

## Information Guide



## EU-Latin America Relations

**A guide to the EU's relations with Latin America, with hyperlinks to sources of information within European Sources Online and on external websites**

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## Introduction

The importance of the flows between the European Union and Latin America and the Caribbean cannot be put in doubt - the figures speak for themselves. However, what is important is not just the volume, but also the quality - an aspect that matters a lot to Europe.

European investments in Latin America and the Caribbean are a benchmark for standards of human welfare and environmental protection, and for the creation of new jobs. These investments improve human capital; they promote innovation and research; and they encourage technological development and technology transfer. They also frequently contribute to the preservation of biodiversity for future generations.

So we must work not only to increase investments on both sides of the Atlantic, but also to ensure that by their quality and sustainability, they provide the benefits hoped for by our citizens.

In this regard, I would point out that the trade and investment agreements that we have concluded between the EU and the sub regions and countries of Latin America and the Caribbean are key to the consolidation of a framework that promotes sustainable development.

This first CELAC-European Union Summit with the spirit of the Santiago statement is indeed a great contribution for the deepening of the friendship and partnership between our two regions.

From: [Declaration of President Barroso after the EU-CELAC Summit](#), European Commission, 27 January 2013.

## Background

The European Union and Latin American have enjoyed a close partnership since 1976, when the first cooperation activities between the regions started.

There are many elements which link both regions. The cultural, historical and economic ties between the two regions are quite significant.

The cooperation is framed at the international level; nonetheless, closer cooperation is currently being constructed on regional, sub regional and bilateral levels. The EU is the leading investor in the region and the second largest trading partner of Latin America. Therefore the interests of the EU in this region are huge and this partnership has become an important element in the external relations of the EU.

The development of cooperation with Latin America can be organised in three different clusters:

- With the specific countries through bilateral agreements.
- With the sub-regions (Central America, Andean Community and Mercosur)
- With the entire region through the implementation of regional programmes.

## The Central American Group

The Central American group is formed by Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama. This group of countries enjoys, with regard to the European Union, magnificent relationships which include political dialogue, cooperation and a

favourable trade regimen. Today, the EU maintains a high-level political dialogue with the Central American countries.

The first conference of foreign ministers between the European Union and Central America took place in 1984 in San Jose, the capital of Costa Rica. Likewise, in 1985, during the second conference of foreign ministers from the two regions, the Cooperation Agreement between the EU and the Central American governments (Luxemburg agreement) was signed.

Negotiations were launched in 2007 in order to set up an Association Agreement between the European Union and Central America. Since then, 7 full rounds of negotiations have taken place, and remarkable progress have been achieved; however this progress has not always been as rapid as was desired, due to the incapability of the Central American countries to agree on common positions and also the slow development towards regional integration.

These Central American countries are the member states of the Central American Integration System (SICA). Also Belize, which is not considered as a Latin American country, integrates this supranational entity. Dominican Republic is an associated member of the Institution.

The [Central American Integration System](#) was established on 13 December 1991 by the signing of the [Protocol to the Charter of the Organization of Central American States](#) (ODECA) or Tegucigalpa Protocol. This Protocol formally started to develop its functions on 1 February 1993.

The main purpose of the Central American Integration System is to consolidate the integration of the Central American countries in order to transform the area into a region of Liberty, Peace, Democracy and Development under the primacy of human rights.

### **The Andean Community**

In 1969, the Andean Pact was created. The member countries of the [Andean Community](#) are Bolivia, Colombia, Ecuador and Peru. The European Union and the Andean Community have consistently sought to strengthen their relations. The European Union is the Andean Community's second largest trading partner.

In 1983 the first cooperation agreement between the EU and the Andean Pact was signed.

The two regions signed a joint declaration on the Political Dialogue, in Rome on 30 June 1996, establishing an institutional framework for a dialogue that had been running until that time. The Andean Pact became the Andean Community in the same year (Treaty of Trujillo).

According to that Declaration, the dialogue would be focused on bi-regional and international issues of common concern, to be discussed in meetings between the Chairman of the Andean Council of Presidents, the EU Presidency, and the President of the Commission, as well as between the Ministers of Foreign Affairs, other Ministers and government officials.

This cooperation has evolved over time. During the 1970s, it was focused on trade; in the 1980s emphasis was placed on cooperation for development; and in the 1990s, efforts were aimed to construct a solid framework of industrial, scientific, technological and inter-business mechanism of advanced economic cooperation.

Important to remark among the different fields of cooperation is the fight against drugs. In that field, the Andean regions and the European Union are engaged in a specialized dialogue on combating drug production and trafficking.

After the breakdown of negotiations in the second half of 2008, a new negotiating format was proposed to the Andean countries offering a thematic and geographical split of these negotiations: continued regional negotiations with the Andean Community as a whole on political dialogue and cooperation, and 'multi-party' trade negotiations with the Andean Community countries individually. The latter commenced with three of the Andean Community countries (Peru, Colombia and Ecuador) in February 2009. The negotiations ended successfully in March 2010 with Peru and Colombia whereas Ecuador decided to withdraw from the negotiations in 2009.

## **Mercosur**

[Mercosur](#) could be defined as a dynamic process of regional integration between Argentina, Brazil, Paraguay and Uruguay. Originally founded by the [Treaty of Asuncion](#) in 1991, the subsequent treaty of Ouro Preto in 1994 updated and amended the former. Aside from strengthening the Mercosur process, the protocol also set up an institutional framework.

In 1999 the negotiations for an Association Agreement between the EU and Mercosur were launched.

The Mercosur region encompasses Argentina, Brazil, Uruguay and Paraguay. Venezuela was accepted as a member in 2006 and is currently in the process of integrating into Mercosur.

