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Andrea Ribeiro Hoffmann

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## EU-LAC relations after the 2023 EU-CELAC Summit: what now?

**Andrea Ribeiro Hoffmann**, Associate Professor, International Relations Institute at the Pontifical Catholic University of Rio de Janeiro (PUC-Rio)

### Abstract

This policy brief critically assesses the III EU-CELAC Summit that took place in July 2023 after a pause of eight years. It is argued that even though the results were rather unimpressive, in the current context of global crises and uncertainties, they should not be dismissed. Governments and civil societies in both regions should not let the sparkle of the Summit extinguish and seize the moment to advance further consensus about better mechanisms to transform common values in collective action at the birregional and global-multilateral level in this critical juncture of history.

**Keywords:** Cooperation between EU and Latin America and the Caribbean, European Union foreign policy, CELAC, Mercosur, multilateralism

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## Οι σχέσεις Ευρωπαϊκής Ένωσης – Λατινικής Αμερικής και Καραϊβικής μετά τη Διάσκεψη Κορυφής ΕΕ-CELAC: μελλοντικές προοπτικές

**Andrea Ribeiro Hoffmann**, Αναπληρώτρια Καθηγήτρια, International Relations Institute, Pontifical Catholic University of Rio de Janeiro (PUC-Rio)

### Περίληψη

Αυτό το κείμενο πολιτικής αξιολογεί κριτικά την τρίτη Διάσκεψη Κορυφής ΕΕ-CELAC που πραγματοποιήθηκε τον Ιούλιο του 2023 μετά από παύση οκτώ ετών. Υποστηρίζει ότι παρότι τα αποτελέσματα της Διάσκεψης δεν ήταν εντυπωσιακά, στο σημερινό πλαίσιο παγκόσμιων κρίσεων και αβεβαιότητας, δεν θα πρέπει να απαξιωθούν. Οι κυβερνήσεις και οι κοινωνίες των πολιτών και στις δύο περιοχές δεν πρέπει να αφήσουν την ευκαιρία της Διάσκεψης Κορυφής να χαθεί και να αδράξουν τη στιγμή για να προωθήσουν περαιτέρω συναίνεση σχετικά με καλύτερους μηχανισμούς για τον μετασχηματισμό των κοινών αξιών σε συλλογική δράση σε περιφερειακό και παγκόσμιο-πολυμερές επίπεδο σε αυτή την κρίσιμη καμπή της ιστορίας.

**Λέξεις κλειδιά:** Συνεργασία μεταξύ Ευρωπαϊκής Ένωσης – Λατινικής Αμερικής και Καραϊβικής, εξωτερική πολιτική της ΕΕ, Κοινότητα Χωρών Λατινικής Αμερικής και Καραϊβικής (CELAC), Κοινή Αγορά του Νότου (Mercosur), πολυμερείς σχέσεις.

### 1. III EU-CELAC Summit: a glass half empty of half full?

After a pause of eight years, the III EU-CELAC Summit of Heads of State and Government was held in Brussels, on 17-18 July 2023, and raised high expectations on both regions. The summit was held under the theme “Renewing the bi-regional partnership to strengthen peace and sustainable development”, and the main formal results of the Summit included the Declaration of the EU-CELAC Summit 2023 and a Road Map 2023-2025 (EULAC Foundation 2023).

Most analyses of the results of the Summit have been, however, quite negative. Nolte and Alvarez (2023), for instance, argued that “the consensus seems to have added up in breadth, but not in depth or strategic sense. The extensive 41-point final Declaration did not leave aside any issue of the complex and broad bi-regional agenda, such as climate change, sustainable development, gender equality, protection and sustainable use of the oceans, access to clean water, responsible digital transformation, social justice and the fight against corruption and crime. This is an extensive and challenging list of joint issues, with no prioritisation.” (p.1). In their view some of the problems were disagreements on the question of Ukraine and the protection of human rights and democracy; while Europeans expected a stronger criticism of Russia, LAC countries were more concerned with crimes of the past (slavery), showing profound disagreements in their respective worldviews and that both regions are far from having a common strategic vision in international politics.

While these are valid points, seen in the wider context of crises and uncertainties at the global level and Latin American regionalism, one may rather see the results as a half full glass, instead of half empty. As Libardi (2023) highlights, at least the leaders were able to reach a consensus; the declaration fell short of a direct condemnation of Russia, but expressed common concerns over the war and support to the UN Charter and International Law such as in paragraphs 15: “We express deep concern on the ongoing war against Ukraine, which continues to cause immense human suffering and is exacerbating existing fragilities in the global economy, constraining growth, increasing inflation, disrupting supply chains, heightening energy and food insecurity and elevating financial stability risks. In this sense, we support the need for a just and sustainable peace. We reiterate equally our support for the Black Sea Grain Initiative and the efforts of the UNSG to secure its extension. We support all diplomatic efforts aimed at a just and sustainable peace in line with the UN charter.” (Declaration of the EU-CELAC Summit 2023, par. 15); and paragraph 7, which reaffirms that the common values between the EU and CELAC are “based on the principles and objectives of the UN Charter and International Law, including the principles of sovereignty, self-determination, non-intervention in matters which are essentially within the domestic jurisdiction of States and to refrain in their international relations from the threat or use of force against territorial integrity” (Declaration of the EU-CELAC Summit 2023, par. 7).

