has been capitalised on and extended in order to increase knowledge, establish technical groups and disseminate experiences in technical cooperation. Furthermore, it is important to keep in mind the new possibilities for a new financial facility to dynamize innovative initiatives of TrC launched during the II EU-CELAC Summit in 2015.

#### 8.4. Bi-regional cooperation in the post-2015 scenario

The EU-LAC bi-regional strategic partnership can provide specific contributions to the post-2015 global development agenda based on the identity and singular values of its participants, and on a sectorial cooperation which has been built upon a political dialogue without precedent in other regions.

This partnership is paradoxical: there are still considerable asymmetries in terms of conditions, policies and regulatory frameworks as well as cultures and identities, and moreover, it is a dialogue between regions which differ in their international roles. The EU is represented by a single voice with its own policies, and to a considerable extent, it has “europeanised” the voices and policies of its member states although, its action has been hampered by serious problems in terms of coherence. In LAC, the emergence of CELAC would appear to indicate a desire to give the region that same common voice, along with greater political autonomy, at least in some policy areas. However CELAC still has no capacity to design and implement regional policies, and/or coordinate those of its members within a coherent frame— in particular, in terms of development agendas—, considering the region as a whole, while at the same time recognising its diversity.

Furthermore, the erosion of EU’s “normative power” and the changing constellation of power in the international system are transforming the nature and the balances of the bi-regional relation, and this relationship is increasingly becoming one among equals which can no longer be understood in the traditional North-South frame, with a EU which at times viewed the region from a position of power, convinced of the correctness of its model, with paternalistic and at times arrogant attitudes; and a LAC which previously had adopted a defensive position, and with self-legitimising discourses of subordination. The emergence of CELAC—and its contribution to defining the universal agenda of the SDG— is an example of the region’s willingness to strengthen its role as an international agent, to increase its autonomy and to framing the relation with external partners in a new multipolar narrative.

It is in this contradictory and complex context that both regions need to redefine their sectorial cooperation. The post-2015 framework offers both regions the opportunity to re-locate this cooperation in a set of global targets and assume their common, yet differentiated responsibilities. There are important differences between both regions, not to mention their internal disparities, which at times can be deeper than those existing on either side of the Atlantic. However, this does not prevent considerable convergence in fields such as democracy and its substantive content of cohesion and social inclusion, and the role of regionalism as a mechanism for improving the governance of globalisation.

Bi-regional cooperation in HE, STI and climate change – three sectors highlighted in this study— ultimately represent an opportunity to affirm a bi-regional differentiated contribution to the post-2015 goals addressing particular conditions, needs and trajectories of LAC and the EU, and to redefine cooperation in a horizontal perspective, constructing new associations based on regionalism which aim to overcome the traditional NSC system.

In the light of the foregoing, the following recommendations and proposals are put forward:

- a) *Consolidate CELAC as a mechanism for consensus and coordination of policies:* development agendas such as those for social cohesion, HE, STI and climate change may be the path by which CELAC can be transformed from a forum for political dialogue to a mechanism for providing regional and global public goods. In order to achieve this, CELAC needs to strengthen its institutional capacity for promoting regional policies in LAC and based on these, redefine dialogue and cooperation with the EU. In this way it will be possible to promote a more horizontal and balanced bi-regional relation which will continue to contribute to regionalism and integration on both sides, addressing any obstacles arising from bilateral or sub-regional action of both the EU and LAC.
- b) *Establish specialised mechanisms for EU-CELAC dialogue and sector cooperation in the areas of social cohesion, HE, STI and climate change:* an integral approach and the creation of synergies should be ensured, in order for the EU programmes to contribute to shaping regional agendas in these areas and to take part TrC developed in these areas.
- c) *Place cooperation in specific areas within the post-2015 framework:* thematic EU-CELAC cooperation could well constitute the institutionalised area for adapting the post-2015 agenda to the regional and national agenda, setting goals, resources, schedules and mechanisms for promoting consensus, joint learning and joint assessment. The post-2015 agenda may contribute to overcoming the current fragmentation of sector agendas. The discussion based on sustainable development requires concerted dialogue, however, at the same it should also be integrated to the agendas discussed previously. It is not possible to consider the environmental agenda separately from the STI and HE agenda, because if a model of environmentally sustainable development is the ultimate goal, it will be necessary to promote technologies and alternative uses of natural resources. And these are areas of cooperation in which it is possible to make a difference in joint action in the agenda of development debate and in the strategic partnership.

