

**Relaunching relations between Latin America and the
European Union. Strategic autonomy, advanced
cooperation and digital, environmental and social recovery**

SUMMARY REPORT





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Part I. Context

1. PANDEMIC AND SYNDEMIC: SOCIO-ECONOMIC IMPACTS AND AGENDA 2030 IN THE CONTEXT OF A NEW GLOBAL PUBLIC HEALTH GOVERNANCE

Ana Sojo

What factors drive the outbreak of a pandemic like COVID-19? First, the constraints that Latin American countries face in transitioning towards a comprehensive approach to climate change and pandemic challenges need to be considered, analysing the potential of ongoing environmental agreements to increase prevention capacity. Second, there is a need to reflect on the necessity of transforming health governance at the multilateral level, with proposals that are being developed to strengthen and streamline the World Health Organisation (WHO). Finally, universal and equitable vaccination as a prerequisite for post-pandemic recovery is an imperative that must not be overlooked.

Structural drivers of global pandemic risks in the face of the “one health” approach

The outbreak of the COVID-19 pandemic accelerated the dawn of a new epidemiological era, and with it, the conceptualisation of health-related challenges has increased. For example, the concept of syndemic has deepened the relationship of human biology to social systems, posing problems and questioning the understanding and definition of diseases as entities that can be dissociated from social contexts. Further, it characterises the connections between animals and humans and their mutual influence. Thus, the prevention of zoonotic diseases is an objective that involves multiple state fields and involves the social stakeholders that play a crucial role in the development of productive activities. In this sense, it is crucial to understand the structural factors that have led to the increased emergence of new diseases with a high contagious capacity, such as SARS-Cov-2. One of these factors is related to the disruptive impact of human activities that exploit unsustainably, for example: deforestation of tropical forests; land-use changes; expansion of human settlements and developments; expansion and intensification of agriculture and trade linked to unsustainable production and consumption; mining; wildlife exploitation, and the growing trade and consumption of wild species and derived products, and animal overcrowding in the industrial poultry and livestock food chains. Another factor is associated with the effects of climate change, which, by acting as a driver of pandemic risk, drives the displacement of people and wildlife, as well as hosts and vectors, thereby favouring inter-species contacts and disrupting natural dynamics with pathogens.

These structural factors require the development of interpretative frameworks that incorporate pandemic risks in a cross-cutting manner in relevant aspects that promote a one-health approach, given the recurrent absence of the cross-cutting nature of pandemics



in recent analyses of the environment in key institutions, such as the special report on Health and Climate Change that the WHO prepared for the 2018 United Nations Climate Change Conference (COP24) in Katowice.

In a world that is turning into a global community, where pandemics pose a major risk due to the speed of their impact, it is crucial to consider the potential of the environmental agreements in place to increase prevention capacity in the new epidemiological era, given that they incorporate these risks in a cross-cutting way, as in the case of the European Green Deal (EGD), for example. Broadly speaking, the EGD calls for a Climate Act for achieving climate neutrality by 2050, encompassing several initiatives geared towards the decarbonisation of energy through the use of renewable resources; the transition to a circular economy; the development of a massive building renovation programme to enhance building insulation; the development of sustainable and smart mobility; the pursuit of biodiversity conservation strategies; and progress in the reform of agriculture and land use. Furthermore, this deal raises the need to add to future EU partnership agreements a binding commitment to the ratification and effective implementation of the Paris Agreement as an environmental clause aligned with the objectives of the 2030 Agenda.

Global governance of public health in the face of pandemic threats: WHO reform imminent?

The recent experience of dealing with the COVID-19 pandemic has prompted an urgent discussion about the multilateral framework, its relevance, timeliness and the effectiveness of its rules. The critical perspective on how the pandemic was handled has revealed several points. On the one hand, countries' lack of preparedness in the face of global health risks, and on the other hand, the need to reform governance at the multilateral level and at its most important institution in the field, the WHO.

An independent panel has assessed the fulfilment of the WHO's mission and the reforms that need to be implemented, with a final report submitted to the World Health Assembly in 2021. It notes, among other things, that the organisation's failures and the current pandemic should be a catalyst for fundamental changes in a systemic approach. This will require a new global protection framework that is seen as a collective investment in human security and mutual well-being, engaging everything from the local community to the highest international authorities. This report is in line with the findings of the ad hoc committee that was charged with reviewing the 2005 International Health Regulations (IHR), which found, among other things, insufficient high-level political support and scarce resources to implement the regulations. The initiative that brought together the WHO director and 27 world leaders for a more robust and effective international health



architecture to respond in a coordinated manner was taken up at the WHO World Health Assembly in 2021, where the idea of a global treaty on pandemics was included.

The imperative of universal vaccination

The year 2021 was fraught with challenges to global progress on immunisation. The barriers that prevented faster and more equitable progress on vaccination combine a broad constellation of different phenomena, including the hoarding of vaccine purchases; global inequalities in access; lags in the production of some vaccines due to discontinuity in production chains; the slow and bureaucratic nature of the COVAX system designed to provide vaccines to countries with fewer resources; safety issues in vaccine production; the imposition of export barriers due to critical outbreaks of COVID-19; difficulties in scaling up production by the pharmaceutical companies with the greatest demand, etc. In addition, the phenomenon of “vaccine nationalism” and inequalities in access on a global scale mean that vaccination is subject to economic power, hindering progress in the fight against the pandemic. Finally, particular focus should be placed on the role of international cooperation as an indispensable tool for the achievement of global public health, which is crucial for faster and more equitable progress in vaccination on a global scale.



2. LATIN AMERICA: GEOPOLITICAL COMPETITION, REGIONALISM AND MULTILATERALISM

Érika M. Rodríguez Pinzón

Against the current backdrop of change and reorganisation of the international system, Latin America faces serious challenges finding its place in the new world order. In order to better understand these issues, the geopolitical landscape is examined through a study of Latin American regionalism, the region's relationship with the main global powers, and the multilateral challenges that lie ahead. It analyses the region's structural deficit, exacerbated by the effects of the COVID-19 pandemic, in addition to the crisis of its model of regionalism, in a context of growing fragmentation and political polarisation that weakens the options for a joint approach and the design of a process of "strategic autonomy".

