



Latin America and the Caribbean and the European Union: towards a real renewed political partnership. Civil society proposals to strengthen the bi-regional relationship

**Document by the EU-LAC Working Group for the EU's
New Agenda towards Latin America and the Caribbean
and its bi-regional strategy**

Executive summary

In the current context of global transformation, overlapping crises and gradual post-pandemic recovery, relations between the European Union (EU) and Latin America and the Caribbean (LAC) have the potential to promote sustainable development and advance human rights. For this to happen, civil society should be involved as a key actor to enhance the inclusiveness, transparency and effectiveness of processes. After a relative standstill on the bi-regional agenda, there has been an agreement to renew the strategic partnership during a new EU-CELAC Summit on 17 and 18 July in Brussels. On 7 June, the European Commission published the Joint Communication “A New Agenda for EU-LAC relations” setting out the priorities and actions proposed by the EU in key areas.

LAC is a very important ally for the EU in terms of investment, trade and cooperation in key areas such as biodiversity, renewable energy, agricultural production, the defence of multilateralism, and strategic raw materials. An agenda has therefore been set around six priorities—deepening political dialogue; completing the network of trade agreements; cooperating on transitions (ecological, digital, and social); addressing security and justice challenges; promoting peace, democracy and human rights; and building a people-centred partnership.

The EU has launched the Global Gateway strategy to boost infrastructure investment globally, proposing a LAC-specific investment agenda to be adopted at the EU-CELAC Summit and for LAC to become the testing ground for the Global Gateway. However, this initiative lacks a horizontal bi-regional governance structure, the commitment to demanding due diligence processes and measuring the operational impact on inequalities, and the participation of civil society.

On top of that, the civic space is shrinking in many countries. This was compounded by the pandemic, which saw an unprecedented increase in attacks against human rights organisations, activists, and defenders, leading to displacement, violence and impunity. This situation has disproportionately impacted the most vulnerable. The new EU-LAC relations offer an opportunity to give priority to the defence of human rights and civic space. It allows for co-developing protection mechanisms at the bi-regional level, as well as for strongly committing to protect and expand civic space in countries and reverse the processes of political, administrative and financial repression against social organisations and defenders of rights and territories.

In LAC, the gap between poverty and extreme wealth has widened in recent decades

and inflation rates have soared, creating multidimensional and intersectional inequalities. While most people live in a situation of vulnerability, billionaires have seen their wealth increase (by 21% during the pandemic). Addressing these inequalities by promoting social protection, comprehensive care systems, progressive taxation, decent employment, resources for basic services and a bi-regional feminist partnership is imperative.

A green and just transition is key to address the climate emergency. It is also needed to reorganise societies and economies under the principles of human and labour rights, planetary boundaries, and welfare for all by promoting the transition to agroecological systems and the cancellation of external debt, for instance. Predictable and sufficient funding is required to support the transition and fight poverty and inequality in LAC.

Trade and investment agreements between the EU and LAC do not meet sustainable development goals nor contribute to reducing poverty. They tend to perpetuate dependence on extractive industries which have a major impact on territories and the environment. Even though they contain human rights and sustainability clauses, they lack binding mechanisms and have no significant impact, regardless of the severity of human rights violations.

In the global context of democratic regression, a constrained civic space and a crisis of public confidence, the engagement of an active and diverse civil society is crucial for the success and reliability of the bi-regional strategic project. In this regard, based on the historical contribution, the current relevance, and the legitimacy of the work of civil society organisations and networks that make up the EU-LAC Group, we propose the following recommendations for the renewal of EU-LAC relations.

MAIN RECOMMENDATIONS BY THE EU-LAC GROUP:

To establish a real renewed political partnership:

- Set up a **multi-stakeholder structure for participation, contribution, and follow-up to EU-CELAC processes** that will be formally incorporated into the permanent coordination mechanism to be created between the EU and CELAC.