- d) *Incorporate the many sub-regional experiences to bi-regional cooperation in HE:* the HE agenda is a promising scenario for regional policies within the CELAC framework based on the accumulated knowledge of the groups which integrate this field. There are therefore networks of non-governmental agents promoting regional action, while at the same time involving EU players. Also a common agenda on mobility, improvement of quality and accreditation and strengthening of cooperation networks is already in place.
- e) *Promote joint learning practices such as those of “capitalising experiences” in sectorial /thematic programmes:* joint learning based on successful experiences of regional cooperation developed in thematic programmes —URB-AL, EUROSociAL, ALFA III— are examples for this practice, and they may be extended to other cross-cutting issues.
- f) *Improve coordination and convergence of bilateral and multilateral initiatives:* CELAC actions within the framework of the Euro-Latin American area of HE and the action of ACRULAC and ELACES may contribute to the convergence and coordination of regional and bilateral policies with common goals and methodologies. In particular, it is important to ensure coordination and convergence of the Ibero-American, Latin America and Caribbean and the Euro-Latin American spaces. In this context it is also necessary to ensure a framework of action for private initiatives such as Universia, ensuring that these contribute to the bi-regional goals and post-2015 targets through social cohesion. Regional cooperation will also need to contribute to the reduction of asymmetries within LAC, including SSC and TrC.
- g) *Promote regional STI policies:* the promotion of STI in LAC regionalism is in a less favourable situation due to the absence of regional policies in this field —except for those who counted with the EU as a donor— and the lack of political will to establish such policies, which consolidates the situation of asymmetry in the bi-regional relation and within the region itself. The EU may support the adoption of an agenda of regional STI policies and SSC and TrC may be instruments for addressing them, and for creating greater endogenous capacities required to address the challenges of development faced by the region.
- h) *Improve intra-regional coordination in LAC and within the framework of EU CELAC:* there is a more favourable context —a fact which justifies the “graduation” of a good number of LAC countries —with greater institutional capacity and available resources for deploying sector policies in fields such as HE, STI and social cohesion at a domestic level and also through Ibero-American bodies

(OEI, CyTED, etc.). Therefore, it is necessary to strengthen dialogue, exchange and coordination, and seek synergies between policies and sources of funding. The strategy of joint calls within the context of Horizon 2020 is an interesting example of the quest for effective use of resources based on prioritised areas. Given that many LAC countries dispose of resources for bilateral partnerships, it would be viable to organise joint presentations of sector agendas—united for example, through CELAC— and avoid dispersion of efforts.

- i) *Review regulatory frameworks for intellectual property rights, excellence in scientific research and promoting open access publications:* these three axes have already been incorporated in the EU's STI policies and need to be taken seriously and addressed jointly in order to prevent asymmetries in the production of knowledge. LAC needs to make progress in regulating intellectual property rights and the EU needs to incorporate a Latin American approach when publishing the results of research carried out with public resources which allow for an open access. Both regions, particularly those EU countries which hold more peripheral positions in the circles of international knowledge production, will need to influence the debate for regulating practices and protocols for excellence in STI research activity.
- j) *Seek more balanced and symmetrical formulas for distributing the costs and benefits of HE and STI regional programmes designed to reduce intra-LAC asymmetries and, should they exist, within the EU:* participation in mobility and cooperation in HE and STI projects tend to reinforce asymmetries of Latin American and Caribbean countries. This trend could be reversed by setting up requirements for participation of prioritised countries, namely those with less HE and STI capacity.
- k) *Provide the PAF with political content and action in order to identify the priorities of HE cooperation and promote the EU-LAC HE area:* create transparency of the instrument's incorporation of actors in the discussion forum and of its working methodology; determine operational goals for work; developing actions designed to create policies for convergence of HE —respecting thereby diversity and autonomy of each region —, within the framework of internationalisation processes. Some themes to be addressed might be: comparability and recognition of qualifications and the identification of synergies among specific grants programmes (such as ALBAN).
- l) *Complete STI “road maps” in countries with which the EU has signed an AST and in the sub-regional schemes:*, in which resources are provided following a work methodology established by the new international STI cooperation guidelines.



- m) *Extend the ACT “network” to “graduate” countries with relatively high levels of development in the region such as Costa Rica, Uruguay, Colombia or Peru, with which in some cases there Association Agreements already exist, in order to promote development of capacities and policies in HE and STI and the related agendas of competitiveness, sustainability and social cohesion.*

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## ANNEX 1

### Aggregate Balance for MDG in LAC

#### Millennium Development Goals and Targets

##### Goal 1

Target 1a Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day

Target 1b Achieve full and productive employment and decent work for all, including women and young people

Target 1c Halve, between 1990 and 2015, the proportion of people who suffer from hunger

##### Goal 2

Target 2b Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling

KEY: Advance ✓ Regression x Stagnation = Unknown ?