A geopolitical context in transition

The international financial crisis of 2008 marked the end of globalisation as a historical structure and hegemonic international order. These structural changes are evidenced in the production model and the international division of labour, as well as in the challenges posed by illiberal political forces to the institutions, norms and ideas on which the liberal international order has been based since 1990. The post-Cold War world was followed by a strongly regionalised pattern of globalisation that underpinned the liberal internationalism that is now in crisis. This situation faces different options for rebuilding new balances in the context of the transition of power at the systemic level, marked by the dispute between a declining and a rising power. This raises a relevant question: will it be a bipolarity comparable to that of the Cold War, or are we heading towards a different model in which it is impossible for there to be a total decoupling between China and the US, or an alignment of the other players?

On this point, the literature suggests a range of different scenarios. One of them alludes to the process that results from this change and seems to delineate a bipolarism with a high degree of interdependence and global interconnection that is different from the Cold War period, in that it features low polarity in the absence of a rigid bloc structure. Others emphasise the fragmentation of power and the growing complexity of global governance, where the dispute between China and the US becomes pivotal, given the economic interdependence that would make a Cold War-type confrontation highly costly. In contrast to these views, from a critical perspective it is argued that assuming such a framework limits the analysis by focusing on the dynamics of domination, dependence and the balance of power within an anarchic international system. This prevents a multidimensional understanding of the impact of political processes of decolonisation, ignores non-state players and transnational connections, and neglects the non-material dimension of power. Likewise, it does not allow for the assimilation of changes in the



international economy through the rise of globalisation. The polarity-based narrative confuses structure and agency, assuming long-cycle structural changes where there is only short-term agency, ignoring its own role as a discourse of power, of legitimising stakeholders and as a generative factor of the material capacities of both blocs.

Another dimension worth analysing is the crisis of globalisation, a crisis driven by both structural and agency factors. The former includes the social change brought about by the dynamics of globalisation itself, and technological changes that imply a new form of production. The latter include the rise of nationalist, “illiberal” and extreme right-wing political forces that channel social discontent, challenging multilateralism and regionalism, and the revisionist position of emerging countries, giving rise to a new geopolitical competition. The current debate on the crisis is about whether globalisation will lead to the development of a post-globalisation or a trend towards de-globalising dynamics.

Regionalism: from effervescence to the hollowing out of Latin America

Against this backdrop of crisis and change, Latin America faces a negative scenario for several reasons. These include the loss of international gravitas, the division and fragmentation of the main regional organisations, and the lack of fundamental mechanisms of coordination and leadership to spearhead collective action. In this dynamic, it is unclear how the region will participate in a possible restructuring of global value chains, and beyond the economic and commercial dimension, there are references to a “hollowing out of Latin America” as a deliberate absence of collective action by the region that could lead to the loss of its status as a player in the global system.

In this scenario, Latin American countries’ strategic capacity to deal with the challenges posed by structural change is limited. A potential “strategic autonomy” for the region is limited by the weakness of its regional spheres, from which interests could be pooled and capacities fostered. Added to this situation is the unfavourable relationship of dependence and intervention with the United States, and now with the presence of China. At the same time, the ongoing disparities between the different sub-regions discourage the idea of a region united in a single organisation.

The relationship with the EU raises the need to strengthen cooperation policy, reactivating the different association agreements that the EU has with countries or regional groups, such as the agreement with Mercosur. Meanwhile, the trend towards deglobalisation and challenges to the liberal order require a repositioning of the region in the face of the hegemonic dispute between the powers.



In short, it is necessary to reflect on the role the regions play in the context of crisis and change, as key players in the construction of an autonomous and non-aligned foreign policy that takes on the environmental and commercial challenges of the post-pandemic world.



Part II. Post-Pandemic Recovery and Development in Transition: the European Union and Latin America and the Caribbean

3. DEVELOPMENT IN TRANSITION IN LATIN AMERICA IN TIMES OF COVID-19

Sebastián Nieto Parra and Rita da Costa

Through which perspective can Latin America be analysed in the post-pandemic world? One possible way forward is through the Development in Transition (DiT) approach, which makes it possible to analyse the actions that Latin America should take in order to improve the welfare of its citizens in the post-COVID era. This policy approach is based on the need to guarantee that a renewed social contract is implemented, with new mechanisms and practices that integrate current global trends, the relationship between national policies and the international sphere, as well as the generation of stronger domestic capacities to tackle common challenges.

The DiT approach, jointly analysed by the OECD, ECLAC, CAF-Development Bank of Latin America and the European Commission in the *Latin American Economic Outlook 2019* report, is useful when it comes to understanding the challenges of finding a way out from the COVID-19 crisis and the strategy to follow for a sustainable and inclusive recovery in the region. In the wake of this crisis, reflecting on the concept of development, the strategies that countries should adopt and the role of international cooperation in facilitating these efforts is imperative. All of this, within the framework of a multidimensional perspective that allows progress towards the Goals of the 2030 Agenda for Sustainable Development.

In this sense, the DiT approach highlights the need to increase domestic institutional capacities and adopt innovative forms of international development cooperation, redefining governance based on inclusion so that countries with different income levels cooperate on an equal footing. This approach also puts well-being at the forefront, recognising that development is about more than GDP, and in the current context of this crisis, targeting well-being is critical for generating a sustainable and inclusive recovery.

Beyond the socio-economic disparities brought about by the COVID-19 pandemic, the DiT approach makes it possible to identify and define a recovery agenda that takes into account other intersectionalities, such as geographical (due to the marked differences between urban and rural areas in Latin America), gender-based (given the traditional division of roles within families, particularly among women), the migrant population (overrepresented among the poorest segments of the population), and race and ethnicity.