Towards an open civic space for a vibrant democracy:

- **Review and examine outstanding loans or grants** from financial institutions to make sure that they are not granted to individuals or entities involved in **cases of corruption, illicit financing of political campaigns, or human rights violations.**
- **Vote against outstanding loans or aid to the responsible persons or entities of such abuses and impose visa sanctions** and the freezing of their economic assets and holdings in the EU financial system.

Towards an EU-LAC agenda that puts the fight against inequalities at its centre:

- Place **inequality reduction, ownership of the countries in the region, transparency, and the Sustainable Development Goals** at the centre of the Global Gateway strategy **over private and geopolitical interests**.
- **Agree on a bi-regional care society pact and support the regional fiscal platform** led by Colombia to develop tax policies in the region.

Towards a Green and Just Transition for both regions:

- **Ensure that the investment packages supported by the EU for LAC under Global Gateway** contribute to the transformation of the production system and energy matrix within the framework of human rights and respect for the environment. This must include stringent due diligence processes and be based on leadership and ownership of **local actors**.
- **Facilitate the availability of financial resources for the Green and Just Transition** by supporting LAC governments' debt cancellation efforts, and through progressive tax reforms, anti-tax avoidance programmes, the phasing out of fossil fuel subsidies, strengthening and extending universal social protection systems, and investing in quality public services.

Towards just and sustainable investment and trade agreements:

- **Review the EU's model trade agreements to incorporate at least one binding chapter on sustainability**, setting forth complaint mechanisms and sanctions in the event of non-compliance with social, environmental, and human rights clauses, and **conditioning the signature and ratification** of any agreement on the inclusion of that chapter.
- The EU and its Member States must **combine the adoption of an ambitious due diligence directive with the reform of trade and investment agreements**, eliminating the Investor-State Dispute Settlement (ISDS) mechanism and guaranteeing environmental obligations.

* The EU-LAC Working Group is an informal platform of European organizations and networks created in 2014. Its common objective is to work on EU-LAC topics. List of organizations and networks:

Caritas Europa; Pax Christi International; WSM; ODHACO; WIDE+; People in Need - PIN; Red EULAT; Oxfam; ActionAid; RIDHE; Solsoc; CIDSE; Brot für die Welt; COS-PE; Coordinadora ONGD España; Gret; WWF; Fundación Avina; SOLIDAR; Wetlands International; Alliance 2015; World Organisation against Torture - OMCT; ITUC; Plataforma Europa - Peru; Fundación Ebert Stiftung; ETUC; Human Rights Watch; Civil Rights Defenders; 11 11 11; FIDH; CSW; Amnesty Europe; AIDSFONDS; Justice et Paix; CONCORD; CNCD 11 11 11; Race and Equality; Heinrich Böll Foundation; IFSI-ISVI.

Other organizations supporting this document:

Free Press Unlimited; MPDL - Movimiento por la Paz; Fundación Alboan; Alianza de Organizaciones para la Eficacia del Desarrollo - AOED-ALyC; Plataforma Diálogos Nacionales Ecuador; Asociación Nacional Centros de Investigación Promoción Social y Desarrollo - ANC; Fundación Entreculturas; Grupo Propuesta Ciudadana; IM-Suecia; OMCT; ASTM; WSM; Trocaire; ACDA; BOS+; MATM; Red europea de Comités Oscar Romero; Solidair met Guatemala; Protection International; OCDIH, Organismo Cristiano de Desarrollo Integral de Honduras; FOS ngo; Red sin Fronteras RSF; Asamblea de Cooperación por la Paz (ACPP); PRODIVERSA - Progreso y Diversidad; Fundación Kallpa Bolivia; ISCOD -Sindicalistas sin fronteras; CGIL - Confederazione Generale Italiana del Lavoro; ARCS – Arci Culture Solidali; ISCOS; Asociación CRECER; Liga Española de la Educación y la Cultura Popular;

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1. Towards the establishment of a real renewed political partnership.

