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## The Lima Summit: A Meeting of Euro-Latin American Asymmetry

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**Theme:** On 16 and 17 May, the Presidents and Heads of State of Latin America and the Caribbean met with those of the European Union.

**Summary:** The fifth edition of the LAC-EU Summit did not manage to escape the contradictions present at the previous meetings, although this time the Latin American and Caribbean Presidents clearly articulated their desire to receive a European response to the increasing heterogeneity in Latin America within a framework of fundamental asymmetry in the bi-regional relationship. Although no agreement was ratified in this regard, the theme did mark the Lima Summit, which focused on sustainable development and social progress. However, these issues also reflected the asymmetries between the parties, who will have to work on this before the next Summit in Spain in 2010. There, the recommendations of the Euro-Latin American Parliamentary Assembly (EuroLat) will be on the table. These recommendations point to a global inter-regional association to re-launch the Euro-Latin American Summits after a period of some stagnation in terms of operations and proposals.

**Analysis:** Almost 10 years after the declaration of their strategic partnership in Rio de Janeiro, the Heads of State and Presidents of Latin America/Caribbean and the European Union (EU) met in Lima on 16 and 17 May. With the notable absences of the British Prime Minister Gordon Brown, Italian Prime Minister Silvio Berlusconi and French President Nicolas Sarkozy, the Summit was shaped by a considerable degree of asymmetry between the participating countries. This asymmetry, pivotal in the Latin American interventions, not only expresses the interest in a differentiated treatment of Latin America in trade negotiations between the EU and Central America (SICA), the Community of Andean Nations (CAN) and MERCOSUR, but also reflects contradictory political priorities in terms of thematic interests. The agenda of the presidential meeting, which tackled, on the one hand, poverty, inequality and inclusion (at the request of Latin America and the Caribbean) and, on the other hand, sustainable development, the environment, climate change and energy (which are of particular interest for the EU) encountered significant difficulties when it came to finding a common denominator. Although at first glance, in the Lima Declaration, the food price crisis played a central role, transversely permeating all themes, the interest expressed by Latin American countries in finding a new framework of relations with the EU is much more notable. In almost all the thematic agreements it is possible to perceive the lively interest in clearly conveying the homogeneity of the countries that form the sub-continent, and the request that these differences be taken into consideration, with the EU implementing multi-speed mechanisms accordingly.

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This situation is even more significant considering the scant interest expressed for integration in the final declaration; integration has indeed all but disappeared from the official discourse in bi-regional relations. If, furthermore, we take into account the pre-summit conflicts between the members of the CAN with respect to the method of negotiating the Free Trade Agreement (FTA) with the EU, we will clearly see the centrifugal forces at play between the position of Bolivia, on the one hand, and the joint position of Peru and Colombia, on the other. It should come as no surprise that ahead of the summit the Peruvian President clearly called for a decision by the EU to hold talks between the aforementioned countries on an individual basis, a proposal which was immediately criticised by his Bolivian colleague Evo Morales, who saw the idea as breaching the principle of Andean integration. Nevertheless, asymmetry appears to be a constant which will accompany future Euro-Latin American relations, since the agreements concerning the environment, migration and climate change have all highlighted the different interests of the various Latin American countries, as well as their asymmetrical approach to the commitments regarding the expected contribution by the EU.

#### *The Quest for Greater Flexibility*

Although the Presidents have confirmed their intention of upholding the sovereign equality of all States, at the Lima Summit their interest in revamping their relations with the EU was visible. Leaving behind, at least partly, the message of social cohesion used since the Guadalajara Summit in 2004, the Latin American participants have shifted their approach by asking Europe for greater flexibility in the design of cooperation programmes and compliance with the Millennium Development Goals, emphasising the specific role which countries with medium incomes must play. The same is true of references to the quest for effective social policies, which are being differentiated by national capacities, taking into account instruments like the direct budget support modality and debt cancellation for social investment. As for the environment and sustainable development, the differences in how the matter is perceived are patent.

On the one hand, Europe wanted to establish sustainable development as a transversal concept present in the global agenda of the Euro-Latin American summits; on the other hand, Latin American countries offered a more specific interpretation, which directly linked the functionality of sustainable development with social progress. In this regard, we can see how the Lima Declaration did not manage to reconcile these different approaches, despite trying to convey a conceptual agreement, which, nevertheless, did not materialise in specific initiatives beyond the agreement for the creation of a joint environmental programme, called EUrocLima. EUrocLima is supposed to provide Latin American countries with greater knowledge in the field, a structured bi-regional dialogue and coordinated action in this connection. This also paves the way for re-launching the involvement of all Latin American and Caribbean countries in the technological research and innovation policies which so far have been developed mainly in the sphere of bilateral cooperation between Chile, Brazil and Mexico on the one hand and programmes generated by the EU to strengthen academic networks on the other.