Towards a renewed social contract

The recovery agenda that the region needs can be adopted from the DiT approach. This process is critical for generating the consensus needed to define the multidimensional



aspects considered essential for people's well-being, to establish indicators that reflect the key concerns, and to gain a holistic understanding of the new path of the region's development model. With a view to creating virtuous circles in the region, the following list of items is the basis for achieving a renewed social contract:

- i) The importance of a productive development model geared towards environmental sustainability, where digital transformation is a major partner in boosting productivity and generating higher levels of formal employment.
- ii) The reduction of poverty and vulnerabilities in the region through the creation of more robust and inclusive social protection systems that prioritise the most vulnerable groups.
- iii) Designing and implementing a fiscal agreement that builds credibility in institutions through reforms of the tax and expenditure systems.

Towards international cooperation that facilitates new models of development in the region

On the other hand, the DiT approach presents the need to rethink not only the paradigms of development, but also those of international cooperation in the new context created by the COVID-19 crisis.

International cooperation should be a tool that makes it possible to create future development models in the region, models that focus on inclusion, resilience and sustainability. Moreover, it is crucial that international cooperation explore the effects of globalisation and its interrelation with national agendas more deeply. Under this approach, domestic public policies are connected to the international arena because of the growing interconnection between the different levels that crises, like COVID-19, have brought to light. Likewise, international cooperation should facilitate a development paradigm that addresses domestic challenges while balancing the market outcomes of globalised, interdependent economies.

Given the injection of public resources during the health crisis, a qualitative leap should be made to set the response apart from previous crises, where policy planning and reforms, driven by international cooperation, should go beyond mere reconstruction, focusing on transforming globalisation and maximising its impact on inclusive, resilient and sustainable development in Latin America.

International cooperation as a facilitator of the construction of new social pacts in Latin America

Within the framework of a post-pandemic world, new social pacts will be needed to define models that help eliminate so-called "development traps". These social pacts can play a major role in creating more equitable social protection systems, mitigating the impacts of



climate change and building a technological partnership for increased productivity and innovation.

International cooperation is a vital tool that can help define and implement these pacts between economic and social sectors to create a more resilient, sustainable and egalitarian region. In turn, the new social pacts for Latin American and Caribbean countries will need to address domestic challenges and balance the market outcomes of globalised and interdependent economies.

In conclusion, to implement the above, it is crucial to evaluate three key elements with respect to the role that international cooperation should play: increased funding, greater coordination in creating global rules and standards, and enhanced technical cooperation based on knowledge sharing and the promotion of national capacity building.



4. THE GREEN DEAL, *NextGenerationEU* AND THE NEW GEOPOLITICAL EUROPE

José Antonio Sanahuja

What were the strategies that the EU adopted in response to the international crisis? The EU built its response on three main cornerstones: the NextGenerationEU (NGEU) programme, the European Green Deal, and the search for greater strategic autonomy. This response signifies a genuine transformation of the EU and will affect both its own social and economic development and its relationship with the rest of the world. While the COVID-19 pandemic has been one of the initial catalysts for these transformations, the war in Ukraine accelerated this process, which constitutes a true “geopolitical awakening” for the EU.

Pandemic response and *NextGenerationEU*

The NGEU is an economic recovery and socio-economic transformation fund negotiated and approved during the first half of the 2020s. It was launched to tackle the pandemic and share the risks by pooling debt through perpetual bonds and was formalised in the European Council agreement of July 2020, which established an extraordinary fund in the face of the severe exogenous shock and crisis that affected the EU as a whole. Over 800 billion euros has been allocated to the fund, in addition to the resources of the multiannual financial framework, and it will be financed through the issuance of common debt, in six years, to be repaid by 2058. It has an environmental component that will be financed through the issuance of “green bonds”. To repay this debt, new tax-based resources have been included for the EU, some of them linked to the European Green Deal, specifically taxes on disposable plastics, on the emissions trading system, an external carbon tariff and a tax on financial transactions.

The programme is meant to be an instrument of medium- and long-term transformation that will contribute to strengthening resilience and social and territorial cohesion, with the goal of promoting a change in the economic model, incorporating digital transformation and the ecological transition. An ex-ante conditionality element is established for the implementation of the funds, through which the European Commission will approve the national plans that will have to incorporate the recommendations and ensure adequate implementation, under the supervision of the EU, which may withhold disbursements in the event of non-compliance.

The European Green Deal

The European Green Deal (EGD) is the EU’s economic and social policy framework, guided by the decarbonisation and climate change goals set out in the 2015 Paris Agreement. One of the main elements of the EGD is the Climate Act of July 2021, with a binding mandate to achieve net zero emissions and climate neutrality by 2050, with an



intermediate target of 55% emission reductions by 2030 compared to 1990. This implies a transition in the EU’s energy mix through public and private investment in renewable energies, such as wind and solar, decarbonisation of gas, improved storage technologies, batteries and “green hydrogen”. Likewise, the deal is committed to electric mobility and generating tougher standards, tougher energy taxes and improved insulation of buildings, among other measures. The European Commission has also proposed an environmental, social and corporate governance (ESG) framework, approving the section on energy and climate in April 2021, and after difficult negotiations, it has proposed including natural gas and nuclear energy on a transitional basis.

The changes envisaged in the EGD are contained in the “Fit for 55” legislative package of July 2021, which overhauls the energy efficiency and renewable energy directives with the aim of having 40% of the EU’s total energy supply come from renewable sources by 2030. In this sense, there is a proposal to ban internal combustion vehicles by 2035, promoting the acceleration of the installation of electric and hydrogen recharging points. Furthermore, the emissions trading scheme, which already applies to carbon emissions and which is now extended to the transport and building sectors, including heating, will be strengthened.

This policy framework implies the return of industrial policy and the shifting of finance to serve a new societal rationale for climate targets. “Fit for 55” proposes creating a new Social Climate Fund, which will complement other EU structural funds, to provide support for thermal insulation of housing, renovation of vehicles and the prevention of energy poverty. The implementation of “Fit for 55” is proving to be a challenge following resistance from some governments to the proposal.