In 1999, the first Summit held between the Heads of State and Government of the European Union (EU) and Latin America and the Caribbean (LAC) took place in Rio de Janeiro. The summit was aimed at developing a *strategic partnership* to strengthen political, socio-economic and cultural relations, based on common values, democratic principles and multilateralism. After seven years of a relative standstill on the bi-regional agenda,¹ the CELAC-EU Bi-Regional Roadmap 2022-2023 was agreed in October 2022 at the Meeting of CELAC-EU Ministers of Foreign Affairs. One of its key items was to hold a new EU-CELAC Summit, scheduled for 17 and 18 July this year in Brussels.²

At a time when the nature of globalisation is changing, the global order is fragmenting, and the world is recovering after the pandemic and going through overlapping crises, the EU-CELAC relations have the potential to achieve and consolidate new social pacts, under the shared goal of promoting a more sustainable and equitable global rights and development agenda. All this will only be possible if civil society is involved as a key actor in its own right.

Importance of LAC for the EU and its priority: Global Gateway

The EU is the leading investor in LAC with a direct investment volume estimated at €687.5 billion in 2020. This exceeds EU investment in China, Japan, Russia, and India together. The EU is the largest contributor to official development aid³ and the third largest trading partner of LAC, with a total merchandise trade of €176 billion and a services trade of €105 billion in 2020.⁴

The significant role that LAC plays for the EU has multiple facets. At the geopolitical level, it is based on the strengthening of multilateralism. On a socio-economic level, it is a powerhouse for biodiversity, renewable energies, agricultural production, and strategic raw materials capable of diversifying European supply chains.

The EU High Representative for Foreign Affairs and Security Policy/ Vice-President of the Commission (HR/VP), Josep Borrell, has outlined an **EU agenda for LAC with six main priorities**:

- 1. A renewed political partnership.**
- 2. Strengthening a common EU-LAC trade agenda.**
- 3. Global Gateway and supporting partnerships for a fair green and digital transition.**
- 4. Joining forces for justice, citizen security and the fight against transnational organised crime.**
- 5. Working together to promote peace and security, democracy, rule of law, human rights and humanitarian aid.**
- 6. Building a vibrant EU-LAC people-to-people partnership.**

Global Gateway is the EU's new strategy to boost European infrastructure investment in the digital, energy, transport, health, education, and research sectors worldwide. It aims at mobilising up to €300 billion between 2021 and 2027⁵ to leverage investment from the private sector and regional development banks. This strategy was born as a response to China's Belt and Road Initiative. Josep Borrell has stated that a specific Global Gateway investment agenda will be adopted⁶ at the EU-CELAC Summit in July 2023, making the LAC region the testing ground for this new strategy in 2023.⁷

These are not additional resources, as the Global Gateway is based on the instruments agreed under the EU Multiannual Financial Framework for 2021-2027. Its governance is led by the HR/VP with the support of a board that provides strategic guidance. A Business Advisory Group is also being set up to ensure the participation of the European private sector. However, dialogue with civil society is missing, as highlighted by the European Economic and Social Committee in its Opinion of May 2022.⁸

The importance of civil society

In a worldwide context of democratic backsliding, shrinking space for civil society, growing social unrest and a crisis of citizens' confidence in state institutions and policies, the engagement of an active, independent and diverse civil society is key to safeguarding human rights, enhancing pluralism, promoting social security, articulating the needs of citizens and contributing to the design, implementation, and evaluation of public policies.

Spaces for civil society participation makes the incorporation of a diversity of social actors in decision-making processes possible, not restricting it only to groups with power of influence, thus increasing transparency and accountability.

Civil society organisations (CSOs) promote peace, facilitate conflict resolution, foster innovation, build social cohesion and take action for the most disadvantaged. The *Council conclusions on EU engagement with civil society in external relations* (2017) recognise the multiple roles that CSOs play as promoters of democracy, defenders of rights holders and of the rule of law, social justice and human rights.⁹ It also underlines the importance of CSOs for the implementation of the EU Global Strategy and the 2030 Agenda, as well as for boosting government accountability and transparency.

However, in practice, no effective mechanisms have been established or implemented within the framework of EU-CELAC relations to fulfil this responsibility and facilitate an enabling environment for CSO participation.

