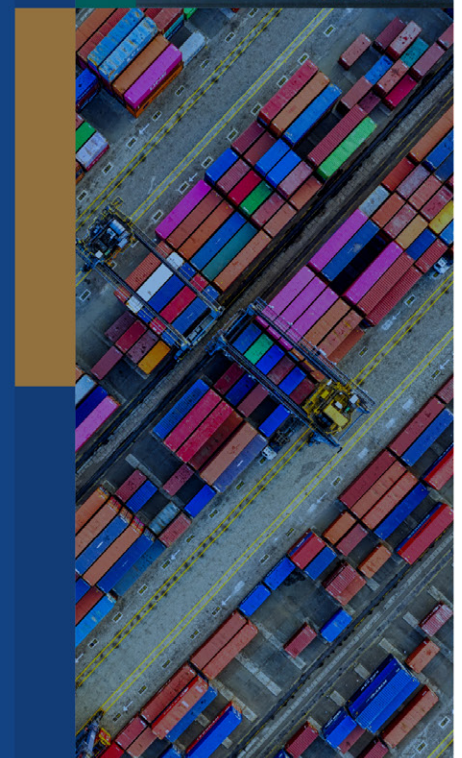


# Priorities first: EU's relations with Latin America under the Spanish Presidency of the EU

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TRADE/  
ECONOMY



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## Abstract

This paper addresses the main topics to be explored by the Spanish EU Presidency during the second semester of 2023 regarding relations with Latin America and the likelihood of achieving concrete results in this area in light of the EU's current internal and external challenges. To be successful in fostering a 'Qualitative Leap' to EU-LAC relations, Spanish leadership will need to adjust their inter-regional ambitions, not only to the resistance of certain Member States and EU institutions to progress in specific themes and agreements with LAC countries but also to the EU's emerging policy priorities, such as the war in Ukraine, the energy crisis, and the emerging of rivalry relations with China, which has become a top commercial partner for most of LAC countries. Three topics should be considered high priorities for EU-LAC relations during the Spanish Presidency: the conclusion of association and modernisation agreements with key actors in the region, namely Chile, Mercosur and Mexico; the political, economic and humanitarian crisis in Venezuela; and the energy crisis and potential EU partnerships with LAC in this area.

**Keywords:** EU-LAC relations; EU Foreign Policy; Spanish Presidency of the EU; Trade negotiations; Energy; Venezuelan Crisis.

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# Introduction

**F**rom July to December 2023, Spain will hold the Rotating Presidency of the Council of the European Union (EU), granting the country a privileged position to put forward its policy priorities at the EU level. Likewise, in its previous role as President of the EU Council in 2010, Spanish policymakers and commentators have shared an expectation that the country will use this opportunity to give more emphasis to the EU's relations with Latin America and the Caribbean (LAC) region (The diplomat, 2022; Moya and Soto, 2022; Nolte, 2023).

Given the EU's current internal and external challenges, this paper will address the main topics to be explored by the Spanish Presidency in terms of relations with Latin America and whether the Spanish Presidency will achieve concrete achievements in this area. The contention is that attaining a 'Qualitative Leap' to EU-LAC relations will need an adjustment of Spanish leadership's inter-regional ambitions. This recalibration must consider not only the resistance from select Member States and EU institutions to progress towards advancements in specific themes and agreements with LAC countries but also the EU's emerging policy priorities. These issues include the war in Ukraine, the energy crisis, and the emergence of rivalry relations with China, which has become a top commercial partner for most LAC countries. In particular, three topics should be considered high priorities for EU-LAC relations during the Spanish Presidency:

- The conclusion of association and modernisation agreements with key actors in the region, namely Chile, Mercosur and Mexico;
- The political, economic and humanitarian crisis in Venezuela;
- The energy crisis and EU prospective partnerships with LAC in this area.

While the next section will provide some background on the importance of Latin America and the Caribbean to Spain's diplomacy at the EU level and the country's initial plans to revitalise EU-LAC relations, the subsequent sections will address the key developments, expectations, and challenges for EU-LAC relations in the three topics highlighted.