The European Union has supported Mercosur from its beginning in 1991. This fact was highlighted again in 2002 when the European Union asserted that building a strong Mercosur will be the key to the development of the region.

The European Union began free trade negotiations with Mercosur in 1995. These negotiations were suspended without agreement in 2004. This breakdown was mainly due to the lack of agreement regarding the trade chapter. Political agreement nonetheless evolved, despite the deadlock in the trade field, reaching an agreement at the Summit of Lima (2008) to extend relations to three new areas: science and technology, infrastructure and renewable energy.

The European Commission decided in May 2010 to relaunch negotiations with Mercosur within the trade field. It was at the 2010 EU-LAC Summit, which took place in Madrid, when the parties adopted the commitment to relaunch negotiations for a European Union – Mercosur Free Trade Agreement.

It is also worth mentioning that the European Union is an immense investor in the region. According to a document issued by the European Commission in February 2011, European Union investments in Mercosur amount to over €181 billion, more than all EU investment in China, India and Russia combined.

Apart of the sub-regions mentioned above, the European Union has a privileged partnership with two important Latin American countries, namely Mexico and Chile.

## **Mexico**

The Aztec country is the first state in Latin America with which the European Union enjoys a close relationship based on common interests and values of democracy and

human rights, as enshrined in [the economic partnership, political coordination and cooperation agreement](#) signed in 1997.

This agreement entered into force in 2002 and has strengthened the partnership between [Mexico](#) and the European Union. As a consequence of this agreement, an area of free trade has been established between the two regions, further promoting their bilateral economical ties.

In 2010, despite the global crisis, the European Union remained the second largest commercial partner and investor of Mexico.

## **Chile**

This country has a long diplomatic tradition with the European Union and shares historic bonds in the economic, political and cultural fields with many European countries. Therefore, relations with the European Union represent a priority in the framework of Chilean foreign policy.

After the restoration of democracy in 1990, the European Union signed a first Cooperation Agreement in 1991, entailing the relaunching of political relations with [Chile](#).

Following this path, an important agreement was signed between the European Union and Chile in 2002. Thus the European Union and Chile concluded an Association Agreement which included a comprehensive Free Trade Agreement that entered into force in February 2003.

## **Regional Cooperation with Latin America**

This cooperation embodies one of the most important elements in the relationship between the European Union and the Latin American countries. The Development Co-operation instrument ensures a high level of involvement of the European Commission in the whole area. The main goals of this cooperation are trying to achieve a real social cohesion in the area and fostering regional integration.

The [regional strategy paper](#) (RSP) lays out the priorities for cooperation with Latin America for the period 2007-2013. Four big challenges are established as major concerns: improving social cohesion, stimulating economic relations, tackling regional problems and supporting sustainable development.

Many of the EU's investment programmes are aimed at overcoming endemic problems in the area such as drug trafficking, natural disasters or the implementation of schemes targeted to achieve social cohesion and equal opportunities in countries with high levels of inequality.

However, the content of the programmes can change significantly from one country to another. Thus, while the majority of EU investment in Argentina in the 2007-2013 period aims to promote and increase the effectiveness of vocational training and strengthening competitiveness for small businesses, in Colombia, 70% of EU investment in 2007-2013 is related to the issue of peace and stability. In other countries a huge EU investment devoted to education at all levels can be observed. This is the case of Paraguay where 81% of the EU investment programme in 2007-2013 goes to education (primary, secondary and vocational). In Ecuador 54% of the EU investment in this country (2007-2013) is aimed at boosting social measures, particularly in education. In Nicaragua the amount of EU resources aiming to improve national education corresponds to 35% of the total investment whereas in Mexico this amount represents 25%.

In the two biggest countries in the region, the EU assigns part of its investments towards strengthening and reinforcing bilateral relations. In the case of Brazil, EU investment in 2007-2013 allocates 70% to EU-Brazil relations. In the second largest country, the EU allocates 32% of the 2007-2013 programme to strengthening EU-Argentina relations.

With regard to the three sub-regions, the EU funding programmes for the 2007-2013 period were allocated as follows:

- Central America
  - Strengthening the institutional framework for regional integration (26.5%)
  - Strengthening customs unions and related common policies (62.5%)
  - Strengthening regional governance and improving public safety (11%)
- Andean Community
  - Regional Economic Integration (40%)
  - Social and Economic Cohesion (40%)
  - Drug Control (20%)
- Mercosur
  - Supporting Mercosur institutions (10%)
  - Extending the scope of Mercosur and the implementation of the association agreements signed with the European Union (70%)
  - Reinforcing the role of civil society in Mercosur (20%)

The last element in the “External Assistance and Latin America” programme is composed of the different regional cooperation programmes. The scope of these regional cooperation programmes covers the whole of Latin America, and the main purpose is to reinforce relations between the EU and the region through the exchange of experiences and the construction of common networks.

### **The Role of the European Parliament**

The European Parliament has played a prominent role in relations between the EU and the Latin American countries. After the signing of the various association agreements, the European Parliament commenced to set up delegations for relations with Central America, the Andean Community, Mercosur, Mexico and Chile.

The European Parliament also benefits from close ties with other parliaments in the region such as the Latin American Parliament ([Parlatino](#)), the Central American Parliament ([Parlacen](#)), the Mercosur Parliament ([Parlasur](#)), the Andean Parliament ([Parlandino](#)) and the Congress in [Mexico](#) and [Chile](#). A good example of this close interplay could be observed in the 17 interparliamentary conferences organised by the European Parliament with the Parlatino during the period 1974-2005.