Challenges to strategic autonomy

On the quest for greater “strategic autonomy”, the Union’s initial approach was limited to foreign, security and defence policy, but the new international climate and the COVID-19 pandemic have triggered a broader definition that covers, among other issues, energy, digitalisation, and industrial policy that is financially backed by the *NextGenerationEU* programme.

Here, the EGD converges with the EU’s aspirations for strategic autonomy. In the wake of Russia’s invasion of Ukraine, the informal European Council in Versailles reiterated, with heightened urgency, an issue that had already been raised following the COVID-19 pandemic: the so-called new growth model for the EU, one focused on its own market, with increased EU productive capacity that is more resistant to disruptions in global supply chains. In March 2022, the European Commission presented “REPowerEU”, an ambitious plan to achieve energy independence from Russia in the shortest time frame



possible as part of the “Fit for 55” legislative package, with a target to tighten gas consumption by 30% by 2030, and to reduce Russian gas consumption by two-thirds by the end of 2022.

This plan has three main components: the first is urgent action on energy prices. The second is to boost gas stocks to meet the demands of winter 2022-2023, reaching 90% of storage capacity by 1 October 2022 in a coordinated and cooperative effort. The third component aims to accelerate the energy transition envisaged in the Green Deal and “Fit for 55”, drawing on NGEU funds and other resources.

All of the above speaks to the importance of the crisis situation and the changing international order as a catalyst for a greater material and symbolic capacity of “geopolitical Europe”.



Part III. Bi-Regional Relations in the Post-Pandemic Context

5. THE EUROPEAN UNION'S STRATEGIC AUTONOMY: WHERE DOES LATIN AMERICA STAND?

Francisco J. Verdes-Montenegro

Why is it important to understand the evolution of the concept of strategic autonomy in the EU? How can the bi-regional partnership between the EU and LAC be strengthened based on the notion of strategic autonomy? Answering these questions involves addressing the currently lively debate on EU strategic autonomy under the current crisis scenario, triggered by the COVID-19 pandemic, the withdrawal from Afghanistan and Russia's aggression in Ukraine. To this end, bi-regional cooperation relations in the area of strategic autonomy should be considered, as a mutually beneficial option for both regions as well as a way to reduce strategic dependencies. Therefore, the intention is to contribute to the understanding of the roadmap the EU is following after the effects of COVID-19, in which strategic autonomy, together with the European Green Deal (EGD), is one of the two cornerstones guiding the efforts of the European integration process inwards and outwards, as well as a response to the narrative of power that has installed the perception of a new landscape of bipolarity between the United States and China.

Strategic autonomy in the EU: genealogy and understanding of a concept in two readings

The starting point is the two different interpretations of strategic autonomy: one narrow and the other broadened. This distinction responds to circumstances that have shaped each of these interpretations and, consequently, their corresponding effects when addressing the EU's external relations. Specifically, it varies when approaching and thinking about the Latin American region, and with it its potential for bi-regional strategic partnership.

The notion of "strategic autonomy" in the EU can be traced back to its adoption of the EU Global Strategy (EUGS) in June 2016. In it, a new narrative emerges about the identity of the European project that seeks to adapt to a different context compared to the previous decade, as envisaged in the European Security Strategy adopted by the European Council in 2003. With the EUGS, the EU adopted a defensive approach by declining to influence and change the international environment, seeking to extend its model of integration, cohesion and democracy, opting for increased autonomy to prevent outside disruption of its interests and values.

The first EU document to define "strategic autonomy" is the Security and Defence Implementation Plan (SDIP) adopted in 2016, which defines it as the "ability to act and cooperate with international and regional partners wherever possible, while being able to



operate autonomously when and where necessary”. In this sense, the concept of strategic autonomy takes on two main features: on the one hand, it is more closely linked to the EU’s external influence, and on the other hand, it is restricted to the more defence-oriented dimension of its origin.

A second point of “strategic autonomy” is associated with the impact that the Donald Trump administration (2017-2021) has had on transatlantic relations, particularly on perceptions of the strategic nature of this relationship. During his presidency, there were several tensions that arose between the US and the EU that led to major differences, the most important of which, perhaps, refers to the unilateral stance of Trump’s foreign policy and the challenge to the rules-based international order underpinned by the multilateral system. To this end, the EU was called upon to ensure a rules-based international order through partnerships with pro-multilateralism countries and regional groups. Moreover, the protectionist stances taken by the United States, with clear signs of continuity with the transition of power to the Democratic Biden-Harris ticket, the commitment to a policy of reshoring in a context of globalisation in crisis and growing geopolitical competition, encouraged the projection of a new EU that can no longer ignore or refrain from power politics and hegemonic competition. From 1 December 2019, under the mandate of the new European Commission led by Ursula Von der Leyen and Josep Borrell as HR/VP, emphasis was placed on the projection of an EU beyond the US-China dispute through the “Sinatra Doctrine”, which alludes to the need for the EU to “go its own way”.

The pandemic as a shock to and accelerator of strategic autonomy

The outbreak of the COVID-19 pandemic accelerated the importance of the notion of strategic autonomy, especially in terms of its “extended” conception, which includes dimensions such as industrial and technological.

The economic and social consequences of the pandemic were compounded by the weakness of European industry in responding to the demand for key products, which led to questions about the EU’s high level of foreign dependence, particularly on the Asian region. Against this backdrop, there is now talk of strategic autonomy beyond mere defence, in areas such as artificial Intelligence, industrial policy and critical raw materials. An example that illustrates this situation is the document that was co-signed by the governments of the Netherlands and Spain in 2021, which clearly broadens the concept of strategic autonomy from a geo-economic conceptualisation that responds to the current international environment.

Thus, the derived notion of “open strategic autonomy” responds to the desire to reconcile those who advocate for a strengthening of industrial policies and those who want to preserve openness as a guarantee of competitiveness and innovation.