Finally, some conclusions and policy recommendations are provided, aiming to stress to what extent the 2023 Spanish Presidency can generate any legacies for more stable and sustainable EU-LAC relations.

# The Spanish Presidency of the EU: towards a real qualitative leap with Latin America and the Caribbean?

The Spanish Presidency of the EU Council during the second semester of 2023, combined with the fact that Spaniard Josep Borrell is EU's High Representative for Foreign Affairs and Security Policy, can be viewed as a moment of an 'alignment of the stars' for Spanish foreign policy priorities at the EU level, as well as for the advancement of EU-LAC inter-regional relations. Likewise, in 2010, when Spain occupied for the last time the EU Presidency, there was an expectation that relations with Latin America and the Caribbean will play a prominent role, a region rarely considered a priority for most of the EU countries and the EU itself – especially when compared to other parts of the world where Europeans have faced more pressing challenges and have more vested interests. For instance, the agenda of the 2010 Spanish Presidency explicitly mentioned that: 'Cooperation between two growingly relevant regions in the international scenario, such as the EU and Latin America and the Caribbean, should be buttressed. The Spanish Presidency wishes to bring a true qualitative leap in this cooperation relation' (Spain, 2010, p. 12). Similarly, several recent declarations of High Representative Borrell have indicated that the LAC region has not received the attention it deserves from the EU and that 2023 must be the year of Latin America in Europe (Nolte, 2023).

Apart from that, on the LAC side, the reactivation of the Community of Latin American and Caribbean States (CELAC) meetings since 2021, under Mexican and now Argentinean leaderships, and the provision for the return of EU-CELAC Summits in July 2023 have created high expectations in Europe and Latin America for what can be accomplished in 2023 when it comes to EU-LAC relations. This inter-regional relationship has been characterised by historical, linguistic and economic ties associated with common values and traditional cooperation. However, it has often been marked by asymmetric relations and disappointing results (Ayuso, 2021). The fact that China has replaced the EU as the top commercial partner in the region, despite the EU remaining the LAC's top investor, has also contributed to the view that the EU's time in Latin America has passed and that the region is now more focused on strengthening ties with the Asia-Pacific region than with its traditional extra-regional partners.

Nonetheless, the Spanish Presidency may represent a unique opportunity to recalibrate the EU's engagement with Latin America in a challenging context where the EU needs to diversify its global partnerships to ensure its strategic autonomy, especially in geopolitical, commercial, and energy terms. As stated by the Spanish State Secretary

for International Cooperation, Pilar Cancela, the EU must focus more than ever on the LAC region, and the Spanish Presidency of the EU aims to bring Latin America to the centre of the EU's external agenda in 2023 (The Diplomat, 2022).

In particular, the resume of EU-CELAC high-level relations has provided the juncture to give a new impetus to EU-LAC relations. The return of CELAC meetings in 2021 and the in-person participation of EU representatives in both the CELAC Summits in Mexico and Argentina contributed to restoring EU inter-regional channels lost by the CELAC's paralysis, caused by the political divergence among LAC countries regarding the political situation in Venezuela. The recent election of left-wing governments in key Latin American countries has favoured a more pragmatic approach towards Venezuela and a new regionalist context, which led to the revival of CELAC and the reduction of ideological polarisation among LAC Presidents. In addition, it has supported the return of CELAC's dialogues with external actors such as the EU. In this sense, 'a timetable was set for activities in 2022 and 2023, including a CELAC-EU summit with the heads of government to be held from 17–18 July 2023 in Brussels, the first since 2015' (Nolte, 2023, p. 1).