A significant step forward was realized on 8 November 2006 in Brussels, when the new EU - Latin American Transatlantic Assembly ([EuroLat](#)) was created. This fresh bi-regional body was composed by MPs from the European Parliament, the Latin American Parliament, Parlacen, Parlandino, Parlasur, and the Mexican and Chilean Parliaments (75 Latin American Members and 75 European Members).

The main objective of the EuroLat is to consolidate and support the European partnership with the Latin American region encompassing three major concerns:

- Democracy, external policy, governance, integration, human rights and peace.
- Economic, financial and trade affairs.
- Social affairs, environmental issues, sustainable development, culture, education and human exchange.

## **European Union – Latin America/Caribbean Summits (EU-LAC)**

The European, Latin America and Caribbean (LAC) Summits are meetings held biennially between Heads of State and governments of the regions to enhance their relationship and dialogue and co-operate at the highest level in the political, economic, social and cultural fields.

Since the first Summit held in Rio de Janeiro in 1999, the EU-LAC Summit process has helped to consolidate the relationship between the two regions and has enabled a high-level political dialogue that 'contributes to fostering peace, stability and the respect of international law.' Furthermore, these meetings have strengthened – and continue to do so – a multilateral approach in a frank and open way to a number of globally important issues that affect citizens and governments of both regions.

### **Rio Summit 1999**

The first EU-LAC summit took place in Rio de Janeiro between 28 and 29 June 1999 (see [Rio Summit 1999](#)). After the meeting, a [Declaration of Rio de Janeiro](#) was established. In it, the participating nations agreed to:

advance in the consolidation of a strategic partnership of a political, economic, cultural and social and co-operative between both regions which contributes towards the development of each of our countries, as well as towards the achievement of better levels of social and economic well-being for our peoples, taking advantage of the opportunities offered by an ever more globalised, world, in a spirit of equality, respect, alliance and co-operation.

The meeting also served to point out priorities of action in the political, economic, cultural, educational, scientific, technological, social and human fields. Some of these were:

- Strengthening democracy
- The rule of law
- International peace
- Political stability
- Improve the quality of education.

### **Madrid Summit 2002**

On 17 May 2002, the 2<sup>nd</sup> EU-LAC Summit was held in Madrid (see [Madrid Summit 2002](#)). During the meeting, an emphasis was made on poverty and the importance of greater investment and a more solid trade relationship in order to achieve a higher degree of social equity. As a result of the summit, [the Madrid Commitment](#) was adopted to continue developing the partnership:

We need to face together the serious challenges and seize the opportunities of the twenty-first century. In a spirit of mutual respect, equality and solidarity, we will strengthen our democratic institutions and nurture the processes of modernisation in our societies taking into account the importance of sustainable development, poverty eradication, cultural diversity, justice and social equity. We believe that furthering our integration processes and increasing trade and investment are important means of enhancing access to the benefits of globalisation.

The summit also served to recognise 'the work of the several ministerial meetings on key areas, such as on science and technology'. Furthermore, Argentina, Brazil, Chile and Mexico had negotiated or started to negotiate agreements with Europe in both fields.

The development of relations with Central America and the Andean Community was also one of the main focuses and it was stated that these had to be 'done on a bi-regional basis which was the origin of Political Dialogue and Cooperation Agreements with these two regions'. The [Association Agreement with Chile](#) was also drawn up.

In the margins of the summit, a series of bilateral meetings were held with specific LAC countries and sub-regions. These were:

- [EU – Chile Summit](#)
- [EU – Mercosur Summit](#)

### **Guadalajara Summit 2004**

The next follow up to the bi-regional co-operation was held in Guadalajara, Mexico, between 28 and 29 May 2004 (see [Guadalajara Summit 2004](#)). Prior to the meeting, the European Commission published a [Communication ahead of the Guadalajara summit](#) that outlined the objectives of the EU regarding Latin America. These were social cohesion and regional integration. The main reason for prioritizing both themes was the economic growth in Latin America, which in 2003 'was modest compared with the growth of other regions such as East Asia [...] and the picture of recovery is still uneven'. Furthermore, 'the resurgence of social tensions in several countries of the Latin America region, and the rise of the number of people living in poverty, cast some shadows on the prospects of consolidating the trend of economic recovery over the coming years' (see [COM\(2004\) 0220 final](#)).

Work towards developing a EU-LAC Knowledge Area also gained momentum during the summit and the adopted [Declaration of Guadalajara](#) confirmed the importance of continuing a policy dialogue and practical cooperation in the fields of science, technology, innovation and education. The need for a common knowledge area between the regions is stated explicitly in paragraph 93 of the declaration:

We consider that the future EU-LAC Knowledge Area should be built on the results of the successful science and technology bi-regional dialogue and include reinforcement of cooperation in science and technology, higher education and information and communication technologies. Considering the importance of science and technology for the social and economic development of our countries, and guided by the outcome of the ministerial meetings and the bi-regional working group on scientific and technological cooperation, we agree to launch a partnership in science and technology with a view to including Latin America and the Caribbean as a target region in the EU Framework Programmes in these sectors, thereby contributing to deepening and developing bi-regional links and encouraging mutual participation in research programmes.

Human rights was also another main focus and both regions reiterated their commitment to:

- Promote and protect all human rights: civil, political, economic, social and cultural rights. Including the right to development and fundamental freedoms
- Reaffirm that human rights are universal, interdependent and indivisible
- Support the strengthening of the international system for the promotion and protection of human rights
- Combat all threats to the fully enjoyment of all human rights and take the necessary measures to promote democratic, participatory, equitable, tolerant and inclusive societies



- Provide coherent and effective support to those individuals, organisations or institutions, including human rights defenders, working for the promotion and protection of human rights.