Based on the contribution and work of the civil society organisations and networks that make up the EU-LAC Group and other partner CSOs, this document is structured around four main themes—civic space and democracy, inequalities, social security, green and just transition, and trade and investment agreements priorities. It also makes specific recommendations for the renewal of EU-CELAC relations. These four topics seek to offer a critical but constructive alternative vision to the logic that governs relations between the EU and Latin America and the Caribbean. These recommendations are targeted at the EU although some of them require a bi-regional agreement for their implementation.

The organisations behind this document believe that it is vital to be able to adopt an agreement in July at the EU-CELAC summit in Brussels on a mechanism for monitoring bi-regional relations in order to renew and modernise the political partnership. It should be a multi-stakeholder mechanism to complement and follow up on agreements at the government level.

Correspondingly, the main recommendation of this document is:

1.1. To establish a multi-stakeholder process and structure embedded institutionally and formally into the permanent coordination mechanism between the EU and CELAC. This structure will be central for the engagement, monitoring and accountability by civil society.

2. Towards an open civic space for a vibrant democracy

In recent years, the space for civil society has been shrinking in many countries.¹⁰ The shrinking civic space is not impacting everyone equally. The LAC region has experienced the largest democratic recession in the last two decades, with half of the 24 countries in the region having “obstructed”, “repressed” or “closed” civic spaces.^{11 12} Women human rights defenders continue to be the main victims of the shrinking spaces,¹³ along with indigenous communities, the LGBTQI+ community, trade unions, journalists, and land and environmental defenders.¹⁴

This situation worsened substantially during the COVID-19 pandemic, when some governments went beyond international standards on restricting freedoms during public emergency situations to criminalise protests, harass journalists and pass more restrictive legislation.^{15 16}

Moreover, these legislative measures and restrictive practices implemented during the pandemic are still in force. In some countries, they have even tightened on the pretext of public safety.¹⁷

Raising the issue as a choice between citizen security or guaranteeing fundamental rights and freedoms by some governments overlooks that both matters are a duty of the state. In addition, states of emergency have been used indiscriminately and extensively over time as a tool to criminalise the right to protest, further criminalise human rights defenders, and double down on arbitrary detentions, intimidation and breaches of due process.¹⁸ All this while increasing surveillance¹⁹ and raids on CSOs and press offices, imposing restrictions on Internet access, blocking social media and engaging in public and online smear campaigns.

At the same time as fundamental freedoms were restricted, the democratic structures and the separation of powers continued to weaken. Those fighting corruption and state capture, especially judges and prosecutors,²⁰ as well as journalists and human rights defenders, were even persecuted.

On the other hand, the dominant economic actors have taken advantage of this democratic backsliding in LAC by exploiting raw materials and carrying out mega-development projects. This has led to denying indigenous communities and environmental defenders the chance not only to participate, be informed and consulted, and access justice with respect to their respective territories^{21 22}, but also their right to protest.

The damage arising from climate change²³, coupled with an economic model that does not take into account the basic needs of local populations²⁴ (focusing on exports, monoculture, and the extraction of natural resources), continues to cause major internal displacement, migration, criminalisation, violence and impunity.

In recent years, one-third of all human rights violations in LAC have been committed against defenders of the environment and indigenous territories.²⁵ Violent judicial evictions at the hands of non-state armed actors of indigenous communities from their ancestral lands have increased, mainly in areas with large extensions of monoculture crops for export, exacerbating poverty and extreme poverty in these communities.²⁶

Even though the Escazú Agreement has already entered into force in LAC, the governments of countries where attacks against environmental defenders persist, such as Brazil, Guatemala and Peru, have not yet ratified it.²⁷

To oppose these dynamics, the new impetus given to EU-LAC relations is a pivotal moment for the EU to raise the key relevance of an open, secure and consolidated civic space as one of the core elements to build inclusive and dynamic democracies. As highlighted by the *New Agenda to strengthen EU's partnership with Latin America and the Caribbean*, the importance of the principles and values shared by both regions calls for giving priority to the defence of human rights and the civic space to build a strong alliance, as well as for allowing institutions and CSOs to co-build protection mechanisms at the bi-regional level.

