

# FACT SHEET

## EU-CELAC relations

The European Union and Latin America and the Caribbean enjoy privileged relations and are natural partners, linked by strong historical, cultural and economic ties. They share a strategic bi-regional partnership, which was launched in 1999 and stepped up significantly in the recent years. The two regions co-operate closely at international level across a broad range of issues and maintain an intensive political dialogue at all levels.

The Community of Latin American and Caribbean States (CELAC) was launched in 2011 and represents a regional political coordination mechanism, which gathers all 33 Latin American and Caribbean countries in the region. CELAC is the EU's official counterpart for the region-to-region Summit process and strategic partnership.

The European Union's engagement with CELAC is part of a flexible approach to its relations with Latin America and the Caribbean, combining different levels of relations – regional, sub-regional and bilateral – which are complementary and mutually reinforcing. The engagement with CELAC is complemented by strong bilateral relations with individual countries, while deepening cooperation with other sub-regional or regional groups such as Mercosur, CARICOM/CARIFORUM, Pacific Alliance, SICA and UNASUR.

### Political Framework

In the framework of these relations, an EU-CELAC Summit is held every two years. The last Summit took place in Brussels in June 2015, bringing together 61 EU and Latin American and Caribbean leaders, including more than 40 Heads of State or Government. At this summit, the leaders of both regions adopted [two declarations and a revised EU-CELAC Action Plan](#). They have identified ten priority areas for bi-regional cooperation for 2015-17, ranging for example from science and research, over sustainable development or energy to investment and entrepreneurship.

Leaders furthermore mandated the Foreign Ministers of both regions to hold meetings in the years between Summits, in order to enhance the political dialogue. In this spirit, the first stand-alone EU-CELAC Foreign Ministers Meeting is taking place on 25-26 October 2016 in Santo Domingo. It is co-chaired by High Representative for Foreign Affairs and Security Policy/Vice-President of the European Commission Federica Mogherini together with the incumbent CELAC President, Foreign Minister of the Dominican Republic Miguel Vargas Maldonado. Currently, the Dominican Republic holds the rotating Presidency, and El Salvador will take over in 2017.

## **Trade and Investment**

Trade between the EU and the CELAC region has been growing rapidly: **trade in goods** between the EU and Latin America more than doubled over the last decade, reaching €213.2 billion in 2015, i.e. 6.1% of total EU trade. The EU imported €95.9 billion worth of goods from and exported goods worth €117.4 billion to the region in 2015. Collectively, the countries forming the Community of Latin American and Caribbean States (CELAC) represent the fifth largest trading partner of the EU.

The EU remains the leading foreign investor in CELAC countries, with total Foreign Direct Investment (FDI) stocks amounting to €642 billion in 2014, which represents more than a third of all FDIs in the region. The EU's FDI stock in CELAC countries is higher than in Russia (€171.5 billion), China (€144.2 billion) and India (€38.5 billion) combined (€354.2 billion).

The EU has concluded Free Trade Agreements with two LAC groupings (CARIFORUM and the Central America) and with four other Latin American countries (Mexico, Chile, Peru and Colombia). The accession of Ecuador to the Multi-Party Agreement with Colombia and Peru is expected to take place before the end of the year. Following political interest and agreement on both sides to try to move the process forward, the negotiation process with Mercosur has resumed in 2016. Negotiations have started with Mexico to modernise the existing Free Trade Agreement and the EU is moving towards launching such negotiations with Chile.

## **Cooperation on investment & entrepreneurship**

The EU-CELAC Business Summit (June 2015) generated great interest from the CELAC business community, having raised key issues including fostering the right conditions to increase business between European and Latin American companies, in particular amongst Small and Medium-Sized Enterprises (SMEs). The EU aims at a win-win relationship, where access of European know-how and services to Latin American markets can benefit the development of Latin American economies and the competitiveness of local companies.

Advances were made in recent years on industrial policy and raw materials dialogues, which represent positive steps to enhance better conditions for business cooperation, technology transfer and investment with the EU.

The Commission has supported cooperation in trade and investments with programmes like [AL-INVEST 5.0](#), which aims at enhancing productivity of Latin American SMEs. The European Investment Bank also supports the internationalisation efforts of SMEs through easier access to financing, for example through a partnership with the Inter-American Development Bank, in which the two institutions have joined forces to set-up a loan facility for SMEs and bigger enterprises.

## **Cooperation on Research and innovation**

Innovation and Technology, the Joint Initiative for Research and Innovation (JIRI) was established in 2010 with the aim to enhance EU-CELAC cooperation on Science, Research. It facilitates bi-regional dialogue on common priorities, encouraging mutual policy learning and ensuring the cooperation through biannual Action Plans. Thematic areas of cooperation are: bio-economy including food security, [renewable energies](#), biodiversity and [climate change](#), ICT and health.

Based on the achievements and dialogue conducted under the JIRI, efforts have been stepped up since the last EU-CELAC Summit in 2015 to develop an EU-CELAC Common Research Area, which focusses on three strategic pillars: mobility of researchers, access to research infrastructures and jointly addressing common global challenges such as climate change and the Zika outbreak. The implementation is further supported by bi-regional projects at policy and funding agencies level. The next JIRI Senior Officials Meeting will take place in 2017 and will be an important milestone in reviewing the Governance of JIRI to allow for the efficient implementation of the Common Research Area and re-confirm national commitments towards a strengthened dialogue on research and innovation.

Today, the world's biggest research and innovation programme, Horizon 2020 with a budget of €80 billion, is completely open to the participation of research institutions and individual researchers and scientists from Latin America and the Caribbean.

## **EU Cooperation with Latin America and the Caribbean**

The EU remains the most important provider of Official Development Assistance (ODA) in Latin America and the Caribbean, with €3,4 billion dedicated to the region for the period 2014-2020. This cooperation is concentrated primarily on those most in need. For example, for the same period, €420 million have been dedicated to Haiti, €235 million to Honduras and €281 million to Bolivia. In addition to the funds that are directly benefitting a specific country, the EU also fosters regional cooperation and integration through its regional programmes with Latin America and the Caribbean, in which countries participate jointly. The regional programmes amount to €925 million for Latin America and to €346 million for the Caribbean. Moreover, Latin American and Caribbean countries also receive support under so-called thematic programmes, for example, via the [European Instrument for Democracy and Human Rights](#) or the [Non-State Actors and Local Authorities Programme](#).

As the development of the region has advanced over the last decade, the European Union's policy has also increasingly shifted towards a partnership approach. The [Partnership Instrument](#) allows the EU to cooperate with partners around the world to advance the Union's strategic interests and tackle global challenges.