BELLA: a paradigmatic example of open strategic autonomy

An EU reading of “open strategic autonomy” is not only more cooperative and focused on the management of interdependencies, but also establishes Latin America as a strategic partner when it comes to responding, with a logic of mutual benefit, to the ecological, digital and productive transitions that both regions must undertake. Given its multidimensional nature and considering the strategic dependencies that can be seen with these agendas for change, one would expect a revitalization of the strategic partnership between the EU and Latin America via an agenda that incorporates these issues for future bi-regional meetings. Although its origin predates the EU’s own agenda, an initiative that can be aligned within EU-Latin American cooperation from a perspective of strategic autonomy is the *Building the Europe Link to Latin America* (BELLA) programme, which connects the two regions through a submarine cable.

In short, the geopolitical EU that is opening up in the wake of the events of 24 February in Ukraine, in which the two approaches to strategic autonomy seem to be coming together, implies a constructive engagement with Latin America, together with the promotion of flexible, open and effective partnerships. In this sense, the BELLA programme is an example of best practice, suitable for coordinating EU-Latin American cooperation from a perspective of strategic autonomy. It takes a multidimensional approach that transcends the scientific-educational and has a geopolitical component. It has a whole-of-government approach that is committed to intersectoral collaboration, which marks a path for different EU directorates-general (Communication Networks, Content and Technologies, International Partnerships and Defence and Space Industry), and with a public-private character through the “EllaLink” consortium.



6. INTERREGIONALISM AND EU-LATIN AMERICA AND THE CARIBBEAN ASSOCIATION AGREEMENTS

Arantza Gómez Arana

What is the current state of the interregional partnership between the EU and Latin America and the Caribbean? Through an analysis of the different situations in which the network of Association Agreements between the two regions are currently found, this article reviews the dynamics of the negotiation processes and the varying degrees of progress of the agreements by country or group of countries.

The international landscape following the 2008 financial crisis, with the rise of Eurosceptic forces, the return of protectionism and the consolidation of China as a technological power, poses fresh challenges in the EU's relations with the LAC region. The outbreak of the COVID-19 pandemic could generate a new framework of opportunity to break down old barriers, helping to strengthen positions on both sides of the Atlantic.

Since the 1990s, the EU's agreements with LAC have been implemented simultaneously and with marked differences depending on the regional group, as well as the economic and political context in which the negotiations were held. For example, the Andean Community of Nations didn't generate a consensus to sign a free trade agreement as a regional group. Instead, bilateral agreements were concluded with Mexico (1999), Chile (2002), Peru and Colombia (2010) and Ecuador (2014). In some cases, such as Mexico and Chile, the update of the original agreement was negotiated. In 2010, the EU signed an Economic Partnership Agreement with the "post-Cotonou" Caribbean countries, and a Dialogue and Cooperation Agreement with Cuba in 2016. In contrast, the European bloc signed an Association Agreement with the Central American Common Market in 2012, the first between two regional groups, and in June 2019 it signed an "Agreement of Principles" with Mercosur, which is currently under legal review and awaiting ratification.

European Union-Mercosur

The EU-Mercosur agreement was signed at the G-20 meeting in Japan in June 2019 and became one of the milestones in the history of the bi-regional partnership. The surprise announcement contained a clear political message emphasising two key points: on the one hand, the EU stood as a defender of the international order based on free trade, in rejection of the protectionist policies promoted by Donald Trump's government since 2015. And on the other hand, as a political response to the global rise of China and its growing participation in Latin American economic and political dynamics, particularly in the Mercosur countries.

However, after the signing of the agreement in 2019, a series of obstacles started to come to light that could jeopardise the agreement's success. One is France's rejection of



President Jair Bolsonaro's policy of deforestation of the Amazon in Brazil, and the complaints of French agricultural sectors about the possible economic damage resulting from the agreement. Along those same lines, Ireland, Belgium and Austria, members of the agricultural-livestock coalition led by France, also expressed their reservations about the agreement reached. Several environmental and human rights organisations have called for the agreement to be cancelled, since it could create negative precedents for other EU pacts, calling into question Europe's leadership on environmental issues following the presentation of the European Green Deal. According to experts, the agreement as it stands does not offer clear commitments or guarantees for implementation.

In spite of the counter-position described above, there are European countries such as Spain and Portugal that support the agreement and have galvanised the negotiation process with the Mercosur countries. In an official visit to Brazil in 2020, the former Spanish foreign minister, González Laya, suggested the inclusion of a protocol of commitments in terms of deforestation, and President Pedro Sánchez asked the European Commission for a concrete solution in terms of sustainable development. Faced with these differences, the European Commission published an impact assessment report on the EU-Mercosur agreement in 2021. Overall, the effect would be positive for both regions, contributing to the recovery from the economic crisis caused by the COVID-19 pandemic, and would strengthen relations between the two regions by building on shared values. It is important to underscore that the European Commission has requested a greater commitment from the Mercosur countries, particularly on environmental issues, before proposing the agreement to the Council and submitting it to the Parliament for ratification.

European Union-Caribbean

The agreement between the Caribbean Forum (Cariforum) and the EU was signed in October 2008, and includes Antigua and Barbuda, Barbados, Belize, The Bahamas, Grenada, Guyana, Jamaica, Dominica, Saint Vincent and the Grenadines, Saint Lucia, Saint Kitts and Nevis, Trinidad and Tobago, Dominican Republic and Suriname. Haiti signed the agreement a year later, and it is still awaiting ratification. Implementing this agreement has been a challenge due to multiple factors, specifically problems related to technical capacity building, lack of prioritisation of the agenda and the complexity of decision-making systems in the Cariforum. These are compounded by infrastructure and transport issues as well as issues related to the UK's exit from the EU following Brexit.

European Union-Central American Common Market

Negotiations on the agreement between the EU and the Central American Common Market (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama) began in 2007 and were concluded in 2010. The trade component was provisionally



implemented in August 2013 with Honduras, Nicaragua and Panama, while El Salvador and Costa Rica were provisionally implemented in October 2013, and Guatemala in December of that year.

