



## **Priorities first: EU's relations with Latin America under the Spanish Presidency of the EU<sup>1</sup>**

*Bruno Theodoro Luciano – Université Libre de Bruxelles (ULB)*

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## **Abstract**

This paper will address the main topics to be explored by the Spanish Presidency of the EU in the second semester of 2023 when it comes to relations with Latin America, and whether concrete achievements in this area may be reached given the EU's current internal and external challenges. I argue that in order to succeed in fostering a 'Qualitative Leap' to EU-LAC relations, Spanish leadership will need to adjust their inter-regional ambitions according to not only the resistance of certain Member States and EU institutions to progress in certain 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 EU prospective partnerships with LAC in this area.

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

## **About the author**

**Bruno Theodoro Luciano** is Marie Skłodowska-Curie Cofund Postdoctoral Fellow at the Université Libre de Bruxelles (ULB) and an Associate Research Fellow at the United Nations University's Institute on Comparative Regional Integration Studies (UNU-CRIS), Belgium. His project receives funding from the European Union's Horizon 2020 research and innovation programme under the Marie Skłodowska-Curie Grant Agreement No. 10103324.

**Address:** Institut d'études européennes (bureau R41.4.103), Avenue Franklin Roosevelt, 39, 1050 Brussels, Belgium | [bruno.theodoro.luciano@ulb.be](mailto:bruno.theodoro.luciano@ulb.be)

## **Introduction**

From July to December 2023, the Rotating Presidency of the Council of the European Union (EU) will be occupied by Spain, which will give 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). In this sense, this paper will address the main topics to be explored by the Spanish Presidency when it comes to relations with Latin America, and whether concrete achievements in this area may be reached by the Spanish Presidency, given the EU's current internal and external challenges. I argue that in order to succeed in fostering a 'Qualitative Leap' to EU-LAC relations, Spanish leadership will need to adjust their inter-regional ambitions according to not only the resistance of certain Member States and EU institutions to progress in certain 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. 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; and the energy crisis and EU prospective partnerships with LAC in this area. While the next section will provide some background on the place of Latin America and the Caribbean for Spain's diplomacy at the EU level and the country's initial plans to revitalise EU-LAC relations, the following 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 steady and sustainable EU-LAC relations.

### **1. 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 added to the fact that the role of EU's High Representative for Foreign Affairs and Security Policy is occupied by Spaniard Josep Borrell can be perceived as a moment of an 'alignment of the stars' for Spanish foreign policy priorities at the EU level, as well as for the progress of EU-LAC inter-regional relations. Likewise in 2010, when Spain occupied for the last time the EU Presidency, there is an expectation that relations with Latin America and the Caribbean, 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 – will have a more prominent role. 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 about 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 as much attention as it should by the EU, and that 2023 must be the year of Latin America in Europe (Nolte, 2023).

Added to 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 regarding what can be accomplished in 2023 when it comes to EU-LAC relations, which has been an inter-regional relationship characterised by historical, linguistic and economic ties associated with common values and traditional cooperation, but often 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, even though the EU is still 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 concerned with tightening ties with the Asia-Pacific region than with its traditional extra-regional partners.

However, the Spanish Presidency may represent a unique opportunity to recalibrate the EU's engagement with Latin America, in a challenging context in which the EU needs more than ever to diversify its partnerships across the world 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 look more than ever to 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 with the paralysis of CELAC, 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. At the same time, 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).

Since then, the EU and LAC countries have pushed for renewed inter-regional relations, which is something already seen in the last Ibero-American Summits in Santo Domingo in March 2023. The EU High Representative Borrell has taken the opportunity to meet with several LAC leaders and invite them to attend the next 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 Summit that the EU-CELAC Summit organised in Brussels will not be a declarative summit but will establish a regular and strengthened political dialogue between the region and the European institutions aiming at tackling all global challenges together. Likewise, this summit will be a fundamental step in the implementation of a shared investment agenda with projects of high strategic impact and with a 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. First, 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 and several pressing external

challenges have led the EU to rather look increasingly more to the East, considering the EU 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 when it comes to political positions at the global and regional levels, which is something that systematically disappoints European observers and policy-makers. The most recent trip of Chancellor Olaf Scholtz to South America in January is most representative of 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 countries of the region to 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 real causes of the war and on how the international community should be involved in the war (Marsh and Boadle, 2023).