Other positive results include the references to health and climate change. Health has been a key issue of multilateral politics since the COVID-19 pandem-

ic and was poorly handled in the interregional cooperation (Luciano 2020). Paragraph 30 of the Declaration refers to CELAC's Plan on Health Self-Sufficiency and the international treaty on pandemic currently in discussion, representing a positive trend in this topic: "We express our commitment to take forward the bi-regional partnership on local manufacturing of vaccines, medicines, and other health technologies, and strengthening health systems resilience to improve prevention, preparedness, and response to public health emergencies, in support of the CELAC Plan on Health Self-Sufficiency. We look forward to the progress of the ongoing discussions on a new legally binding instrument on pandemic prevention, preparedness, and response in the framework of the World Health Organisation, with the aim to agree it by May 2024" (Declaration of the EU-CELAC Summit 2023, par. 30). Health was also addressed in the EU-CELAC Roadmap for 2023 to 2025, that foresees a High-Level event on Health regulatory frameworks to take place in 2023, and meetings on Health Self-Sufficiency involving regulatory authorities from both regions, to take place in 2024-2025, an indication of a willingness to go beyond words and move towards implementation of the commitments.

Climate change was discussed in several preparatory and parallel meetings before the Summit such as meetings with civil society, including the participation of the Jean Monnet Network coordinated by this author at the VLAC-EU Academic Summit of the Permanent Academic Forum Latin America and the Caribbean – European Union (FAP ALC-UE). Climate change was also a priority in the recommendations elaborated by CEPAL for the EU-CELAC partnership, that highlighted the following themes: energy transition, electro-mobility, circular economy, bioeconomy, geographic realignment of production, pharmaceuticals and life sciences, and medical devices (CEPAL 2023). Climate change was present in several paragraphs of the Declaration, a demonstration of a transversal perspective of this topic in the birregional relations, ranging from more economic to more normative topics, including a reference to mother earth in paragraph 16: "We recognise that planet Earth and its ecosystems are our home, and that "Mother Earth" is a common expression in a number of countries and regions in the framework of the resolution A/RES/77/169 of the United Nations General Assembly" (Declaration of the EU-CELAC Summit 2023, par. 16). Paragraph 3 stated that "We will also cooperate to mitigate the adverse effects of climate change and environmental degradation, according to the principle of equity and common but differentiated responsibilities and respective capabilities, in the light of different national circumstances" (Declaration of the EU-CELAC Summit 2023, par. 3), indicating a compromise between both regions on these controversial principles. As in the case of health, the EU-CELAC Roadmap includes further activities for 2023 to 2025, namely, a Multi-Actor Dialogue Forum on Higher Education, Gender Equality, Green and Digital Transitions and Social Cohesion organized by EU-LAC Foundation to take place in October 2023; a EU-LAC Business Summit, including a circular economy event; an EU-Latin American Convention on Raw Materials; a High-level bi-regional meeting on Environment and Climate Change; and EU-LAC Dialogues on Disaster Preparedness and Disaster Risk Management.

## 2. EU-Mercosur Agreement

The expectations for the signature of the EU-Mercosur Free Trade Agreement during the Summit were indeed frustrated, but concluding an agreement is only good if it is a good agreement, and perhaps this result must also be seen as a half full glass.

The negotiations on the trade pillar of the agreement between the EU and Mercosur were concluded in June 2019, in a completely different domestic and international environment from when they began in 1999. That year, Mercosur was about to turn 10 years old, on a trajectory of increasing intra- and extra-regional trade and optimism about its role in strengthening the insertion of its member states into the global economy and politics. In geopolitical terms, the rapprochement with the EU was seen as a strategy to counterbalance the hegemony of the United States in the region. In the case of Brazil, the second term of President Fernando Henrique Cardoso was beginning, a period of democratic consolidation and a foreign policy characterised by the search for 'autonomy through integration' (Vigevani et al. 2003).