With the aim of promoting the defence of civic space in LAC, the following recommendations are proposed for consideration under EU-CELAC negotiations:

- 2.1 Review and examine outstanding loans or grants** from financial institutions to ensure that they are not granted to individuals or entities involved in **cases of corruption, illicit financing of political campaigns or human rights violations**.
- 2.2 Advance programmatic actions linking lack of transparency and accountability to human rights abuses** and encourage the creation of safe reporting mechanisms for human rights abuses and corruption.
- 2.3 Vote against outstanding loans or aid to those responsible for such abuses** and **impose visa sanctions** and the freezing of economic assets and holdings in the EU financial system of those persons or entities.
- 2.4 Strongly support human rights defenders** by developing new tools and ensuring that existing mechanisms also reach rural and hard-to-reach areas.
- 2.5 Ampliar el enfoque sobre sBroaden the focus on security to build a safe and enabling environment for the exercise of the right to defend rights** and train delegations in LAC (and other key actors) on how to adopt an approach focused on the protection of defenders.

2.6 Open, promote and support channels of dialogue between civil society actors and European and Latin American authorities.

2.7 Strengthen alliance building and shared dynamics between actors from both regions through specific, meaningful and flexible funding lines that connect their work on democratic strengthening and foster exchanges in citizen engagement and human rights promotion.

3. Towards an EU-LAC agenda that puts the fight against inequalities at its centre

In recent decades, LAC has undergone a unique rise in both poverty and extreme wealth. Given that inequalities are multidimensional and intersectional, the crises of the past three years have not impacted all people in the same way.

While nearly six out of ten people live in vulnerable situations in the region,²⁸ billionaires' wealth increased by 21% between 2020 and 2022.²⁹ Today, 201 million people live in poverty, of which 82 million are living in extreme poverty. Indigenous peoples and people of African descent (more than 40% of them in some countries) are the most impacted,³⁰ and up to 70% of households with persons with disabilities are also affected.³¹

The region also has the highest inflation rates in the world, at almost 44% in the price of food. This has a dramatic impact on the most vulnerable groups in society.³² The lower-income quintiles spend between 22% and 50% of their budget on food; on the contrary, higher-income quintile groups spend less than 17%.³³ It is also estimated that 40% of workers and families do not have any kind of social protection coverage.³⁴

When the economic model fuels such an extreme spiral of wealth concentration, crises become opportunities to hoard for the richest 1%. This is the case in Brazil, where virtually half of the country's wealth is concentrated on 1% of the population, compared to 20.3% of the wealth which is in the hands of the poorest 90%.³⁵ At the same time, violence and armed conflicts, social unrest and political instability pose major threats to the populations of several countries in the region. Against this backdrop, it is urgent to push forward an agenda focused on ending inequalities, putting an end to the culture of privilege, and ensuring access to assistance and protection for migrants.

The funding needs for reducing inequalities are huge. In terms of social protection alone, LAC faces a deficit of \$334 billion.³⁶ Investing in social policies must therefore be prioritised over debt repayment, especially in a context where on average debt service accounts for almost 15% of fiscal revenues in 2023.³⁷ The EU must play a key role to help in the renegotiation of debt and in the prioritisation of social spending in multilateral spaces.

The EU should focus its efforts on pushing a bi-regional agenda to fight inequalities in order to minimise and reduce the gap between winners and losers in LAC (including migrants and victims of violence). This agenda should contribute to the development of new social pacts that require new agreements between the state, citizens, trade unions, and the private sector in at least four areas:

- A. Prioritise EU-supported domestic mechanisms and policies to provide social protection to millions of people, rather than austerity measures.**³⁸
- B. Ensure the mobilisation of domestic and foreign resources** to ensure universal access to quality basic services, education and health, also for migrants and victims of violence. To this end, it is necessary not only to prioritise investments in infrastructure and services via the private sector, but also in social and political agendas that involve all kinds of actors.
- C. Transform tax systems with international support, ensuring their progressiveness** and promoting the expansion of fiscal space with greater collection from those who concentrate the most income and wealth. Another means would be to encourage collective wage bargaining and increase their coverage through the actual implementation of freedom of association and relevant ILO conventions.
- D. Support a bi-regional feminist partnership that moves towards care societies.** LAC has been a pioneer in comprehensive care systems, but these require funding for their sustainability. Investing in care policies and systems would have a direct impact on the labour market (increased wages and productivity), on fiscal policy, on pension systems and on supporting a comprehensive agenda of women's economic and political autonomy.³⁹

With the aim of promoting the defence of civic space in LAC, the following recommendations are proposed for consideration under the EU-CELAC negotiations:

- 3.1 Prioritise a strategy for the implementation of the Team Europe Initiative on Inclusive Societies** as a proprietary instrument for reducing inequalities, incorporating civil society in its governance.
- 3.2 Place the reduction of inequalities, the ownership of the countries of the region, transparency, and the Sustainable Development Goals at the centre of the Global Gateway strategy, before private and geopolitical interests.**⁴⁰
- 3.3 Support and finance the regional fiscal platform led by Colombia** to develop tax policies in the region that drive greater sustainability and inclusiveness as part of the process of democratic consolidation. This support should lead to a **bi-regional fiscal exchange space** for global processes.
- 3.4 Promote a bi-regional EU-LAC policy agenda for the financing of social policies and/or just transitions aimed at reducing inequalities and avoiding austerity measures.**

- 3.5 Include social protection in the EU-CELAC political dialogue** to ensure equal and universal access to social protection. Continue to make a significant contribution to the ILO's Global Flagship Programme on Building Social Protection Floors for All.
- 3.6 Draw up a new technological pact** that is inclusive, feminist, and sustainable, incorporating the points of view of the local and rural communities, for a technological development respectful of people and territories.
- 3.7 Ensure access to assistance and protection for people on the move** (migrants, refugees, asylum seekers and displaced populations) **and victims of violence**, regardless of their status, documentation, or location
- 3.8 Agree on a bi-regional pact for care societies** to develop and advance the European Care Strategy and the Buenos Aires Commitment of the Regional Conference on Women in Latin America and the Caribbean.

4. Towards a Green and Just Transition for both regions

LAC and the EU wish to push forward the Green and Just Transition to halt the climate emergency and change the way societies and economies are organised, including the values that serve as their organising principles. To prevent climate challenges from becoming sources of conflict, food insecurity, population displacement and forced migration, the EU is committed to working with all partners to build climate and environmental resilience.

LAC is a region particularly vulnerable to the impact of climate change due to its geographical, climatic, socio-economic and demographic characteristics.⁴¹ The increase in temperatures and extreme weather events is having a severe impact on the region, particularly on the most vulnerable groups, such as women, indigenous populations and people of African descent. While total emissions of CO₂ in LAC account for only 8.3% of global emissions, it is one of the regions most affected by its negative effects.⁴² At the same time, the production of these emissions is unequal within the region, with the highest incomes generating the greatest amount.⁴³

LAC is home to almost 60% of the planet's biodiversity and has a great diversity of marine and freshwater flora and fauna.⁴⁴ The region is characterised by a wide range of ecosystems, ranging from dense tropical forests and grasslands to estuaries and wetlands.

The region is undergoing an intense process of urbanisation, with 648 million people currently living in urban areas (equivalent to 81% of the total population). In addition, it is estimated that LAC's population will increase at a rate of 6.6% until 2050. By then, almost 90% of the population will be living in urban areas.⁴⁵

LAC economies are rooted in a strong dependence on the extraction of primary commodities (agricultural products such as soybeans, coffee, and meat) and natural resources (mineral resources, ores, and metals), which account for approximately 50% of all exports of goods. Along with the huge rise in the demand for minerals such as copper, nickel, and lithium for the energy transition worldwide, this has applied great pressure on the terrestrial, continental, coastal and marine ecosystems of the region, as well as the food security of its population. Agriculture is important to the region's economies, plays a vital role in food production for the region and the entire planet, and has a major impact on climate change. The transition to agroecological production systems based on a social and solidarity economy provides a great opportunity for the region.