Finally, it is still not clear 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. Certainly, the activities of the Spanish Presidency – for instance, 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 in times of Presidential elections in 2022. In this sense, there is a fear 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 next 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.

## **2. 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 certainly revolve around the ongoing trade negotiations with Latin American countries, more specifically on the signature of the EU modernisation agreements with Chile and Mexico, as well as 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 one – 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 main 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 in order to be signed and ultimately be 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 signature of the EU-Mercosur one is probably the least probable one due to past and ongoing European environmental concerns in terms of the levels of deforestation in the Amazon, added to European agriculture protectionism. In fact, the EU actors themselves recognised this terrain of possibilities, as seen when European Commission President 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 are the most likely to be concluded in the context of the 2023 Spanish Presidency. Chile is a smaller, less diverse, and historically open economy, and has had an association agreement with the EU in place since 2003. In 2017, the two sides agreed on starting negotiations of 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 more recent election of a moderate left-wing coalition led by Gabriel Boric and the convergence of the Chilean new 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 under the stage of legal revision before its signature (European Commission, 2022). Considering this context, if the Spanish EU Presidency wants to show some concrete results in terms of improving ties with Latin America, promoting the official signature of the modernisation agreement with Chile is a must, 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 shares many historical and institutional aspects with the agreement being finalised with Chile. However, certain political issues remain on the table, creating impediments to the effective signature of this agreement, in contrast to the EU-Chile agreement. Likewise the case with Chile, the EU-Mexico modernisation agreement aims to upgrade the Global Agreement negotiated by the EU and Mexico in the 1990s and implemented in 2000, being the first EU trade agreement signed with LAC countries. The modernisation agreement – which started to be negotiated in 2016, reaching an 'agreement in principle' status of 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 the political will of both the EU and Mexican actors to sign the agreement.

Nonetheless, the political convergence between EU and Mexican actors is not at the same level found in the case of Chile. For instance, divergences regarding EU and Mexican priorities regarding renewable energies, protection of human rights and migrant rights introduce more challenges to the signature of the modernised agreement, despite the agreement in principle status (Serrano, 2022). The more recent quarrel between the European Parliament and Mexican President López-Obrador, who aggressively reacted to EP's resolution on the Mexican human rights situation in an official communication (Gobierno de México, 2022), also compromise the signature of the EU-Mexico modernisation agreement, given the EP's



need for consent to EU international agreements. In practice, this means that if the Spanish Presidency of the EU wants to progress with the implementation of the EU-Mexico deal, it will have to overcome these political rustles around the EU's relations with the current Mexican government.

Lastly, the oldest and the most contentious EU trade negotiations with Latin America is the EU-Mercosur Association Agreement. This agreement, which would become the EU's biggest trade deal in terms of the size of population covered and tariff reductions, has been under negotiation since 2000 and systematically stalled due to protectionist postures from both Europeans and South Americans. Only since 2016 a convergence on trade liberalisation commitments was observed, which led to the signature of an agreement in principle in June 2019 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), leading to the approval of motions rejecting the ratification of the EU-Mercosur Agreement in its current form by several parliaments across Europe, such as in Austria, the Netherlands, Ireland and Belgium. Additionally, agriculture lobbies in Europe have continued to show their opposition to the agreement, rejecting to openly compete with Mercosur's competitive agriculture products (Luciano and Junqueira, 2022; Caetano, 2022).

The elections of Lula da Silva as Brazilian President at the end of 2022 and the beginning of his mandate have brought some optimism to finally concluding the EU-Mercosur negotiations. The visit of German chancellors Olaf Scholtz to Brazil at the beginning of 2023 and public declarations with President Lula 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 the level of environmental and deforestation commitments within the Association Agreement as a way of reducing the contestation of the agreement by European political and social actors, guaranteeing its eventual ratification. At first, the EU's new proposals were met with disappointment by Mercosur negotiators, who so far have seen them as an EU's unilateral imposition of new terms for an agreement already in its final stage, even though they believe there is room for further negotiations (Chade, 2023). Therefore, even though the Spanish Presidency of the EU may offer some opportunity to renegotiation of new environmental clauses to the EU-Mercosur

agreement, the strong levels of criticism of this agreement in Europe indicate that a signature of this Association Agreement under Spanish leadership is more unlikely when compared to the agreements with Chile and Mexico.