As evidenced by the March 2023 Ibero-American Summit in Santo Domingo, the EU and LAC countries have since pressed for renewed inter-regional ties. The EU High Representative Borrell has taken the opportunity to meet with several LAC leaders and invite them to attend the upcoming EU-CELAC Summit, highlighting that 'the EU and the region should not only be natural partners, but partners of choice who engage in dialogue and consult on the basis of shared interests' (EEAS, 2023, p. 1). At the same time, Spanish Prime Minister Sánchez stated at the meeting that the EU-CELAC Summit in Brussels would not be a declarative summit but would establish a regular and strengthened political dialogue between the region and the European institutions aiming to tackle all the global challenges jointly. Likewise, this summit will be a fundamental step in implementing a shared investment agenda with projects with high strategic impact and regional scope (La Moncloa, 2023).

Yet, the revitalisation of EU-LAC relations under Spanish Leadership from the EU side must take into account the overall priorities of EU foreign relations and EU Member States, the remaining political divergences between EU and LAC countries on key regional and global issues, and Spain's potential domestic political-electoral challenges during its EU Presidency. Firstly, even though countries such as Spain and Portugal have historically favoured stronger ties with Latin American countries due to their cultural ties and investments in the region, Latin America was never a priority for the rest of the EU Member States. Several pressing external challenges have led the EU to look increasingly more to the East, considering the EU's concerns with the migration flows coming from the Middle East and Central Asia, the rise of China as a challenger to EU principles and geoeconomic interests, and more recently the Russian aggression against Ukraine, which has brought the war back to the European continent.

Secondly, the fact that the EU and Latin America share historical/linguistic ties and values never meant that both sides of the Atlantic would automatically converge on political positions at the global and regional levels, which systematically disappoints European observers and policy-makers. Chancellor Olaf Scholtz's recent January trip to South America exemplifies this 'surprise'. The social democrat chancellor's visit to Argentina, Brazil and Chile, led now by like-minded moderated leftists, aimed to gather stronger support from key region countries to the EU's position regarding the Russian aggression and convince these countries to send weapons and ammunition to Ukrainian forces. However, the German delegation has met diverging opinions in these countries on the natural causes of the war and the appropriate role of the international community (Marsh and Boadle, 2023).

Finally, it remains unclear whether the Spanish General elections, which are expected to be held in December 2023 and the overall electoral campaign will affect the outcomes of the Spanish Presidency of the EU. Indeed, the activities of the Spanish Presidency – such as the potential declarations signed at the EU-CELAC Summit – may contribute to boosting the statesman image of Socialist Prime Minister Pedro Sánchez, as happened with French President Macron during the French Presidency of the EU during the 2022 Presidential elections. In this sense, there is a concern that national politics and a fierce electoral campaign may erode the historic 'pro-EU consensus' between the governing Spanish Socialist Party (PSOE) and the opposition led by the Popular Party (PP), which could impact the performance and the legitimacy of the Spanish Presidency during the second semester of 2023 (Euractiv, 2023).

Considering these latest dynamics and expectations behind EU-LAC relations, and the priority given by the Spanish Presidency of the EU to areas such as digital transformation, renewable energy and trade agreements (Moya and Soto, 2022), the following sections will focus on three topics that should be considered as priorities of the Spanish Presidency with regards to EU's relations with Latin America: EU pending trade agreements with the region, the political situation in Venezuela, and cooperation on energy, especially on the provision of raw materials and green hydrogen.



## Trade: the signature of association/modernisation agreements with Mexico, Chile and Mercosur

One of the main priorities of the EU Spanish Presidency regarding the EU-LAC inter-regional agenda will undoubtedly revolve around the ongoing trade negotiations with Latin American countries, precisely the significance of the EU modernisation agreements with Chile and Mexico, and the conclusion of negotiations of an Association Agreement with Mercosur. These are major EU trade agreements that have been under negotiation for years – and decades in the case of the EU-Mercosur agreement – and the Spaniards may push for their conclusions as a main legacy for its EU Presidency. This priority comes in a context that the EU has lost its position as a top commercial partner for China, even though Europeans remain the leading investor in LAC countries, which means that signing these agreements would represent a key initiative for reinforcing EU commercial footprints in the region in such a challenging time.