On the other hand, LAC economies are heavily indebted (117% of regional GDP)⁴⁶, but their tax systems have a very low fiscal burden. This means that governments lack sufficient resources to pay for the transition in the region. Moreover, austerity measures put forward by multilateral agencies have severely damaged some basic services needed to ensure a green and just transition.

Climate mitigation must be a key component of strategies to combat climate change in LAC. However, the urgency of strengthening adaptation measures to increase resilience and reduce vulnerability in the region cannot be ignored. The analysis of energy mix scenarios⁴⁷ shows that it is very likely that LAC will remain the region with the least carbon emissions until 2050.

LAC countries' ability to alleviate poverty and reverse inequality, as well as prioritise climate change mitigation and adaptation measures, relies upon the availability of financial resources to support the just transition. These resources must come from cancelling external debt, progressive tax reforms, the fight against tax evasion, climate financing agreed under the UNFCCC and from private financing committed to the green and just transition, among others.

With the aim of driving the green and just transition, the following recommendations are proposed for consideration under the EU-CELAC negotiations:

4.1 Meet climate commitments under the UNFCCC, including those on financing and technology transfer, so that LAC governments can address the needs in adaptation, mitigation, and immediate response to natural disasters (*Loss and Damage*).

4.2 Agree to the discontinuation of new projects for the extraction and construction of new fossil fuel infrastructures such as new oil pipelines or coal, gas or oil power plants, as they are incompatible with the Paris Agreement and the 1.5°C climate target.

4.3 Support countries in the region in the implementation of nationally determined contributions (NDCs) and national biodiversity strategies and action plans (NBSAPs) that respond to global climate change mitigation and adaptation goals, as well as those contained in the Kunming-Montreal Global Biodiversity Framework.⁴⁸

4.4 Facilitate the availability of financial resources for the Green and Just Transition by supporting LAC governments' debt cancellation efforts, and through progressive tax reforms, anti-tax avoidance programmes, the phasing out of fossil fuel subsidies, strengthening and extending universal social protection systems, and investing in quality public services.

4.5 Ensure that the investment packages supported by the EU for LAC under Global Gateway are based on the leadership of **local actors**, by promoting initiatives that contribute to the transformation of the production system and energy matrix within the framework of human rights and respect for the environment.

- 4.6 Commit to agroecological production systems and the promotion of renewable energies** adapted to the ecosystems of the region, prioritising investments that most contribute to reversing the extractive economy in LAC.
- 4.7 Share technologies and knowledge**, recognising the legitimacy and importance of solutions and practices of peoples and communities in LAC based on indigenous and farmers' knowledge.
- 4.8 Support the deployment of mandatory legal frameworks** that ensure **due diligence of business activities** in the field of human and environmental rights (Due Diligence Directive, Binding Treaty on Companies and Human Rights).
- 4.9 Support and promote initiatives** that contribute to ensuring that **groups especially vulnerable to climate change can adapt their production systems** and bolster their capacity of influence to make effective the control and oversight measures adopted.
- 4.10 Support initiatives that strengthen women's leadership** and contribute to the transformation of unequal gender relations.
- 4.11 Establish mechanisms to ensure that extractive industries**, such as lithium mining, **do not generate irreversible impacts** on High Andean wetlands, exacerbating the effects of climate change in the region.
- 4.12 Support research and innovation for the application of new technologies that use less water and have less environmental impact** for extraction projects.
- 4.13 Establish**, under the new European Critical Raw Materials Act, clear objectives for **reducing the material footprint to reduce the European demand for materials, putting at the centre the circular economy** to keep us within the planetary limits.

5. Towards just and sustainable investment and trade agreements

Even though the EU-LAC strategic partnership is currently being reassessed, the current situation (war, inflation, recession) has forced the EU to apply greater pressure to approve global agreements that include investment or trade agreements.