It is worth noting that one of the achievements of this strategic partnership was the inclusion of Panama in the agreement, since Panama is not part of the Central American Common Market. In turn, the agreement was facilitated by the fact that the Central American group had already signed another agreement with the United States, which involved changes in technical aspects at the national level that were also required by the EU. Central America also benefited from improved conditions with the EU with respect to the Generalised System of Preferences Plus (GSP+). This agreement contributes to improving sustainable development, reinforces political and economic integration in Central America and creates stability. On the other hand, it is important to keep in mind the role that China has been playing in the region. Due to its strategic position, Panama is becoming the gateway to the Silk Road, shifting its relationship with Taiwan, as are Costa Rica, the Dominican Republic and El Salvador.

EU-Colombia, Peru and Ecuador

The EU negotiated a trade agreement with Peru and Colombia in 2011, and it was eventually signed in 2012. These two countries were more interested in the agreement than the other members of the Andean Community, which made it difficult to reach an agreement as a regional group. This was particularly the case when Venezuela left the Andean group to join Mercosur. Subsequently, in January 2017, Ecuador joined the agreement after concluding negotiations it had started with the EU in 2014.

The agreement with Colombia, Peru and Ecuador gradually opens up markets and includes a section on sustainable development and trade with commitments to protect the environment, aiming to include civil society in the talks. Other issues are also added to the agreement, such as cooperation on competitiveness and technology transfer. The free trade agreements developed with Colombia and Peru can be explained by considering not only national policies and interests, but also the context in which they were developed and the influence of players like the EU and the United States. For Colombia, the agreement not only reshaped its economic agenda, but was also motivated by the intention to become a member of the Organisation for Economic Cooperation and Development (OECD).

Agreements with Chile and Mexico

The agreements with Chile and Mexico are currently undergoing a modernisation process that is being hampered by technical issues and a series of political uncertainties. Regarding Mexico, the EU signed the Global Agreement in 1997 and decided that it needed to be improved in 2013. The trade component was updated in 2018, followed by an update to the government procurement component in 2020. The upgrading of the 2020



agreement is happening in a very different context due to the 2008 financial crisis, China's trading power and doubts about US leadership. The new agreement faces fresh challenges such as the digital economy, corruption and migration. The Chilean delegation requested the inclusion of a chapter on gender equality, something that is already part of Chile's agreements with Uruguay and Canada. Other issues included in the update of the agreement are investment, geographical indications, and discussions on corruption and sustainable trade.

In conclusion, the agreements that the EU has reached with Latin America in the framework of interregionalism are important because they seek to champion the defence of common values: respect for democracy, open economic models and greater international cooperation. However, there are still economic barriers within the EU and political difficulties in implementing the agreements that have been reached. The COVID-19 crisis and its multiple impacts reaffirm the need to promote this type of agreement as a way to seek common solutions.



7. A NEW CYCLE IN EURO-LATIN AMERICAN COOPERATION: SHARED VALUES AND INTERESTS

Tobias Jung

Why is it important to associate Euro-Latin American cooperation with the post-pandemic recovery situation in Latin America and the Caribbean? What is the impact of the European Union's (EU) 2021-2027 financial framework and the European Commission's geostrategic priorities on Euro-Latin American cooperation? In response to these questions, the analysis is framed around the role of development cooperation as a tool for contributing to a sustainable and inclusive recovery that addresses the effects of the pandemic in Latin America and the Caribbean during the "decade of action" of the 2030 Agenda.

One of the main innovations introduced by the new European Commission's 2021-2027 financial framework is the creation of the Neighbourhood, Development and Cooperation Instrument (NDICI), renamed "Global Europe", which brings together many of the geographic and thematic instruments in the previous financial framework, including the budgeting of the European Development Fund.

"Global Europe", which resulted from the so-called "trialogues" between the Council, the Parliament and the Commission, entered into force on 14 June 2021 and was fundamentally influenced by the new European Consensus on Development. In terms of Latin America and the Caribbean, a series of changes took place that are embodied in this new instrument and in the geostrategic priorities of the new European Commission. Broadly speaking, the following could be highlighted:

- The principle of graduation disappears, allowing for the financing of cooperation initiatives with upper-middle income countries. Likewise, the percentage of Official Development Assistance is limited in the budget allocated to the region.
- Compared to the 2014-2020 financial framework, the current budget allocated to Latin America was disproportionately reduced (-14%) compared to the funds allocated to other regions. There is a specific allocation for the Caribbean (at the request of the European Parliament) and an extension of the geographical focus of cooperation efforts with the United States and Canada.
- "Global Europe" sets spending targets by sectoral priorities. Generally, 10% of the funds will be invested in migration, 25% in climate change, 20% in human development and 10% in education. At least 85% will be spent on gender equality and empowerment projects for women and girls. In addition, the new European Commission has established lines of action that include green, digital, employment and sustainable growth partnerships; migration and forced



displacement; governance and human development, as well as resilience, peace and security.

- The new International Partnerships Directorate General (INTPA) established the principle of “geographisation” as a priority for budget allocation and multi-annual programming currently underway. The idea is that programmed resources should be geographically targeted, and that funds should be concentrated on bilateral actions, to the detriment of regional or multi-country ones. Actions are intended to have greater geopolitical relevance, and to increase their impact and the EU’s leverage.
- The INTPA’s political character is defined under a policy first approach, guiding the programming, implementation of funds and the investment framework with due regard to the EU’s external action priorities.
- The INTPA has identified flagship programmes that are of shared interest between Member States and the European Commission and have substantial potential for mobilising additional resources. Together with the Joint Communication of the European Commission and the High Representative of the Union for Foreign Affairs and Security Policy, the proposals have been renamed the “Team Europe” working approach. This collaborative way of working aims to ensure greater impact and a focus of resources on geostrategic priorities.

Changes in the budget allocation to Latin American and Caribbean countries in the EU’s 2021-2027 financial framework may be contradictory to the EU’s objective of strengthening alliances with like-minded partners and responding to a broader development agenda. However, the potential geopolitical impact of the funds allocated to the region does not depend exclusively on the budget, but also on how these funds are implemented. To this end, policy dialogue mechanisms (“Team Europe Roundtables”) with the participation of the governments of both regions are important to strengthen solid institutions that are accountable and support policy reform processes, and to guide technical and financial cooperation towards sustainable and inclusive development results, as well as to generate spaces for trust and partnerships between administrations. Thus, it will contribute to a “re-politicisation” of Euro-Latin American relations in the interests of a convergence of common positions in the multilateral sphere.