In the margins of the summit, a series of bilateral mini-Summits were held with specific LAC countries and sub-regions. These were:

- [I EU – Andean Community Summit](#)
- [I EU – CARIFORUM Summit](#)
- [I EU – Central America Summit](#)
- [I EU – Chile Summit](#)
- [II EU - Mexico Summit](#)

## **Vienna Summit 2006**

Work for the 4<sup>th</sup> EU-LAC Summit was initiated at the EU-Latin America and the Caribbean XV Senior Official Meeting (SOM) in the last semester of 2004, and the final topics that would be addressed were decided at the XVII SOM meeting which took place in November 2005. The themes were:

- Democracy and human rights
- Multilateral approach to promote peace, stability and respect for international law
- Terrorism
- Drugs and organized crime
- Environment (including disaster prevention, mitigation and preparedness)
- Energy
- Migration
- Association agreements and trade
- Growth and employment
- Investment, infrastructure and information society
- Tackling poverty, inequality and exclusion
- Regional integration
- Development co-operation and international financing for development
- Knowledge sharing and human capacity building (higher education, research, science and technology, and culture).

Prior to the organisation of the summit, the EU adopted '[A stronger partnership between the European Union and Latin America](#)'; renewed strategies towards Latin America and the Caribbean that were adapted to better address the new challenges that would be discussed in Vienna and to strengthen and revitalise the EU-LAC strategic partnership (see [COM\(2005\) 636](#) and Press Release [IP/05/1555](#)).

On 12 May 2006, the [Vienna Summit](#) (see also [Austria 2006 – Presidency of the EU, IV EU-LAC Summit](#)) was carried out under the overall theme "Strengthening the bi-regional strategic association". Attendance on both the European and Latin American side was high and the participant nations confirmed the relevance of:

- The current key policies of the partnership
- The improved need to cooperate in the area of multilateralism
- The necessity to strengthen regional integration and social cohesion in order to fight against poverty, exclusion and inequality
- The need for a stable and legally secure investment climate

Energy, security and environment were also addressed as topics of importance for the enhancement of the partnership.

Vienna also served as the scenario to launch negotiations for an Association Agreement with Central America, and the EU and the Andean Community adopted a decision to initiate during 2006 a process that would lead to the negotiation of an Association Agreement that would include political dialogue, cooperation programmes and a trade agreement between both sides.

However, one of the most important conclusions of the summit was the large consensus acquired on the setting up of an [EU-Latin American Parliamentary Assembly](#) which would meet – and met – for the first time in November 2006 in Brussels.

As a result of the summit, the [Vienna Declaration](#) was adopted.

As in previous summits, in the margins of the 4<sup>th</sup> EU-LAC Summit a series of bilateral mini-Summits were held on 13 May 2006 with specific LAC countries and sub-regions. These were:

- [II EU - CARIFORUM Summit](#)
- [II EU - Central America Summit](#)
- [II EU - Chile Summit](#)
- [EU - Mercosur Summit](#)
- [III EU - Mexico Summit](#)

### **Lima Summit 2008**

Prior to the 5<sup>th</sup> EU-LAC Summit, the European Commission picked out the two key themes for the summit's agenda. As in previous summits, [poverty, inequality and inclusion](#) was chosen as one of the main priorities alongside [sustainable development \(climate change, environment, energy\)](#). Another important aspect of the meeting would be the opportunity to let participants voice their support for Association Agreements with the Andean Community and Central America (see Press release [IP/08/693](#)).

The [Lima Summit 2008](#) was held on 16-17 May 2008 and it provided another chance for both regions to 'discuss common interests, define mutual objectives and find a common way forward.' It also served to 'give more visibility to the extensive cooperation between both partners, and to analyse the action and policies undertaken within the framework of the EU-LAC Strategic Partnership.'

Alongside the two main topics – social cohesion and sustainable development – other topics discussed at the summit were:

- Democracy and human rights
- Migration
- Regional integration
- Trade and investment: with a special focus on free trade, food prices and fiscal policies
- Drugs and organise crime
- Development cooperation (including scientific and technological cooperation).

The results of the meeting were said to be rather disappointing as little progress was achieved in trade discussions. According to [EUobserver](#):

Very little of any substance was achieved at the EU Latin America and Caribbean (LAC) summit over the weekend, with the almost 50 heads of state failing to agree to any movement in trade discussions, one of Europe's main objectives in attending the summit.

The leaders said in a joint statement they hoped to "actively pursue" two free trade agreements. One between between Europe and Central America and the

other between the EU and the Andean Community (Bolivia, Colombia, Ecuador and Peru).

Summit host centre-left Peruvian President Alan Garcia said the leaders of the Andean Community had agreed on more "flexible" free trade agreement negotiations.[...]

However, fellow Andean leaders Evo Morales of Bolivia and Rafael Correa of Ecuador said it was still too early to move toward any free trade agreement.

The more leftist leaders were opposed to further opening up their markets to European competition before they had a chance for their economies to develop, while the more centrist among them were frustrated at their intransigence.

Another topic that caused division between the EU and the LAC countries was biofuels:

[While]European leaders backed Brazilian President Lula da Silva, whose country is the world's top producer of ethanol, in their insistence that biofuels are not the cause of sky-rocketing food prices that have rocked much of the developing world in recent months, producing a wave of riots, demonstrations and strikes. [...]

Most other Latin American leaders, for their part, remained unconvinced.

All the leaders were able to agree on regarding the matter was that something should be done regarding the food crisis. What exactly remained unsaid.