Main source: ECLAC 2014c

Complementary sources: \* World Bank 2015 \*\* OMS 2015 \*\*\* Authors' calculations based on DAC figures (2015).

Indicators 8.4 and 8.5 are calculated using net ODA disbursements financed by DAC donor countries.

The indicator 8.2 has been calculated on the basis of the gross ODA disbursements (which is the only information facilitated by DAC at sectorial level).

Indicators for Monitoring Process	1990	2013 (or last available year)	Re-sults
<b>Eradicate extreme poverty and hunger</b>			
1.1 Proportion of population below \$1.25 (PPP) per day*	12.45	4.63 (2011)	√
Extremely impoverished population (according to national poverty rates)	48.3	28.8	√
1.2 Poverty gap ratio (according to \$1.25 per day)	9.8	2.89	√
1.3 Share of poorest quintile in national consumption	3.2	3.5 (2008)	=
1.4 Growth rate of GDP per person employed	0.3 (1992-1997)	2.2 (2003-2008)	√
1.5 Employment-to-population ratio	47	62.1 (2012)	√
1.6 Proportion of employed people living below \$1.25 (PPP) per day	17.8	11.3 (2008)	√
1.7 Proportion of own-account and contributing family workers in total employment	32	31.1 (2008)	=
1.8 Prevalence of underweight children under-five years of age	8.6	3.2 (2012)	√
<b>Achieve universal primary education</b>			
2.1 Net enrolment ratio in primary education	86.4	93.8 (2012)	√
2.2 Proportion of pupils starting grade 1 who reach last grade of primary	83.9	93.1 (2008)	√

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## Aggregate Balance for MDG in LAC

### Millennium Development Goals and Targets

#### Goal 3

Target 3a Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015

#### Goal 4

Target 4a Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate

#### Goal 5

Target 5a Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio

Target 5b Achieve, by 2015, universal access to reproductive health

KEY: Advance ✓ Regression x Stagnation = Unknown ?

Main source: ECLAC 2014c

Complementary sources: \* World Bank 2015 \*\* OMS 2015 \*\*\* Authors' calculations based on DAC figures (2015).

Indicators 8.4 and 8.5 are calculated using net ODA disbursements financed by DAC donor countries.

The indicator 8.2 has been calculated on the basis of the gross ODA disbursements (which is the only information facilitated by DAC at sectorial level).



Indicators for Monitoring Process	1990	2013 (or last available year)	Re-sults
Promote gender equality and empower women			
3.1 Ratios of girls to boys in primary, secondary and tertiary education			
Primary	0.987	0.973 (2012)	x
Secondary	1.06 (1991)	1.071 (2012)	=
Tertiary	0.943	1.276 (2012)	√
3.2 Share of women in wage employment in the non-agricultural sector	37.8	41.8 (2012)	√
3.3 Proportion of seats held by women in national parliament	11.9	26.4	√
Reduce child mortality (of children below the age of 5)			
4.1 Under-five mortality rate (per 1,000)	54	19 (2012)	√
4.2 Infant mortality rate (per 1,000)	42	16 (2012)	√
4.3 Proportion of 1 year-old children immunised against measles	76	95 (2012)	√
4.2 Infant mortality rate (per 1,000)	42	16 (2012)	√
Improve maternal health			
5.1 Maternal mortality ratio (per 100,000 births)	140	85	√
5.2 Proportion of births attended by skilled health personnel	74	91 (2012)	√
5.3 Contraceptive prevalence rate	59.2	73.2 (2012)	√
5.4 Adolescent birth rate	85.8	75.9 (2011)	√
5.5 Antenatal care coverage (%)	81	96 (2012)	√
5.6 Unmet need for family planning	12	10.6 (2012)	√

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## Aggregate Balance for MDG in LAC

### Millennium Development Goals and Targets

#### Goal 6

Target 6a Have halted by 2015 and begun to reverse the spread of HIV/AIDS

Target 6b Achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it

Target 6c Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases

KEY: Advance ✓ Regression x Stagnation = Unknown ?

Main source: ECLAC 2014c

Complementary sources: \* World Bank 2015 \*\* OMS 2015 \*\*\* Authors' calculations based on DAC figures (2015).

Indicators 8.4 and 8.5 are calculated using net ODA disbursements financed by DAC donor countries.

The indicator 8.2 has been calculated on the basis of the gross ODA disbursements (which is the only information facilitated by DAC at sectorial level).