However, each of the three agreements is surrounded by different levels of political, economic, and environmental challenges to be signed and ultimately ratified and implemented by EU and Latin American actors. In that sense, the EU-Chile agreement seems the agreement more likely to be signed during the Spanish semester, while the EU-Mercosur agreement is less likely to be signed due to past and ongoing European environmental concerns in terms of the levels of deforestation in the Amazon, added to European agriculture protectionism. The EU actors themselves recognised this terrain of possibilities, as seen when European Commission President Ursula von der Leyen only referred in her 2022 State of the Union Speech to the ratification of the agreements with Chile and Mexico as priorities for the EU, though not mentioning the signature of the EU-Mercosur agreement (Verdes-Montenegro and Jeger, 2022).

As indicated, EU trade negotiations with Chile will likely to be concluded during the Spanish Presidency in 2023. Chile is a smaller, less diverse, and historically open economy, and has had an association agreement with the EU since 2003. In 2017, the two sides agreed to start negotiations for a modernised agreement, the so-called Advance Framework Agreement, which will insert into this partnership ‘major commitments on sustainable trade, notably on multilateral environmental and labour standards, climate, energy, and raw materials, as well as gender equality and sustainable food systems’ (European Commission, 2023, p. 1). In addition, the recent election of a moderate left-wing coalition led by Gabriel Boric and the convergence of the new Chilean president to several EU environmental and democratic concerns within Latin America contributed

to the reduction of political disagreements between both sides, creating a favourable context for the conclusion of negotiations in December 2022, which is now officially in the legal review phase prior to its signature (European Commission, 2022). In this context, if the Spanish EU Presidency wishes to show some concrete results in terms of improving ties with Latin America, it is imperative to promote the official signature of the modernisation agreement with Chile, given not only its more advanced stage but also its low contestation on both sides of the Atlantic, especially when compared to the other two agreements under negotiations.

The case of EU negotiations with Mexico has significant historical and institutional parallels to the agreement being finalised with Chile. However, specific political issues remain on the table, creating impediments to the effective signature of this agreement, in contrast to the EU-Chile agreement. Similar to Chile's, the EU-Mexico modernisation agreement aims to upgrade the Global Agreement negotiated by the EU and Mexico in the 1990s and implemented in 2000, which would be the first EU trade agreement signed with LAC countries. The modernisation agreement – which started to be negotiated in 2016 and reached an 'agreement in principle' status for its trade part in 2018 – covers several new aspects not included in the Global Agreement, such as agriculture, trade and sustainable development, public procurement, intellectual property, services, and investment protection (European Commission, 2018). In fact, 'on 28 April 2020, the EU and Mexico concluded their talks by agreeing on the last element: the Union's access to Mexico's sub-federal public procurement markets' (Serrano, 2022, p. 152). Since then, the agreement has been in a stage of legal revision, awaiting a favourable political climate to be signed by the EU and Mexican actors.

Nonetheless, the level of political convergence between EU and Mexican actors is distinct from Chile. Despite the agreement in principle status, divergences in EU and Mexican priorities regarding renewable energies, human rights protection and migrant rights are additional obstacles to the signature of the modernised agreement, (Serrano, 2022). The more recent quarrel between the European Parliament and Mexican President López-Obrador, who, in an official communication, aggressively reacted to EP's resolution on the Mexican human rights situation (Gobierno de México, 2022), has also jeopardised the signing of the EU-Mexico modernisation agreement, given the EP's need for consent to approve the EU international agreements. In practice, if the Spanish Presidency of the EU wants to progress with the implementing the EU-Mexico deal, it must overcome these political rustles around the EU's relations with the current Mexican government.

Lastly, the EU-Mercosur Association Agreement is the oldest and the most contentious EU trade negotiation with Latin America. This agreement, which would become the EU's most important trade deal regarding population covered and tariff reductions, has been under negotiation since 2000 and systematically stalled by both Europeans' and South Americans' protectionist postures. Only as of 2016, a convergence on trade liberalisation commitments has been observed, leading to the June 2019 signature of

an agreement in principle on the trade pillar of the association agreement. However, since then, 'the Amazon fires in 2019 and the lack of commitment from the Bolsonaro government had a very negative impact on public opinion and influenced the position of European governments on the MERCOSUR agreement' (Ayuso, 2022, p. 13), resulting in the approval of motions rejecting the ratification of the EU-Mercosur Agreement in its current form by several European parliaments, including those of in Austria, the Netherlands, Ireland and Belgium. Additionally, European agricultural lobbies continued to oppose the agreement, rejecting to compete openly with Mercosur's competitive agricultural products (Luciano and Junqueira, 2022; Caetano, 2022).