"[We are] deeply concerned by the impact of increased food prices," the leaders said in a declaration released on 16 May, and called for "immediate measures to assist the most vulnerable countries and populations affected."

As a result of the summit the [Lima Declaration](#) containing joint commitments and actions aiming to strengthen cooperation was adopted. The creation of an EU-LAC Foundation was also considered.

In the margins of the Lima Summit, a series of bilateral mini-Summits were held with specific LAC countries and sub-regions. These included:

- [EU – Andean Community Summit](#)
- [III EU – CARIFORUM Summit](#)
- [III EU – Central America Summit](#)
- [III EU – Chile Summit](#)
- [EU – Mercosur Summit](#)
- [IV EU – Mexico Summit](#)

### **Madrid Summit 2010**

On 30 September 2009, the European Commission renewed its strategy on Latin America by adopting '[The European Union and Latin America: Global Players in Partnership](#)'. The communication outlined 'the targets and objectives which should guide the Commission's strategy on the region in the coming years'. It also served as the basis for the Commission's contribution to the 6<sup>th</sup> EU-LAC Summit.

The communication represented an ambitious step forward in the relationship between the two regions and its original purpose was to frame cooperation between the EU and Latin America within current global trends. The world had changed considerably since the EU launched the strategic partnership with the countries of Latin America and the Caribbean during the Rio summit in 1999. The economic and financial crisis, climate

change, energy security and migration were issues of global concern which were taken into account in the new strategy.

According to this document the achievements of cooperation over the last ten years can be summarised as:

- Increased coordination on strategic topics and political and sectoral dialogues (Summits, Ministerial Meetings, Programs...)
- Promoting social cohesion
- Strengthening relations with partners in the region. This approach is based on the increasing cooperation with the sub-regions and with individual countries.

Concerning common challenges to face, the document highlighted four:

- The economic and financial crisis and the social consequences related to this.
- The negative impact of climate change.
- Illicit drugs, human trafficking, organised crime and violence.
- Migration posed another challenge but could offer great opportunities for the Partnership.

Prior to the summit, on 17 May 2010, an '[Outline for a Joint Caribbean-EU Partnership Strategy](#)' was approved at the EU-CARIFORUM Summit in Madrid to pave 'the way for the formulation, adoption and implementation of a Joint Strategy' that will help both regions to tackle global challenges and priorities that include:

- regional integration and cooperation in the wider Caribbean with particular attention to the promotion of sustainable development and human and social development
- reconstruction and institutional support to Haiti, through a long term and sustainable programme of cooperation between the CARIFORUM and the EU
- climate change and natural disasters.

The [Madrid Summit 2010](#) was held in Madrid on 18 May 2010. The central theme of the meeting was "Towards a new phase of the bi-regional association: innovation and technology for sustainable development and social inclusion". The EU-LAC Knowledge Area became once again the focus of the summit and for this reason, the brochure '[Towards the EU-LAC Knowledge Area – Scientific and Technological Cooperation between Latin America, the Caribbean and the European Union for Sustainable Development and Social Inclusion](#)' was published by the European Commission, to 'provide an overview about the development of concrete cooperation to deliver on the political objectives of this [the Madrid Summit] and previous summits.'

The summit was considered successful in terms of agreements reached between both regions. On 14 May 2010, the Ministerial Forum adopted an [EU-LAC Joint Initiative for Research and Innovation](#) and it was subsequently accepted by the heads of state and governments attending the summit. A mandate to implement the initiative was also included in the [Madrid Declaration](#) and the [Madrid Action Plan 2010-2012](#), along with a number of initiatives related to the priorities previously established during the summit and identified instruments and activities that should lead to concrete results in the following key areas:

- science, research, innovation and technology
- sustainable development, environment, climate change, biodiversity, energy
- regional integration and interconnectivity to promote social inclusion and cohesion
- migration
- education and employment to promote social inclusion and cohesion
- the world drug problem.

The creation of the EU-LAC Foundation was finally announced following its suggestion in the Lima Summit (see [MEMO/10/197](#)). 'Conceived as a trigger for debate on common strategies and actions', the institution is aimed at strengthening the bi-regional partnership process and its visibility by:

- involving participation and inputs of civil society and other social actors to encourage further mutual knowledge, understanding and visibility between both regions
- launching activities and fostering new networking opportunities among civil society actors.

The EU-LAC foundation is financially supported by countries of the EU-LAC and the European Commission, which will contribute €3 million up to 2013. Its headquarters were set in Hamburg and it started its activities in November 2011 under the presidency of Benita Ferrero-Waldner.

The [Latin America Investment Facility](#) (LAIF) was also launched jointly by the European Commission and the Spanish Presidency during the summit to 'mobilise additional financing in Latin America to support investment projects by bringing together grants from the Commission with loans from European development finance institutions' (see [MEMO/10/196](#)).

In the margins of the summit, a series of bilateral mini-Summits were held with specific LAC countries and sub-regions:

- [EU – Andean Community \(CAN\)](#)
- [EU – Central America Summit](#)
- [EU – CARIFORUM Summit](#)
- [EU – Chile Summit](#)
- [EU – Mexico Summit](#)
- [EU – Mercosur Summit](#)

The Madrid Declaration established that the next round of talks would take place in Chile in 2012.

However, on 3 December 2011, within the framework of the III Summit of Latin America and the Caribbean on Integration and Development (CALC) and the XXII Summit of Rio Group in Caracas, the Community of Latin American and Caribbean States (CELAC) was created with the signature of the [Caracas Declaration](#). This regional bloc of Latin American and Caribbean States was conceived on 23 February 2010 at the Rio Group-Caribbean Community Unity Summit in Mexico, will be the successor of the Rio Group and will represent the Latin America and Caribbean region in the summits with the EU. For this reason, the 7<sup>th</sup> EU-LAC Summit would be known as the 1<sup>st</sup> EU-CELAC Summit and would be celebrated in 2013.