In 2019, instead, the country was going through one of its worst hours, under the government of Jair Bolsonaro, who was sworn in, in January of that year. Despite significant achievements, Mercosur was also suffering, on the one hand, from polarisation and ideologization in Latin American regionalism, marked by disagreements over how to deal with the crisis in Venezuela and, on the other hand, from the decline in its commercial relevance over the previous decade (Ribeiro Hoffmann 2020). The rise of China, the crisis of multilateral institutions and uncertainties about the changes taking place in the international order defined the contours of the global situation, which was to become even more complex with the Covid-19 pandemic and the war in Ukraine. The conclusion of the Mercosur-EU trade negotiations, which had been reopened in 2016, was controversial. In addition to the traditional disputes in the areas of agriculture, intellectual property and government procurement, the Brazilian political context and its environmental policy, aroused criticism in both regions (Toni & Feitosa 2022). The final text resulting from the negotiations was made available on the European Commission's website (European Commission 2019), but the agreement was not a final text and (still) is subject to modifications (Ribeiro Hoffmann 2023).

The election of President Lula in Brazil and his new approach to foreign policy, in particular the emphasis on regional integration and the strengthening of Mercosur, and multilateralism, gave a new impetus to the process, which raised expectations that the negotiations could be finalized in time for the agreement to be signed during the Summit. However, during the first months of Lula's government the regional agenda has been a watered-down approach to regionalism in which some infrastructure projects have received attention, such as the bio-oceanic routes connecting Brazil with the Pacific Ocean via Paraguay, Argentina and Chile (ports of Iquique e Antofagasta), with the aim to replace the route via the Panama channel, and to facilitate the exports of bovine, cellulose, corn and

soya (Brazilian Ministry of Planning and Budget 2023). At the political level two important meetings took place, but the follow-up is yet to be seen: the Summit of Heads of States of South American States, that took place in Brasília, Brazil, in May 2023, and the Summit of Heads of States of the Amazon Cooperation Treaty Organisation (OTCA), that took place in Belém do Pará, Brazil, in August 2023.

Despite the not yet overcome fragmentation of Latin American regionalism, and therefore the lack of effective priorities of Mercosur in the foreign policy of its member-states, a key problem of the EU-Mercosur agreement is the unimpressive results of the impact assessments made so far. As Martinez (2023) summarizes, based on a comprehensive literature review that includes an (independent) impact assessment commissioned by the EU (LSE 2018): "Evaluating the purely commercial side of the agreement, the evidence available so far indicates GDP and welfare gains of a small magnitude. Most studies point to GDP increases of between 0.20 per cent and 0.45 per cent in the long term. In studies that simulate transition dynamics, the expected increase in GDP five years after the agreement comes into force is between 0.09% and 0.15%." (op.cit, p.13). He adds that, in the case of Brazil, for instance, these assessments do not include "long-term impacts of trade, the process of structural change in the Brazilian economy, dynamic effects on innovation capacity and adjustment costs in the capacity for innovation and adjustment costs in the labour market" (op.cit.,p. 14), and that the incorporation of these aspects is likely to worsen the effects on the Brazilian (and Latin American) economies given their premature deindustrialisation and specialisation in sectors with less potential for fostering innovation and knowledge economies, since they are mostly exporters of agricultural products and commodities.

In addition to other more specific problems such as the controversial mechanisms of environmental conditionalities (Sanahuja 2020, Ribeiro Hoffmann 2023), another concern voiced by analysts is the possible effects of the agreement on Mercosur's fate as a regional organization. Maduro et al. (2020, p.5) argue that "It is to be expected that the Mercosur-EU agreement will influence the normative framework of the South American bloc and the very essence of the integration process, since it will be necessary to update the bloc's agenda to keep it compatible with the negotiated agreement". Peña (2023) draws attention to the potential effects of the bilateral nature of the EU-Mercosur agreement, i.e., the fact that the agreement can enter into force in a state-party before all state-parties have ratified it: "the so-called bilaterality could have consequences that transcend the bi-regional agreement and that would penetrate deep even into the existential dimension of Mercosur and the relations between its member countries...[transforming] the Mercosur customs union into a free trade zone" (Peña 2023, p.2-3). These concerns have increased uncertainty about the advantages of the conclusion of the EU-Mercosur agreement, at least, this version of the agreement.

### 3. Concluding remarks: What now?

The results of the III EU-CELAC Summit of Heads of State and Government were not impressive, but in the current context of global crises and uncertainties, they were not insignificant. The consensus achieved and expressed in the Declaration and the Roadmap for 2023 to 2025 represents a new trend in the relations between the EU and the LAC region, that had stagnated for almost a decade. The EU-Mercosur free trade agreement must be further discussed as there is no clear evidence of its value to foster an effective commitment of sustainability and the improvement of the wellbeing of the citizens of both regions. But other sub-regional relations have been fostered in the Summit, and the overall EU-CELAC Partnership has the potential to advance in key themes such as health and climate change. Governments and civil societies in both regions should not let the sparkle of the Summit extinguish and seize the moment to advance further consensus about better mechanisms to transform our common values in collective action at the birregional and global-multilateral level in this critical juncture of our history.

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