Trade Agreements (TAs) negotiated or undergoing negotiation in LAC do not meet the general objectives of contributing to sustainable development, reducing poverty and inequalities, or protecting environmental rights.⁴⁹ First, they have not served to diversify the economy beyond the extractive sectors or to allow greater added value to be generated. Secondly, they have a major impact on the territories, the environment, and the livelihoods of communities that, in most cases, are not consulted nor are they engaged in their uses and benefits. Thirdly, they disregard the disparities of economic power between EU and Latin American countries, as well as between the latter. With all this, global agreements even prevent the development of national policies that could support local development.⁵⁰

The EU's efforts to include clauses in its TAs binding them to the defence and promotion of human rights, sustainable development, and the participation of civil society in its various axes —political dialogue, cooperation, and trade—should be noted. However, these efforts do not translate into binding and enforceable mechanisms or into concrete, participatory spaces that actually meet these objectives. The envisaged measures are insufficient to achieve structural changes that substantially improve the lives of people in LAC countries. Moreover, globally, the so-called “democratic clauses” have become purely decorative elements of global agreements, irrespective of the seriousness of human rights violations.

Many of these global agreements include an investment protection chapter that grants exclusive rights to foreign investors to sue states in international arbitration courts. This mechanism is known as ISDS (Investor-State Dispute Settlement) and was recently reformed by the EU institutions, albeit without fixing the imbalance and injustices inherent to this system. Only foreign companies and/or investors can activate this mechanism, and pro-investor bias persists. In addition, it is the states that bear the costs of these lawsuits.⁵¹ In fact, these global agreements give supremacy to the rights of private investors, to the detriment of human rights and nature. This becomes more than evident when we compare the conflict resolution mechanisms of the trade and sustainability and investment protection chapters. The first

is based on mere recommendations without severe consequences, while the second opens a judicial avenue to foreign investors, created exclusively for them, through which they can claim billions of euros in compensation in case their businesses are—allegedly—affected by state regulations.⁵²

In order to promote just and sustainable global agreements, whether they are trade or investment agreements, we must ensure that the principle of hierarchy of international standards is met, making the ability to trade and invest conditional on the observance of human, social and environmental rights.

With the aim of driving more just and sustainable global agreements, the following recommendations are proposed for consideration under the EU-CELAC negotiations:

- 5.1 Ensure the coherence of the different European external policies**, in particular between trade, investment, human rights protection, labour, development cooperation, environment and climate policies.
- 5.2 Promote a low-carbon alternative economy** also in trade policies and investments, promoting alternatives to agribusiness and megaprojects with a major environmental impact.
- 5.3 Introduce measures to prevent human rights abuses and violations and for the protection of environmental defenders** in all global agreements, establishing binding and effective mechanisms to ensure accountability for such abuses.
- 5.4 Review the EU's model trade agreements to incorporate at least one binding chapter on sustainability**, setting forth complaint mechanisms and sanctions in the event of non-compliance with social, environmental, and human rights clauses, and **conditioning the signature and ratification** of any agreement on the inclusion of that chapter.
- 5.5 Facilitate participatory and representative spaces** to allow Domestic Advisory Groups (DAGs) **to openly dialogue** with their authorities. These spaces should have efficient complaint and monitoring mechanisms, providing them with the necessary means so that they can fulfil their tasks.
- 5.6 Avoid separating the commercial part from the part of cooperation, political dialogue and investment**, by subjecting the entire global agreement to the democratic control of the national parliaments.
- 5.7 The EU and its Member States must combine the adoption of an ambitious due diligence directive⁵³ with the reform of trade and investment agreements**, eliminating the ISDS mechanism, and guaranteeing environmental obligations.⁵⁴

Endnotes

- 1 Only one virtual informal ministerial meeting was held in December 2020.
- 2 https://www.eeas.europa.eu/eeas/celac-eu-bi-regional-roadmap-2022-2023_en?page_lang=en
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