### **Santiago de Chile Summit 2013**

The [1<sup>st</sup> EU-CELAC Summit / 7<sup>th</sup> EU-LAC Summit](#) was held in Santiago de Chile between 26 and 27 January 2013 to 'renew and deepen the strategic partnership between both regions and address an Alliance for Sustainable Development to Promote Investments of Social and Environmental Quality'.

A political declaration known as the [Santiago Declaration](#) was adopted and the action plan for bi-regional cooperation established by the previous summit was expanded by the [EU-CELAC Action Plan 2013-2015](#). In the Declaration, the attendants of both regions noted the importance of 'the rights of citizens to participate in the formulation,

implementation and monitoring of public policies’ and ‘of implementing [Principle 10](#) of the 1992 Rio Declaration at the Earth Summit, and reiterate the importance of advancing initiatives in this matter.’

The declaration also stated that the next summit will take in Brussels in 2015.

## Trade relations

Trade relations between the European Union and Latin American are governed by the EU-LAC Partnership and the ministerial meetings (EU – Rio Group at first and EU – CELAC now) and summits every two years.

The agreements are aimed at achieving a comprehensive openness of the markets. This main goal is accomplished by ambitious compromises regarding tariff reductions, services coverage, market access for investment and government procurement. It is important to remark that the agreements also set up rules on intellectual property, sanitary standards and promote the convergence of technical requirements.

The establishment of dispute-settlement mechanisms has played a crucial role in order to increase transparency and legal certainty for all the parties. Equally remarkable is the importance given to the environment and labour rights in the agreements.

There is also an element of technical assistance provided by the European Union to the weaker economies. We can see examples of that in the support of the EU for the creation of a custom union in Central America.

These agreements have allowed the EU to become Latin America’s second largest trading partner and even the first one for Mercosur and Chile.

In October 2000 and 2001, a Free Trade Agreement previously signed in 1997 by the EU and Mexico entered into force. The agreement known as the [Global Agreement](#) is a comprehensive accord which covers not only goods and services but also competition, intellectual property rights and investment among other important subjects.

The EU represents Mexico’s second biggest export market after the USA and its third largest source of imports after the USA and China.

EUROPEAN UNION GOODS IMPORTS	EUROPEAN UNION GOODS EXPORTS
2009: €9.9 billion	2009: €15.9 billion
2010: €13.7 billion	2010: €21.3 billion
2011: €16.8 billion	2011: €23.9 billion
2012: €19.4 billion	2012: €27.9 billion

In 2002, the EU and Chile concluded an [Association Agreement](#) which included a broad Free Trade Agreement that entered into force in February 2003. This association has led to a boost of trade in goods and services between the European Union and Chile and in recent years has increased the amount of European exports as shown in the table below:

EUROPEAN UNION GOODS IMPORTS	EUROPEAN UNION GOODS EXPORTS
2009: €7.4 billion	2009: €4.5 billion
2010: €9.5 billion	2010: €6 billion
2011: €11.1 billion	2011: €7.7 billion
2012: €9.7 billion	2012: €8.5 billion

2010 became a key year in terms of agreements between the EU and Latin America as three important associations were signed during the Madrid 2010 EU-LAC Summit. As a

result, in May 2010, negotiations for an Association Agreement concluded and in June 2012, the [EU-Central America Association Agreement](#) was signed by both regions. Historically, the Central American countries had developed tight trading relations with the USA and Latin America, and only in recent years has the group started to consider Europe as a new relevant partner; despite having maintained close relations for decades 'reaching back to the EU's support to the regions successful peace process in the 1980s'.

The Association Agreement relies on three pillars in order to 'support economic growth, democracy and political stability in Central America':

- Political dialogue.
- Cooperation.
- Trade.

Since 1 August 2013, the trade pillar has also been provisionally applied with Honduras, Nicaragua and Panama, since 1 October 2013 with Costa Rica and El Salvador, and since 1 December 2013 with Guatemala.

EUROPEAN UNION GOODS IMPORTS	EUROPEAN UNION GOODS EXPORTS
2010: €7.6 billion	2010: €4.5 billion
2011: €8.4 billion	2011: €4.4 billion
2012: €9.6 billion	2012: €5.4 billion

The EU also announced during the Madrid 2010 Summit, the conclusion of negotiations for a trade agreement between the EU, Colombia and Peru that would step up the Colombian and Peruvian economies. The [EU-Peru/Colombia Multi-Party Trade Agreement](#) was signed in June 2012 and has been provisionally applied with Peru since 1 March 2013 and with Colombia since 1 August 2013:

Once fully implemented, it [the Agreement] will open up markets on both sides as well as increase the stability and predictability of the trading environment.

Contacts are maintained to explore a possibility to integrate Ecuador and Bolivia, who are also members of the Andean Community, into the trade deal with the EU.

The relationships between the EU and the Andean region are quite significant; for example, the EU is the second largest partner of the region only behind the USA and it concedes the Andean countries preferential access to its market under the [EU's General System of Preferences](#).

EUROPEAN UNION GOODS IMPORTS	EUROPEAN UNION GOODS EXPORTS
2010: €12.3 billion	2010: €8 billion
2011: €16 billion	2011: €9.6 billion
2012: €17.8 billion	2012: €11.7 billion

On 17 May 2010, the EU and Mercosur decided to relaunch negotiations in order to set up a Free Trade Agreement between the two regions, and on 4 February 2011 the EU announced that the EU Trade Commissioner would travel to Paraguay and Uruguay to further discuss Mercosur negotiations (see '[EU Trade Commissioner to discuss Mercosur negotiations in Paraguay and Uruguay](#)').