Indicators for Monitoring Process	1990	2013 (or last available year)	Re-sults
Combat HIV/AIDS, malaria and other diseases			
6.1 HIV prevalence among population aged 15-24 years (%)	0.3	0.57 (2013)	x
6.2 Condom use at last high-risk sex	18.6	29.2 (2008)	✓
6.3.a Proportion of population aged 15-24 years with comprehensive correct knowledge of HIV/AIDS (male)	27.4	38.1 (2008)	✓
6.3.b Proportion of population aged 15-24 years with comprehensive correct knowledge of HIV/AIDS (female)	25.3	36.8 (2008)	✓
6.4 Ratio of school attendance of orphans to school attendance of non-orphans aged 10-14 years	0.9	0.8	x
6.5 Proportion of population with advanced HIV infection with access to antiretroviral drugs	57	75 (2011)	✓
6.6 Incidence and death rates associated with malaria	n.d.	12; 1	?
6.7 Proportion of children under 5 sleeping under insecticide-treated bednets	n.d.	n.d.	?
6.8 Proportion of children under 5 with fever who are treated with appropriate anti-malarial drugs	n.d.	n.d.	?
6.9 Incidence, prevalence and death rates associated with tuberculosis (per 100.000 persons)	89; 159; 9.1	43; 61; 3.0	✓
6.10 Proportion of tuberculosis cases detected and cured under directly observed treatment short course**	50	76	✓

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## Aggregate Balance for MDG in LAC

### Millennium Development Goals and Targets

#### Goal 7

Target 7a Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources

Target 7b Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss

Target 7c Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation

Target 7d By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers

KEY: Advance ✓ Regression x Stagnation = Unknown ?

Main source: ECLAC 2014c

Complementary sources: \* World Bank 2015 \*\* OMS 2015 \*\*\* Authors' calculations based on DAC figures (2015).

Indicators 8.4 and 8.5 are calculated using net ODA disbursements financed by DAC donor countries.

The indicator 8.2 has been calculated on the basis of the gross ODA disbursements (which is the only information facilitated by DAC at sectorial level).

Indicators for Monitoring Process	1990	2013 (or last available year)	Re-sults
Ensure environmental sustainability			
7.1 Proportion of land area covered by forest	51.9	47.2 (2010)	x
7.2 CO2 emissions, total, per capita and per \$1 GDP (PPP)	2.2	2.8 (2010)	x
7.3 Consumption of ozone-depleting substances	74.652	5.166 (2012)	√
7.4 Proportion of fish stocks within safe biological limits	n.d.	n.d.	?
7.5 Proportion of total water resources used	3.1	5.2 (2000)	x
7.6 Proportion of terrestrial and marine areas protected	8.8	20.3 (2010)	√
7.7a Proportion of species threatened with extinction (animals)	n.d.	0.93 (2010)	?
7.7b Proportion of species threatened with extinction (plants)	n.d.	0.7 (2010)	?
7.8 Proportion of population using an improved drinking water source:	85	94 (2012)	√
<i>Urban</i>	94	97(2012)	√
<i>Rural</i>	63	83 (2012)	√
7.9 Proportion of population using an improved sanitation facility:	67	82 (2012)	√
<i>Urban</i>	80	87 (2012)	√
<i>Rural</i>	37	63 (2012)	√
7.10 Proportion of urban population living in slums	33.7	23.5 (2009)	√

## Aggregate Balance for MDG in LAC

### Millennium Development Goals and Targets

#### Goal 7

Target 7c Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation

Target 7d By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers

#### Goal 8

Target 8b Address the special needs of the least developed countries

Target 8c Address the special needs of landlocked developing countries and small island developing States

Target 8d Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term

Target 8d Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term

Target 8e In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries

Target 8f In cooperation with the private sector, make available the benefits of new technologies, especially information and communications

KEY: Advance ✓ Regression x Stagnation = Unknown ?

Main source: ECLAC 2014c

Complementary sources: \* World Bank 2015 \*\* OMS 2015 \*\*\* Authors' calculations based on DAC figures (2015).

Indicators 8.4 and 8.5 are calculated using net ODA disbursements financed by DAC donor countries.

The indicator 8.2 has been calculated on the basis of the gross ODA disbursements (which is the only information facilitated by DAC at sectorial level).