The election of Lula da Silva as Brazilian President at the end of 2022 and the beginning of his term has raised some optimism about the conclusion of the EU-Mercosur negotiations. The visit of German chancellors Olaf Scholtz to Brazil at the beginning of 2023 and the public statements made during his stay demonstrated that concluding the EU-Mercosur deal was a priority for the two key countries of EU and Mercosur (Deutsche Welle, 2023). However, in March 2023, the EU submitted an additional environmental protocol for the consideration of Mercosur countries, aiming to increase environmental and deforestation commitments within the Association Agreement to reduce European political and social actors' contestation of the agreement and guarantee its eventual ratification. At first, Mercosur negotiators were disappointed by the EU's new proposals, who have seen them as an EU's unilateral imposition of new terms for an agreement already in its final stage. In any case, they believe there is room for further negotiations (Chade, 2023). Therefore, even though the Spanish EU Presidency may offer some opportunity to renegotiate new environmental clauses for the EU-Mercosur agreement, the intense criticism of this agreement in Europe indicates that signing this Association Agreement under Spanish leadership is less likely than the agreements with Chile and Mexico.

## Venezuela: a new road map with the new political constellation in LAC

Venezuela's political, economic, and humanitarian situation is another pressing issue that the EU Spanish Presidency needs to address regarding its relations with Latin America. With the resumption of EU-CELAC Summits in July 2023, this should return as a key inter-regional topic, even though this remains an issue where convergence within the region and among the region and extra-regional actors needs to be improved. However, the elections of moderated left-wing leaders in Latin America over the last years may provide a new window of opportunity for a constructive engagement with the Venezuelan government and opposition political actors to restore the country's constitutional order and political stability.

Over the past years, the EU has been concerned about the situation in Venezuela, acting on several fronts to contribute to conflict resolution and humanitarian assistance. As summarised by Ayuso et al. (2023), 'The EU's Venezuela policy has been anchored in three main pillars: first, supporting dialogue platforms between the government and the opposition; second, sanctioning the Maduro regime to force it to negotiate; and third, providing humanitarian aid helping to neighbour countries' attend to the massive migratory flow of Venezuelans' (p. 2). However, this multilevel approach has not necessarily converged with the measures taken by other extra-regional actors such as the US – especially under the Trump administration – nor has it been absent from criticism from Latin American actors. Besides, it has also been contested by certain EU Member States on some occasions, which complicates the EU's capacity to act as one in this issue. In practice, several initiatives involving the EU, such as the establishment of an International Contact Group, support for the mediation led by Norway, the dispatching of Electoral Observation Missions, and the implementation of sanctions against Maduro's government, were not able to overcome the crisis (Ayuso et al., 2023).

The Biden administration and the new left-wing leaderships in Latin America, particularly in key South American countries such as Argentina, Brazil, Chile and Colombia, have taken a different stance on the Venezuelan crisis than previous leaderships – especially those gathered in the Lima Group, i.e. an informal forum that focused on isolating Venezuelan government and recognising the opposition leader Juan Guaidó as the country's current President. This may indicate the existence of a new political constellation capable of resolving Venezuela's crisis via mediation and being less confrontational. In this respect, during the Spanish Presidency, the EU may take this opportunity to engage positively with these new leaders in that region to contribute to the country's political transition. While the Venezuelan regime and like-minded

countries in Latin America have criticised the EU's actions, a coordinated engagement with key South American countries and other external actors also involved in the mediating efforts, such as Norway, may be considered as more legitimate to address this crisis.