The objective of both regions is:

to negotiate a comprehensive trade agreement, covering not only trade in industrial and agricultural goods but also services, improvement of rules on government procurement, intellectual property, customs and trade facilitation, technical barriers to trade.

Nine negotiation rounds (the last one from 22 to 26 October 2012) have taken place since then.

Until now, rounds have focused on the part of the agreement related to rules and the two regions are still working on the preparation of their market access offers. No date has been set yet for the exchange of market access offers.

An important fact to take into consideration is that in 2009, EU – Mercosur trade constituted roughly as much as EU trade with the rest of Latin American countries taken together. Furthermore, the EU is Mercosur’s first trading partner, accounting for 20% of the region’s total trade.

EUROPEAN UNION GOODS IMPORTS	EUROPEAN UNION GOODS EXPORTS
2009: €35.1 billion	2009:€27.2 billion
2010: €48.7 billion	2010: €44.4 billion
2011: €56.3 billion	2011: €50.7 billion
2012: €53.9 billion	2012: €56.8 billion

As of 1 January 2014, ‘all Mercosur countries, with the exception of Paraguay, will no longer benefit from the GSP scheme, due to their classification as high middle-income countries. However, they will remain GSP eligible countries’.

## Climate change

On 18 December 2009, the European Commission approved [EUROCLIMA](#), ‘a regional cooperation programme to encourage cooperation between Latin America and the EU on climate change issues. The total foreseen Commission budget for this project was €5 million’.

Additionally, at each EU-LAC and EU-CELAC Summit, climate change is always featured as a main topic of discussion and in October 2013 the European Commission and the European External Action Service hosted an informal roundtable in Brussels with Latin America and the Caribbean to:

- Advance climate change policy dialogue among the regions
- Identify concrete ways of integrating climate change mitigation and adaptation into economic development strategies
- Explore possible areas of cooperation.

The event was similar to those organised for [Africa](#) in October 2011 and [Asia-Pacific](#) in June 2012 and helped to ‘explore common ground and ways for effectively advancing the climate cooperation’ between both regions.

Development Commissioner Andries Piebalgs underlined at the closing of the event that cooperation to fight climate change would be ‘further strengthened in the future, with more assistance to our partners in the region’.



## Information sources in the ESO database

Find updated and further information sources in the ESO database:

[Latin America-Caribbean](#) [all categories]

[Latin America](#) [all categories]

- [Key source](#)
- [Legislation](#)
- [Policy-making](#)
- [Report](#)
- [Statistics](#)
- [News Source](#)
- [Periodical article](#)
- [Textbook, monograph or reference](#)
- [Background](#)

[Mexico](#)

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[Bolivia](#)

[Colombia](#)

[Ecuador](#)

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[Venezuela](#)

[Costa Rica](#)

[El Salvador](#)

[Guatemala](#)

[Honduras](#)

[Nicaragua](#)

[Panama](#)

[Cuba](#)

[Dominican Republic](#)

## Further information sources on the internet

- European External Action Service (EEAS)
  - [Homepage](#)
  - [EU relations with Latin America](#)
    - [Summits: 2013](#)
  - [EU relations with Latin America and the Caribbean](#)
    - [Previous Summits](#)
  - [Andean Community](#)
  - [Central America](#)
  - [Link to individual countries](#)
  - [Website for the presentation and dissemination of EU – Latin American and Caribbean bi-regional projects](#)
- European Commission: Research
  - [Policy Framework - Latin America and Caribbean region](#)

- European Commission: DG EuropeAid Development and Cooperation
  - [Homepage](#)
  - [Where we work: Latin America](#)
  - [European Union – Latin America Development Cooperation Guide](#) (2010)
  - [Climate Change in Latin America](#)
  
- European Commission: DG Trade
  - [Homepage](#)
  - [Trade website](#)
  - [Bilateral relations: Latin America](#)
  - Trade: Wider agenda: [Development](#)
  - [Making trade work for development. Aid for trade: a selection of case studies from around the world](#) (June 2008) Some content related to Latin America: “Helping European companies find the right partner in Latin America”, “Cotton helps absorb rural poverty in Paraguay” or “Bread and.... business in the Dominican Republic”.
  
- European Commission: Humanitarian Aid & Civil Protection (ECHO)
  - [Homepage](#)
  - [Aid in action - Chile](#)
  - [Aid in action - Colombia](#)
  - [Aid in action - Peru](#)
  - [Aid in action - South America](#)
  
- European Commission: DG Eurostat
  - [External Trade](#)
  - [International statistical cooperation. Latin America](#)
  
- European Commission: External Relations
  - [EU-LAC Madrid Summit, 18 May 2010](#)
  
- European Union Delegation to the United Nations (EU@UN)
  - [Homepage](#)
  
- Europa
  - Policy areas: [Development and Cooperation](#)
  - Summaries of EU legislation
    - [Development](#) (subsections on: [Latin America](#), [General development framework](#), [Least developed countries \(LDC\)](#), [Sectoral development policies](#))
  
- DevelopmentPortal.eu
  - [Latin American programming](#)
  
- Court of Justice of the European Union
  - Opinions and judgments since June 1997 (on the [search form](#), in ‘Field’ select ‘Association of the Overseas Countries and Territories’ or use appropriate keywords such as ‘Latin America’ to find relevant cases)
  
- European Union: EUR-Lex
 

The text of proposed and adopted legislation relating to Latin America can be found via EUR-Lex:

  - [Proposed](#) (section 11 [External relations](#))
  - [Adopted](#) (section 11 [External relations](#))
  - [Treaty on the Functioning of the European Union](#) Article 169
  - 2014: A [new version](#) of EUR-Lex is operating alongside the [old version](#). At some point the old version will be withdrawn.