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

Another pressing issue that needs to be addressed by the EU Spanish Presidency regarding its relations with Latin America is the political, economic, and humanitarian situation in Venezuela. This should return as a key inter-regional topic with the resume of EU-CELAC Summits in July 2023, even though this remains an issue in which convergence is still lacking within the region, and among the region and extra-regional actors. 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 constitutional order and political stability of the country.

Over the past years, the EU has been concerned with the situation in Venezuela and has acted on several fronts to make its contribution 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 neighbouring 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 it has been absent of criticism from Latin American actors. Besides, it has also been contested on some occasions by certain EU Member States, which complicates the capacity of the EU to act as one in this issue. In practice, several initiatives with the involvement of the EU, such as the establishment of an International Contact Group, support to the mediation led by Norway, sending of Electoral Observation Missions, and implementation of sanctions to 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 assumed a distinct posture regarding the crisis in Venezuelan than previous leaderships –

especially those gathered in the Lima Group, i.e. an informal forum that focused on isolating Venezuelan government and recognising one of the opposition leader Juan Guaidó as Venezuela's actual President. This may indicate the existence of a new political constellation that has the potential to address the crisis in Venezuela via a mediated and less confrontational solution. In this respect, the EU during the Spanish Presidency may take this opportunity to positively engage with these new leaders in that region aiming to contribute to the political transition in the country. While the EU's individual actions have been criticised by the Venezuelan regime and like-minded countries in Latin America, a coordinated engagement with key South American countries and other external actors also involved in the mediating efforts such as Norway may be considered more legitimate to address this crisis.

In this respect, the forthcoming EU-CELAC of 2023 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 of CELAC activities was only possible when LAC countries – led by Mexican Pro Tempore Presidency – focused on areas of regional convergences and side-lined issues marked by diverging positions. The same logic needs to be applied to 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 started 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 contributed to solving 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 the negotiations between the government and opposition. The aim of this mission was to revive diplomatic channels with Venezuela – disrupted during the Bolsonaro administration – and to contribute to the conduction of 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, which has not excluded the participation of Maduro. 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). The EU under the Spanish Presidency 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 the democratic stability of Venezuela.

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

A third front that the Spanish Presidency of the EU should take as a priority in the second semester of 2023 is energy security. 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 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.

In this respect, the relationship with Latin America might offer an opportunity for Europeans to diversify their energy and raw materials suppliers, especially when it comes to those items fundamentals for the development of renewable energies and a green hydrogen matrix. In fact, representatives of the Spanish government already pointed out 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 relevant to the Spanish production of lithium as a way of guarantying more strategic autonomy to the EU (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's 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).

Traditionally, EU relations with Latin America in this regard have 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). This is something already acknowledged by European leaders, which should also be promoted by the EU itself. In this respect, the visit of German chancellor Scholtz to South America previously mentioned has not only aimed at gathering the region's support to 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 reinforce the sustainability values of EU and LAC actors in the development of raw materials value chains.

However, there are concerns about to what extent 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 estigmatisation of the LAC region as a commodity provider (Nolte, 2023). In this sense, combining the provision of raw materials with the development and future 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 putting back Latin America in the EU’s priority map and promoting at the same time 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 to see a signature of the

agreements with Chile and to some extent with Mexico, the conclusion of the two-decade agreement with Mercosur is less likely, 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), inasmuch as the Association Agreements under negotiation are also comprised of 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 avoid discussing the situation in Venezuela, although this is one of the most polarised topics of 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 constructively contribute to the return of the dialogue between the Venezuelan government and opposition aiming to develop an effective roadmap towards free and clean elections in 2024. Returning the political stability of Venezuela is a crucial step to reviving Latin American regionalism, and as a consequence, restoring EU-LAC permanent inter-regional relations.

Finally, probably on 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 Argentina, and the EU should invest in doing the same in a more comprehensive way.

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 directly shape the EU's decision-making and external relations, given that Spain will only occupy again this role in 13 years (Rivera et al., 2023). For Latin America, the moments that the EU Presidencies are steered by Portugal and Spain 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 to receive more visibility than only those coming from the Iberian countries. By deeply investing 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. Surely, 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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