In this respect, the forthcoming 2023 EU-CELAC may present an ideal arena for the EU to re-engage with Latin American actors and recover the dialogue about Venezuela. However, past experiences with the paralysis of CELAC and the Union of South American Nations (UNASUR) precisely due to divergence regarding the situation in Venezuela may teach the EU that the region remains divided on that subject. In fact, the return on CELAC activities was only possible when LAC countries – led by Mexican Pro Tempore Presidency – focused on areas of regional convergences and side-line issues marked by diverging positions. The same logic needs to be applied at the EU-CELAC level if the EU wants to reposition itself as a key external actor in the region, especially when it comes to conflict resolution. Thus, the inter-regional debate should not be centred on the participation of non-democratic countries in the dialogue: 'There will be no CELAC-EU summit excluding these countries. However, the EU should not refrain from openly criticising human rights violations in Latin America (as some governments in the region are also doing)' (Nolte, 2023, p. 1).

New approaches to the Venezuelan crisis have begun to emerge since the elections of new left-wing leaders in South America, who have understood that without the political stabilisation of Venezuela is not possible to (re)construct South American integration. Both elected Chilean and Brazilian Presidents agreed that isolating Venezuela from the international community has not helped to solve the country's problems (Mazui, 2023). In March 2023, Brazilian President Lula da Silva sent his special advisor and former foreign minister, Celso Amorim, to Venezuela to meet not only President Maduro but also leaders from the Venezuelan political opposition and actors involved in government–opposition–negotiations. This mission aimed to re-establish diplomatic ties with Venezuela, which had been severed during the Bolsonaro administration – and to contribute to holding free elections in Venezuela in 2024 (Landim, 2023). Finally, Colombian President Gustavo Petro has summoned an international meeting with diplomats from Latin America, the US, and Europe to discuss the situation in Venezuela. Maduro's participation has not been ruled out. Likewise the initiative of Brazil, the Colombian government aims to contribute to the return of the dialogue between the Venezuelan government and opposition forces, which would lead to the lifting of sanctions, the release of political prisoners, and the guarantee of free elections in 2024 (Quesada, 2023). Under the Spanish Presidency, the EU may seize this new regional juncture for political dialogue in the region to both support and directly participate in the new initiatives of Latin American leaders to restore Venezuela's democratic stability.

## Energy: Latin America as an EU emerging partner in times of energy challenges

**E**nergy security is a third front that the Spanish EU Presidency should prioritise in the second semester of 2023. This is a global topic that has become more pressing since the invasion of Ukraine and the several rounds of sanctions on Russia, which significantly impacted the energy supply not just to European countries but has also generated economic and energy consequences at a global scale. In this sense, and as a recognition that ‘the EU needs to mitigate the risks for supply chains related to such strategic dependencies to enhance its economic resilience, as highlighted by shortages in the aftermath of the Covid-19 and the energy crisis following Russia’s invasion of Ukraine’ (European Commission, 2023, p. 1), the European Commission has recently launched its Critical Raw Materials Act.

The relationship with Latin America might offer an opportunity for Europeans to diversify their energy and raw materials suppliers, especially regarding those essential items for developing renewable energies and a green hydrogen matrix. In fact, representatives of the Spanish government have already indicated that their focus within the EU Presidency is to contribute to the development of green and digital industries and to better position the EU in the areas of innovative energy and digital technologies, besides giving more importance to the Spanish production of lithium as a means of guaranteeing the EU more strategic autonomy (Rivera et al., 2023). While so far, emphasis has been mostly given to domestic and global strategies for the EU to overcome the energy crisis, the Spanish Presidency of the EU can ‘instrumentalise’ inter-regional relations with Latin America as an alternative to increase its energy and raw material autonomy. In fact, this is something aligned with the Commission President’s statement about ‘strengthening our cooperation with reliable trading partners globally to reduce the EU’s current dependencies on just one or a few countries. It is in our mutual interest to ramp up production in a sustainable manner and at the same time ensure the highest level of diversification of supply chains for our European businesses’ (European Commission, 2023, p. 1).