#### *'EU priorities/Latin American-Caribbean potential' in Sustainable Development*

With its approval of the national strategy documents (NSD) and the regional strategy in 2007, the EU took the first step in defining the priorities of its regional programming in the framework of fiscal period 2007-13. With these definitions, the EU shifted its approach to Latin America, leaving behind the emphasis on consolidation and modernisation of the

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State and structures of public government, to focus on competitiveness, social cohesion and reducing poverty as the linchpins of its cooperation.

The meeting of Presidents at the Lima Summit made evident the EU's new commitment to Brazil, which was afforded priority since it was considered to be a strategic counterparty for the EU in the bilateral summit held with Brazil in Lisbon on 4 July 2007. This decision, which was somewhat against the grain of the inter-regional approach of the EU itself, had initially raised concern in other Latin American countries, such as Argentina, particularly because of Europe's interest in boosting cooperation with Brazil in the sphere of biofuels. This situation, which initially was something of a complication for other members of MERCOSUR, had no impact at the Lima Summit. In fact, Brazil had to employ all of its diplomatic efforts to ensure that its interest in promoting bioethanol was respected by other participants. While biofuels were initially seen as a viable alternative to help achieve energy security, in the last few weeks criticism has arisen in Europe and Latin America in regard to the sustainability of biofuel production and its compatibility with various social and environmental standards.

The issue of food security was raised from this standpoint, and dominated debates at the eight working groups around which Presidents and Heads of State met. Participants discussed Venezuela's proposal to start a fund to activate food production and promote the manufacture of fertilisers and provide agricultural machinery based on a percentage of the value of oil exports. The idea met with little response, since in the EU there was no corresponding format to make the initiative viable. Brazil's proposal to encourage specialist dialogue on the transfer of know-how in bioenergy was not pursued in depth, but postponed for discussion at the next edition of the Ministerial Conference on the environment between Latin America/Caribbean and the EU, which had been held for the first time this year and was a ground-breaking initiative in the Euro-Latin American process. This instrument could make it viable to seek agreements regarding the use of renewable energies as a complement to reduce the harmful effects on the climate from traditional consumption of hydrocarbons. Europe's interest in promoting renewable energies, such as geothermal, wind or solar power, which are central to the Bali action plan, was considered a starting point for joint action between the two parties. Reconciling Europe's priorities with Latin America's potential was a key factor to make cooperation visible and find common ground between Europe and Latin America at the bi-regional and global levels.

#### *Innovation of Instruments and Implementation*

The Lima Summit was an example of sound preparation of content. Well ahead of time, the Peruvian government undertook the task of promoting debate through prior industry meetings, enabling the parties to make an effort to achieve greater agreement and convergence in positions before the meeting in Lima. Not only has institutional political dialogue in parliamentary, executive and civilian formats proved to be an efficient instrument in building systems for cooperation, but industry-focused dialogues also had a similar repercussion. In this regard, the persons responsible for issues relating to the environment, drugs and immigration met ahead of the Summit and showed that this format might help to overcome the traditional low productivity at these events, with their *ad hoc* multilateralism. Accordingly, greater continuity has been achieved in the periods between summits, although the matter of supervising implementation of the agreements achieved at the presidential meetings remains pending. The proposal of the Peruvian host Alan García to commission the supervision of the agreements achieved in Lima to the *pro tempore* secretariats in Madrid and Buenos Aires until the next summit is held in Spain

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seems to be a good suggestion, although it does not meet the expectations of generating a more flexible institutional format.

The other traditional formats for sub-regional and bilateral dialogue held in Lima in the context of the summit made evident the interest of Latin American countries in completing trade negotiations with Central America and the Andean Area in 2009, respecting internal differences and the respective capacities of these nations. This shows the increasing heterogeneity of Latin American countries, which must overcome difficulties to create structures for reciprocity in trade negotiations. From this standpoint, there seems to be an inclination to negotiate hybrid free trade agreements (FTAs), more similar to the United States' DR-CAFTA which works as an umbrella agreement for a series of individual FTAs with the various countries. This system would break with the EU's traditional concept of obliging its Latin American counterparts to negotiate as a group and thereby transmit its own experience of integration.