In this framework, “Global Europe” is an instrument that makes the right tools for working with the region available and responds to needs within the framework of the principles of the policy first approach. Public technical cooperation has the potential to contribute to the re-politicisation of Euro-Latin American relations through regional cooperation programmes and the strengthening of an EU-LAC bi-regional agenda.

The implementation of this instrument represents an opportunity to address a new cycle in Euro-Latin American relations. Although a review of the prioritisation of financial



allocations is needed, it is vital to relaunch a process of bi-regional partnerships built on cooperation and rooted in shared values and objectives within the framework of the decade of action of the 2030 Agenda.



8. INNOVATIVE INSTRUMENTS, FINANCIAL, SOUTH-SOUTH AND TRIANGULAR COOPERATION

Cristina Xalma and Martín Rivero

Why is it necessary to identify innovative instruments at the multilateral level in the aftermath of the COVID-19 crisis? With a focus on the South-South and Triangular Cooperation models, this paper examines the multilateral response to identify and characterise the innovative instruments that have been promoted since the pandemic was declared in March 2020.

Multilateralism and the response to COVID-19

For a detailed analysis of the contribution of the multilateral system as a global response to the COVID-19 crisis, the summits and high-level meetings in the United Nations System (UNS), the G-20 and the EU convened from the most important forums held between March 2020 and March 2021 were analysed.

With monthly summits and high-level meetings, the EU has provided more comprehensive and multidimensional responses by combining various components including emergencies, economic recovery, digital and ecological transition, alignment with the European Green Deal and vaccination plans. As far as LAC is concerned, in addition to the meeting within the framework of ECLAC, there were initiatives by the Central American Integration System (SICA), the Community of Latin American and Caribbean States (CELAC), the Inter-American Development Bank (IDB) and the Ibero-American General Secretariat (SEGIB).

Innovative instruments for inclusive and sustainable recovery

The different instruments that emerged in response to the COVID-19 crisis in the multilateral forums are diverse. Specific mention will be made of some of the most relevant mechanisms that resulted from meetings like the UNS and the G-20, and those that were developed based on the EU's institutional framework:

- The COVID-19 Humanitarian Assistance Plan and the Solidarity Response Fund, aligned with the WHO Pandemic Preparedness and Response Strategic Plan.
- The ACT-A (Accelerating Access to COVID-19 Tools) initiative.
- The COVAX mechanism was implemented to accelerate the development and manufacture of an effective new vaccine and ensure fair and equitable access for all countries.
- The Debt Service Suspension Initiative (DSSI), promoted by the World Bank and the IMF within the framework of the G-20 Action Plan.



- As the G-20 chair, Italy proposed the creation of the High Level Independent Panel (HLIP) on Financing the Pandemic Commons.
- The EU launched two mechanisms to provide extraordinary and immediate funding to member countries: the Pandemic Emergency Purchase Programme (PEPP) and the Coronavirus Response Investment Initiative (CRII).
- The European Temporary Support Instrument for Mitigating the Risks of Unemployment in an Emergency (SURE) is created to protect employment and cover increased public spending.
- The Recovery Plan for Europe, in line with the 2019 Green Deal. Under this framework, the EU provided a historic financial injection through the budget extension for the 2021-2027 period and the *NextGenerationEU* programme (2021-2024).

South-South and Triangular Cooperation in response to the COVID-19 crisis

One of the options seen as a natural response to the crisis caused by the COVID-19 pandemic is international development cooperation. To identify experiences and best practices that contribute to the global response to COVID-19 from the different models of development cooperation, two in particular are analysed, based on the knowledge about exchanges in recent years, with special focus on the framework of the strategic relationship between the EU and LAC: South-South Cooperation (SSC) and Triangular Cooperation (TC).

South-South Cooperation

Based on data from the Ibero-American report on SSC and TC (SEGIB, 2021), the analysis covered a total of 766 SSC projects that were implemented in the 2018-2019 biennium, which involved the participation of the 19 LAC countries in the Ibero-American space under a bilateral model. Of the total number of projects, 595 SSC projects can provide a multidimensional response to the COVID-19 crisis, with four out of ten representing experiences that align with WHO recommendations.

On the other hand, about 10% of the projects deal with experiences that address communicable diseases, such as COVID-19, and 15% include lessons learned related to the development of immunological therapies and treatments. In line with WHO recommendations to strengthen health strategies and care for the most vulnerable populations, 40% of the projects were geared towards the protection and care of the elderly, and how to incorporate ethnic-cultural approaches, human rights, early childhood care and international migrants. In addition, the analysis identified 181 projects that lessons learned that contribute to the economic and social response could be extracted from, such as the protection of employment, the reactivation of productive activity and the strengthening of social protection.



Furthermore, more than 130 SSC initiatives were implemented that can help recovery from the crisis through an economic and social model that, in line with the commitments made in the 2030 Agenda and the Paris Agreement on climate change, is also environmentally sustainable.

Triangular Cooperation

TC favours the participation of more stakeholders and makes it possible to better coordinate a more global response, since it aims to find shared solutions to common problems, such as the fight against COVID-19.

Similar to the previous category, a total of 166 projects were analysed for the 2018-2019 biennium. Unlike SSC projects, cooperation in health has not been a priority, given that only 19 projects are focused on this field. A total of 40 TC initiatives provides lessons on the economic response to the crisis, related to the agricultural and industrial sectors, and even tourism. Along these lines, another block of projects emphasises support for the business sector through support for micro, small and medium-sized enterprises (MSMEs) and entrepreneurs. A similar proportion, a total of 42 projects, is due to TC that seeks to protect the most vulnerable, while 43 projects provide experiences that can contribute to a sustainable solution to the crisis, especially those that call for ecological transition and the promotion of greater energy efficiency and the increased use of renewable sources. It is worth highlighting two of the TC tools that have been adopted to address the crisis, which the EU and LAC are using to build part of their strategic partnership: the second edition of the ADELANTE Programme and the SEGIB-EU project for an innovative TC model.