EU relations with Latin America in this regard have traditionally been focused on an asymmetric, North-South, and patronising relationship, marked by the EU’s import of LAC commodities and the destination of a sum of its community budget to the financial and technical support of green and sustainable development of LAC countries, especially the least developed ones. For instance, ‘The Regional Multi-Annual Indicative Programme (MIP) of the EU for LAC (2021-27) will support the green transition, the digital transformation, the sustainable and inclusive economy, democratic government,

security and migration, as well as social cohesion and the fight against inequality' (Fierro, 2022, p. 2). Nonetheless, the war in Ukraine and the EU's recent energy shortage have made it clearer that recognising LAC's potential as an EU more equal partner can be instrumental for the EU's energy autonomy via diversification of global partners in the energy and raw materials sectors. Diversification, in this sense, cannot ignore the capacity of the LAC region to become a global provider:

Latin America is particularly crucial to meeting demand for critical minerals (copper, lithium, cobalt, and nickel), given both existing levels of production and its global share of reserves of copper, lithium, cobalt, and nickel. Chile, Peru, and Mexico hold an estimated 40% of global copper reserves, with additional reserves found in Argentina, Brazil, Colombia, and Ecuador. Roughly two-thirds of the world's global lithium reserves are in Latin America. These are primarily in Bolivia, Argentina, and Chile, although Mexico, Peru, and Brazil are home to smaller shares and host some exploration projects. The region also has sizable nickel reserves—Brazil hosts 17% of global nickel reserves, with additional reserves in Colombia and Cuba—as well as small amounts of cobalt. (Purdy and Castillo, 2022, p. 4)

Thus, LAC countries can become exporters of raw materials to the EU over the following years, reducing the EU's energy and raw materials dependency on less reliable countries such as Russia and China (Nolte, 2023). European leaders already acknowledged this and should also be promoted by the EU itself. In this respect, the previously mentioned visit of German chancellor Scholtz to South America has not only aimed at gathering the region's support for the EU's position regarding the war in Ukraine; it also targeted key producers of lithium in the region, such as Chile and Argentina, which in the case of the former led to the signature of a partnership agreement on commodities (Marsh, 2023).

At the inter-regional level, the 2022-2023 bi-regional roadmap agreed upon between the EU and CELAC leaders in Buenos Aires has inserted in its schedule two EU-Latin American Convention on Raw Materials, which attests to the relevance of this topic for both regions. Based on the EU-funded project 'EU-Latin America Partnership on Raw Materials', these inter-regional conventions provide an opportunity to take the subject as a priority and to foster an environment for the promotion of investments in sustainable raw materials, the dialogue among public and private potential partners, and the reinforcement of the EU sustainability values and LAC actors in the development of raw materials value chains.

However, concerns exist regarding the extent to which this new EU push for partners on raw materials may lead to the increase of extractivism and deindustrialisation of Latin America, which could reinforce the North-South asymmetric relationship and the stigmatisation of the LAC region as a commodity provider (Nolte, 2023). In this sense, combining the provision of raw materials with the development and prospective export of green hydrogen production in Latin America may be an alternative to surpassing

this unbalanced nature of the relationship between the EU and the LAC region when it comes to the energy sector. Besides, facilitating the transfer of renewable energy technology to Latin American countries can also contribute to overcoming the extractivist patterns of EU-LAC relations (Ayuso, 2021). By strengthening the EU-Latin American Raw Materials partnership and committing to the future transfer of green technology to Latin America, the Spanish Presidency may align EU energy needs in a context of crisis with the Spanish intention of placing Latin America back on the EU's priority map while simultaneously promoting the export of the principles and practices of the EU Green Deal to LAC countries.



## Conclusions and recommendations

Starting in July 2023 with the resume of EU-CELAC Summits since 2015, the Spanish Presidency of the EU has the potential to bring Latin America back to the EU's external radar. Among the several topics of interest covered by this inter-regional relationship, this paper has stressed three areas which should occupy a more prominent role in the Spanish Presidency when engaging with the LAC region.