Indicators for Monitoring Process	1990	2013 (or last available year)	Re-sults
Ensure environmental sustainability			
7.9 Proportion of population using an improved sanitation facility:	67	82 (2012)	√
<i>Urban</i>	80	87 (2012)	√
<i>Rural</i>	37	63 (2012)	√
7.10 Proportion of urban population living in slums	33.7	23.5 (2009)	√
Develop a global partnership for development ( <i>only indicators available for LAC are displayed here</i> )			
8.2 Proportion of total bilateral, sector-allocable ODA of OECD/DAC donors to basic social services (basic education, primary health care, nutrition, safe water and sanitation) in LAC***	7.62 (2002)	6.29 (2012)	x
8.4 ODA received in landlocked developing countries in LAC as a proportion of their gross national incomes***	4.5 (1991)	0.76	x
8.5 ODA received in small island developing States in LAC as a proportion of their gross national incomes***	2.3	0.63	x
8.12 Debt service as a percentage of exports of goods and services in LAC countries	16.2	7.7	√
8.12 Debt service as a percentage of exports of goods and services in LAC countries	16.2	7.7	√
8.13 Proportion of population with access to affordable essential drugs on a sustainable basis	n.d.	n.d.	?
8.14 Fixed-telephone subscriptions per 100 inhabitants	6.2	18 (2012)	√
8.15 Mobile-cellular subscriptions per 100 inhabitants	12.1 (2000)	109.1 (2012)	√
8.16 Internet users per 100 inhabitants	3.9 (2000)	43.4 (2012)	√

## ANNEX 2

### Diverse classifications of LAC countries

		World Bank	UNDP	DAc
1	Antigua and Barbuda*	High income	High level of human development	Developing country
2	Argentina	Middle to high income	Very high level of human development	Developing country
3	Aruba	High income	n.d.	Developed country
4	Bahamas	High income	High level of human development	Developed country
5	Barbados	High income	High level of human development	Developed country
6	Belize	Middle to high income	High level of human development	Developing country
7	Bolivia	Middle to low income	Average level of human development	Developing country
8.	Brazil	Middle to high income	High level of human development	Developing country
9.	Chile*	High income	Very high level of human development	Developing country
10.	Colombia	Middle to high income	High level of human development	Developing country
11.	Costa Rica	Middle to high income	High level of human development	Developing country
12.	Cuba	Middle to high income	Very high level of human development	Developing country
13.	Curaçao	High income	n.d.	Developed country
14.	Dominica	Middle to high income	High level of human development	Developing country
15.	Ecuador	Middle to high income	High level of human development	Developing country
16.	El Salvador	Middle to low income	Average level of human development	Developing country
17.	Granada	Middle to high income	High level of human development	Developing country
18.	Guatemala	Middle to low income	Average level of human development	Developing country
19.	Guyana	Middle to low income	Average level of human development	Developing country
20.	Haiti	Ingreso bajo	Desarrollo humano bajo	Developing country
21.	Honduras	Middle to low income	Average level of human development	Developing country
22.	Cayman Islands	High income	n.d.	Developed country
23.	Turks and Caicos islands	High income	n.d.	Developed country
24.	Virgin Islands (US)	High income	n.d.	Developed country

Source: authors' elaboration, based on sources indicated in Table 6.



### Diverse classifications of LAC countries

		World Bank	UNDP	DAC
25.	Jamaica	Middle to high income	High level of human development	Developing country
26.	Mexico	Middle to high income	High level of human development	Developing country
27.	Nicaragua	Middle to low income	Average level of human development	Developing country
28.	Panama	Middle to high income	High level of human development	Developing country
29.	Paraguay	Middle to low income	Average level of human development	Developing country
30.	Peru	Middle to high income	High level of human development	Developing country
31.	Puerto Rico	High income	n.d.	Developed country
32.	Dominican Rep.	Middle to high income	High level of human development	Developing country
33.	St. Vincent and the Grenadines	Middle to high income	High level of human development	Developing country
34.	Saint Kitts and Nevis	High income	High level of human development	Developed country
35.	Saint Martin (French)	High income	n.d.	Developed country
36.	Saint Martin (Dutch)	High income	n.d.	Developed country
37.	Saint Lucia	Middle to high income	High level of human development	Developing country
38.	Surinam	Middle to high income	High level of human development	Developing country
39.	Trinidad and Tobago*	High income	High level of human development	Developed country
40.	Uruguay*	High income	High level of human development	Developing country
41.	Venezuela, RB	Middle to high income	High level of human development	Developing country

\* Antigua and Barbuda, Chile and Uruguay exceeded the high income threshold between 2012 and 2013. In accordance with DAC regulations, these three countries will no longer receive ODA after 2017 if by then they continue to be high income countries.

Source: author's own compilation using World Bank data(2015a), UNDP (2014) and DAC (2014).

## **ANNEX 3**

### **Seminar to discuss a preliminary versión of the study (Madrid, April 2015)**

#### **Participants**

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