In short, the instruments that have been deployed to provide a global response to the COVID-19 crisis have multiplied, but not always in a coordinated way. Against this backdrop, the international development cooperation system has emerged as a powerful tool and the same models which, during the approval of the 2030 Agenda in 2015, were recognised for the effective implementation of sustainable development (SSC and TC) are playing a larger role.



9. SPANISH COOPERATION IN LATIN AMERICA. A CHANGE OF CYCLE?

Marisa Ramos

Spanish cooperation in Latin America: a change of cycle? What are the challenges facing Spanish cooperation in Latin America? These are addressed within the framework of the review and reform process that is currently affecting Spanish cooperation as a whole. Although this process shares structural issues with the international cooperation system as a whole such as fragmentation, multiple stakeholders and scarcity of resources, there are three additional factors that are accelerating the review process.

First, the transformations in Latin America in recent decades explain the changes that Spanish cooperation has undergone in the region in the 2010s. Second, the European Union has modified the foundations of its cooperation policy, forcing Spain to rethink its model. Third, the pandemic forces Spain to review the current format of its foreign relations with Latin America, as well as to promote a new partnership scheme with the region in the current context.

The process of reviewing the foundations of Spanish cooperation with the Latin American region is useful within the broader framework of the review that the development cooperation system is undergoing as a result of the approval of the 2030 Agenda, the shifting roles of southern countries in the global context, the transition of many low-income countries to the status of middle-income countries (MICs) and, above all, the impetus brought about by the pandemic.

Lessons learned from 30 years of Spanish cooperation with Latin America

In the 30 years of Spanish cooperation with Latin America, and considering three factors—relevance, context and interests/values—that have converged over the years, three stages can be identified that have contributed to the identity of Spanish cooperation with the region:

- In the first stage, which ran from 1988 to 2004, Spanish cooperation in the Latin American region focused on actions, projects and programmes targeted at Latin America, in particular Central America in the post-conflict framework, where most of the resources mobilised as Official Development Assistance (ODA) were earmarked. In this stage, the main player was the public administration, particularly the Spanish Agency for International Cooperation (AECI, predecessor of the current Spanish Agency for International Development Cooperation, AECID), although the efforts of certain ministries and state institutions and the incorporation of NGOs as a key cooperation player in the solidarity work deployed in the 1980s are also noteworthy.
- The second stage, which began around the 2004-2005 biennium and lasted until 2011, was marked by the major transformation of Spanish cooperation, which



took shape in significant budgetary growth, in the expansion of the geographical areas to which aid was targeted, and in the adoption of the principles and consensus reached in the international development sphere, particularly within the Development Assistance Committee (DAC) and around the Aid Effectiveness Agenda. Within this framework, the Millennium Declaration and the Millennium Development Goals (MDGs) in 2000 and the Paris Declaration of 2005 became the guiding principles for Spanish cooperation efforts.

- The third cycle of Spanish cooperation policy dates back to the 2008 crisis, which led to a drastic drop in public funds earmarked for development cooperation from 2011 onwards. Cooperation was affected through 2018 by the profound changes in the international cooperation system, notably those reflecting the approval of the 2030 Agenda, and by political decisions that blurred and reduced its role. In this framework, cooperation became less resource-intensive and more of a facilitator of peer-to-peer efforts, promoting triangular cooperation as a model that made it possible to support South-South cooperation.

A new cycle in Spanish cooperation with Latin America?

“The recovery of international development cooperation policy” is a priority that has been set to situate “Spain in the advancement of the SDGs on a global scale with all its capacities”, positioning the country as “a robust and reliable partner in the European Union, the G-20 and the United Nations, and recovering Spanish cooperation, in quantity and quality, as an expression of the commitment of our citizens to our partner countries” (DGPOLDES, 2021: *ODA Report 2019*, Cooperación Española).

There is currently a consensus among cooperation institutions and stakeholders to recognise the real state of cooperation and the relevance of an in-depth reform. To this end, in February 2021, a sub-commission for the Reform of Development Cooperation was created in the Congress of Deputies, which drafted a report, as did the Cooperation Council, reaching a consensus on a diagnosis and proposed key guidelines for the process.

According to the Secretary of State for International Cooperation, the reform would include some of the proposals made, in particular the following points: general alignment towards the 2030 Agenda and climate change; reinforced financial cooperation, with increased involvement of the private sector; strengthening of the system’s institutional design and governance of through a more comprehensive structure and more coordinated action to facilitate policy coherence; legal changes in terms of state subsidies and public procurement; bolstering of the AECID and improved coordination between all the stakeholders in the cooperation ecosystem, including the FIIAPP and the Fundación Carolina.

On the other hand, beyond the processes of regulatory and institutional reform, the recovery of cooperation policy also requires a recovery of the resources made available



to this policy. The current government has committed to increasing Official Development Assistance (ODA) over the course of its legislative term until it reaches the European average of 0.5% under the framework of the draft law on “cooperation for sustainable development and global solidarity” approved by the Council of Ministers on 11 January 2022. However, it is unlikely that this objective can be met in the next three years, and this will certainly affect cooperation with Latin America. This is compounded by uncoordinated action by the stakeholders and a fragmentation of positions and issues.

The challenges of the new cycle of Spanish cooperation with Latin America

The new cycle of Spanish cooperation in Latin America must be based on Spain’s accumulated experience with the region, the result of shared historical, cultural, social and economic ties, as well as the spaces of trust, networks, initiatives, alliances and exchanges that have been created. In turn, the partnership with the region constitutes the main potential for Spain’s positioning in global affairs and advances in development, specifically with regard to the implementation of the 2030 Agenda.

Finally, the challenge lies in the capacity to create spaces for coordination and division of labour between the different players in the Spanish cooperation system, to define how to connect with European cooperation, and to strengthen regional technical capacity, support for networks and political dialogue as its main hallmarks.