- European Commission: PreLex
  - [Homepage](#)
  - In [Standard search](#), use the option 'Search on words from the title of the proposal' with 'Mercosur', 'Latin America' or other appropriate keywords; or in [Advanced search](#) choose 'field of activity' and select 'development policy'.
  - 2014: From 2014 the information contained with PreLex can also be found in the new [EUR-Lex](#). At some point PreLex as a standalone database will be withdrawn.
- Council of the European Union
  - [Foreign Affairs Council](#)
  - [EU – Latin America relations](#)
- European Parliament
  - [Development Committee](#) (DEVE)
  - [Euro-Latin American Parliamentary Assembly](#) (EuroLat)
  - Latin America/Caribbean/European Union: [First Summit / Declaration of Rio de Janeiro /PRIORITIES FOR ACTION](#)
  - [European Union – Latin America and Caribbean Summit](#)
- European Parliament: [Fact Sheets](#)
  - [Defending Human Rights and Democracy](#)
  - [Latin America](#)
  - [Development Policy](#)
- European Economic and Social Committee
  - [External Relations Section](#) (REX)
  - [The EESC and Latin America](#)
- [European Union-Latin American Research and Innovation Networks](#) (EULARINET)
- EU-LAC Foundation
  - [Homepage](#)
  - [Documents](#)
    - [1999 Rio Declaration](#)
    - [2002 Madrid Declaration](#)
    - [2004 Guadalajara Declaration](#)
    - [2006 Vienna Declaration](#)
    - [2008 Lima Declaration](#)
    - [2010 Madrid Declaration](#)
    - [2010 Madrid Action Plan](#)
    - [2013 Santiago Declaration](#)
    - [2013 Santiago Action Plan](#)
- The World Bank
  - [Homepage](#)
  - [Europe and Central Asia](#)
- International Monetary Fund
  - [Homepage](#)
  - [Regional Economic Outlook: Europe](#)
- [America Latina Portal Europeo](#) (Latin America European Website) [in Spanish]
  - [REDIAL](#): Red Europea de Información y Documentación sobre América Latina
  - [CEISAL](#): Consejo Europeo de Investigaciones Sociales de América Latina

Associations covering the whole Latin America:

- [Latin American Integration Association](#)
- [Latin American and Caribbean Economic System](#)
- [Union of South American Nations](#) [in Spanish]
- [Organization of American States](#)
- [Community of Latin American and Caribbean States](#)

Union Agreements:

- [Mercosur](#) [in Spanish]
  - [Biotecsur](#)
- [Andean Community](#)
- [Central America Integration System](#)
- [Secretariat of Economic Integration of Central America](#)
- [Bolivarian Alliance for the Americas](#) [in Spanish]

EU – LAC Programmes:

- [RALCEA](#) (Latin American network of knowledge centres in the water sector)
- [LAIF](#) (Latin American Investment Facility)
- [Euroclima](#) (Climate change regional cooperation programme)
- [Copolad](#) (Cooperation between Latin America and EU on anti-drugs policies)
- [Alfa](#) (Building the future on education)
- [Alban](#) (High level scholarships to Latin America)
- [Al-Invest](#) (support the internationalisation of Latin America SMEs)
- [@LIS 2](#) (Promotion of the information society)
- [Urbal](#) (Encourage experience exchanges between local authorities of Europe and Latin America)
- [Euro-Solar](#) (reducing poverty through renewable energy)
- [Eurosocial](#) (Social cohesion in Latin America)
- Latin America and the United Nations
  - [The Economic Commission for Latin America and Caribbean](#)
  - [United Nations Development Programme. Latin America and Caribbean](#)
- United Nations Conference on Trade and Development (UNCTAD)
  - [Homepage](#)
  - [UN recognition of the problems of land-locked developing countries](#) (Bolivia and Paraguay)
- The World Bank
  - [Homepage](#)
  - [Latin America and Caribbean](#)
- International Monetary Fund
  - [Homepage](#)
  - [Regional Economic Outlook: Western Hemisphere](#) (search for Latin America and the Caribbean)
- [Development Bank of Latin America](#)
- [Inter-American Development Bank](#)
  - [The Institute for the Integration of Latin America and the Caribbean](#) (INTAL)
- [Center for Latin American Monetary Studies](#)
- [Bladex](#) (Foreign Trade Bank of Latin America)

- Miscellaneous
  - [Latin American Network information Center](#)
  - [Society for Latin America Studies](#)
  - [Journal of Latin American Studies](#)
  - [Latin Trade Magazine](#)
  - [Latin America Newsletter](#)
  - [Centro Latinoamericano de Administración para el Desarrollo](#) [in Spanish]
  - [Plataforma democrática](#)
  - [Inter-American Court of Human Rights](#)
  - [Latin America Energy Organization](#)
  - [Initiative for the integration of regional infrastructure in South America](#)
  - [Inter-American Institute for Cooperation on Agriculture](#)
  - [Amazon Cooperation Treaty Organization](#)
  - [Guadalajara International Book Fair](#)
  
- Agencia EFE – Real Instituto Elcano:
  - [Anuario Iberoamericano 2011](#) [in Spanish]
  
- [Cooperation Guide EU-Latin America 2007](#) [in Spanish]

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