First, this will be an opportunity to give a final push in key EU trade negotiations with the region, such as the Modernisation Agreements with Chile and Mexico, as well as the Association Agreement with Mercosur. While it is more likely that agreements will be signed with Chile and, to a lesser extent, with Mexico, the conclusion of the two-decade agreement with Mercosur is less probable due to pending sensitive issues regarding environmental commitments. Even though the international conjuncture has not been favouring trade liberalisation initiatives – quite the opposite when one observes unilateral initiatives of providing subsidies to national industries by developed economies such as the US – concluding trade agreements with big economies of Latin America should continue to be pursued due to its geopolitical dimension (Verdes-Montenegro and Jeger, 2022). This is because the Association Agreements under negotiation comprise ambitious cooperation and political pillars that can contribute to deepening the EU's ties with the region vis-à-vis its external competitors.

Secondly, when engaging with the LAC region, within and beyond the CELAC level, the EU Spanish Presidency should not refrain from discussing the situation in Venezuela, despite this being one of the most polarised topics in the region. However, instead of assuming a more confrontational approach regarding the Venezuelan government, the EU may seize the political changes in South America to contribute constructively to the return of the dialogue between the Venezuelan government and opposition, aiming to develop an effective road map toward free and clean elections in 2024. Restoring Venezuela's political stability is a crucial step to reviving Latin American regionalism, and as a consequence, restoring EU-LAC's permanent inter-regional relations.

Finally, probably the most urgent topic for the EU in current circumstances, the Spanish Presidency may contribute to the EU's energy security by strengthening ties with Latin America in the provision of raw materials and green hydrogen, promoting the diversification of EU's energy suppliers and reducing its energy and raw materials dependency from less stable partners. Some EU Member States, such as Germany, have already pushed for individual relations with countries from the Lithium Triangle, such as Chile and Argentine, and the EU should invest in doing the same more comprehensively.

Even though the EU Council Rotating Presidencies have not the same influential

positions as they have in the past, the Spanish Presidency of the EU will be a unique opportunity for Spain to shape directly the EU's decision-making and external relations, given that Spain will only occupy this role again in 13 years (Rivera et al., 2023). For Latin America, the moments that Portugal and Spain steer the EU Presidencies are the few moments in which the region receives additional attention from the EU institutions. However, the time has come for Latin America to become a more priority EU global partner and receive more visibility than only those coming from the Iberian countries. By investing heavily in the three priority topics discussed, particularly the latter, Spain may leave a legacy of seriously putting the LAC region within the EU external agenda. Indeed, the EU challenges, especially in its Eastern neighbourhood, will remain taking most of EU resources and attention. Nonetheless, partnering with Latin America will contribute to finding solutions for the EU addresses its energy dependency, the climate change commitments stated in the EU Green Deal, and its role in the world.

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## About the Project

The Jean Monnet Atlantic Network 2.0 is a small network of six members that keep intense communication and joint activities on the Atlantic Basin. The Network also serves as a central arena for discussing globalisation and key major trends in the several Atlantic microcosms. By combining the national with the regional perspective, its research and debates take into account the different foreign interests and pressures, as well as a critical view on the possible roles and future of the European Union (EU) in the area.

It is the present link of a long chain of projects. In 2016, the project that established the first Jean Monnet Network on Atlantic Studies ([jeanmonnetnetwork.com.br](http://jeanmonnetnetwork.com.br)) sought to foster knowledge and co-operation among scholars and researchers on topics of fundamental importance for Atlantic actors in general, and for the EU, in particular. It involved a greater number of centres and universities.

Seven years later, still focussed on the original three broad thematic axes -Energy/Sustainability, Trade/Economy (International Economic Flows) and Security/Inequality-, the Jean Monnet Atlantic Network 2.0 represents a continuation and a rupture with the previous undertakings.

It intends to offer a wide, innovative and sometimes controversial view on Atlantic problems and the expectations on and scope of the EU activities relative to them. The papers in this series are a sample of its achievements.





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