In terms of political dialogue, we must wait and see what innovations can be contributed by the political dialogue structured around social cohesion and public policies agreed with Brazil in a memorandum of understanding in April 2008. Worthy of special mention is the agreement at the Lima Summit to consider the creation of a Latin America/Caribbean-EU Foundation, stemming from a proposal at the Euro-Latin American Parliamentary Assembly (EuroLat) in Lima on 1 May. The Foundation could have a pivotal role in Euro-Latin American relations and could become the central arena for bi-regional debate. This would fill the vacuum in the coordination of the different governmental, parliamentary, civil and academic approaches. Furthermore, it might be possible to overcome the European Commission's aversion to supporting permanent institutions and limited itself to the creation of networks as a sole pattern for Euro-Latin American relations. The bases for the Euro-Latin American Foundation must be established at a meeting of senior civil servants in 2009. We will have to wait and see whether this meeting provides an organisational boost for the various levels of dialogue and reflection between Europe and Latin America, gives expression to the community of wills and generates new overlapping values. In this regard, Euro-Latin American relations emulate the experience in the EU's relations with its counterparts in South-East Asia (the Asia-Europe Meeting, ASEM), which has produced good results.

#### *A Major Boost: The Parliamentary Initiative – EuroLat*

In comparison to the Lima Declaration, which entails 57 agreements covering 17 pages, the message from the second plenary session of the Euro-Latin American Parliamentary Assembly (EuroLat) addressed to the presidential summit in Lima on 1 May was more refreshing, had more political content and a longer-term vision. This message adequately accommodates asymmetry in Euro-Latin American relations, and the aim is to reflect this based on a concept of solidarity and complementary natures. At the same time, it proposes a global inter-regional partnership, which could (along with progress in peace and security cooperation) offer a whole new approach to bi-regional cooperation.

The message concisely and adequately sets forth the next steps for focusing and strengthening institutional and cooperation mechanisms between the parties, starting, for example, with a bi-regional centre for conflict prevention and a centre for monitoring migration. These recommendations clearly point towards the real possibilities for cooperation and could be part of a system in terms of their institutional scope in cooperation. This shows the virtue of cooperation and dialogue that is not obliged to cover all areas with a repetition of the various global initiatives that do not allow or reflect

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specificity in Euro-Latin American cooperation. In this regard, parliamentary action seems to yield more results than diplomacy at summits, which does not manage to shake off tradition and inevitably bears the mark of international events. We might therefore deduce the need to achieve greater convergence between the parliamentary initiative and the executive dynamics to mutually tap the virtues of each of the processes.

*Pre- and Post-summit*

In light of the insults aimed by the Venezuelan President Hugo Chávez at the German Chancellor Angela Merkel prior to the Lima Summit there was considerable concern for the possibly charged atmosphere in Peru. However, when the two met at Lima the previous confrontations were left behind. Once again, the Venezuelan President showed that his international bark is worse than his bite, and that provocation is his style of foreign policy.

There was a greater impact from the confrontation between Presidents Chávez and Correa and their Colombian colleague Álvaro Uribe due to the remarks regarding the authenticity of the documents found in the computers of Raúl Reyes, the FARC's number two, who was shot dead during an incursion by the Colombian army in Ecuadorean territory. This conflict is hampering not only the Andean integration process but is also undermining the new integrating institutions such as Unasur, Banco del Sur and PetroAmérica. The relationship will need to be discussed further by South American leaders, since it has all the ingredients to hamper the understanding between the countries in the region. The EU has no role to play here, but the contacts between the Spanish Prime Minister Rodríguez Zapatero and the Venezuelan President defused the confrontation to facilitate more appropriate channels for understanding. Hugo Chávez's provocation will, however, guarantee further confrontation, and this could hamper the partnership between Europe and Latin America. Accordingly, it seems vital that the EU, in its policy regarding Latin America and the Caribbean, must seriously accept that asymmetry is a fact and make every effort to design more flexible mechanisms to respond to the increasing heterogeneity in the sub-continent, above and beyond its traditional inter-regional approach.

**Conclusions:** Beyond the intentions of the participating statesmen, the Lima Summit could mark a turning point for Euro-Latin American relations: never before has there been such a clearly articulated insistence by Latin America in regard to asymmetry, not only between the Latin American sub-regions and the EU, but also within those sub-regions. The insistence on negotiating a more individually tailored FTA with CAN members by Colombia and Peru made it clear that Europe's idea of inter-regionalism is approaching the limits of productivity in Euro-Latin American relations. The debate must now focus on the extent to which the inter-regional model can remain valid in political dialogue and cooperation, while the EU will have to open up to a more individual approach to trade negotiations. Multiple speeds will inevitably steal the limelight at future bi-regional meetings.

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