# A partnership of hope for the good of our peoples and a more fraternal world

A contribution in the view of the 2023 EU-CELAC Summit and the future of EU-LAC cooperation









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#### **INTRODUCTION**

At a time marked by deep global political, economic, social and security crises, we welcome the EU-CELAC Summit, planned to take place in Brussels, on 17 and 18 July 2023, bringing together heads of State and government from the European Union and the Community of Latin American and Caribbean States, as an opportunity to strengthen the ties between our regions and peoples, and engage in unity for a world based on the principles of justice, solidarity, fraternity and sustainability that leaves no one behind.<sup>1</sup>

Our regions have long been facing a number of serious challenges<sup>2</sup> that affect the lives and dignity of people, families and communities, such as climate change, the energy crisis, digital transition, forced displacement, rising food insecurity, unemployment and underemployment, as well as political and societal polarisation and shrinking civic space. While these have been exacerbated by the consequences of the war in Ukraine and the Covid-19 pandemic, we want to draw attention to **structural issues** that increase multidimensional poverty and inequalities and undermine social cohesion, especially in Low and Middle Income Countries (LMIC), including some countries of Latin America and the Caribbean (LAC).

In this regard, we consider particularly worrying: countries engaging in the international system on unequal terms; production and business models that rely on exploitation of people and planet; unfair trade rules; unjust global financial and debt architecture; fragile democratic ownership of policyand decision-making processes; unsustainable and unjust food systems. As these challenges and global imbalances can only be addressed through their acknowledgement and international cooperation, it is essential that Europe and LAC engage in **building common responses**.

Throughout history, the two regions have developed **strong economic and social relations**. The economic and trade integration and cooperation has reached in these years unprecedented levels, as recalled by the 2019 EU Strategy on Latin America and the Caribbean:<sup>3</sup> the European Union (EU) has already signed association, free trade or political and cooperation agreements with most of the LAC countries.<sup>4</sup> It is the leading direct investor in the LAC region, the main actor in international cooperation, the third-largest trading partner for Latin America. CELAC, on the other hand, is the largest food producer in the world and third-largest producer of electricity, while being one of the world's leading regions on renewable energies – an area in which also Europe needs to advance.

Moreover, in the world that we are building after COVID-19, there are additional reasons to motivate an even closer cooperation between Europe and LAC. We may have a converging interest in finding ourselves on the same side and allied in **humanising our societies in an international system** that risks being more fragmented than it has been to date, with fewer global common standards, fewer

<sup>&</sup>lt;sup>1</sup> CELAC was launched in 2011 and represents a regional political coordination mechanism, which gathers all 33 Latin American and Caribbean countries in the region. CELAC is the EU's official counterpart for the region-to-region summit process and strategic partnership. The last Eu-CELAC summit took place in 2015, and the most recent EU-CELAC ministerial meeting (with ministers of Foreign Affairs) happened in October 2022.

<sup>&</sup>lt;sup>2</sup> According to the European Commission's Autumn 2022 Economic Forecast, "after a strong first half of the year, the EU economy has now entered a much more challenging phase. The shocks unleashed by Russia's war of aggression against Ukraine are denting global demand and reinforcing global inflationary pressures", <a href="https://ec.europa.eu/commission/presscorner/detail/en/ip\_22\_6782">https://ec.europa.eu/commission/presscorner/detail/en/ip\_22\_6782</a> ECLAC Social Panorama 2022 Report projects that 201 million people in the LAC region (32.1% of the region's total population) live in situations of poverty, with 82 million (13.1%) of them in extreme poverty.

<sup>&</sup>lt;sup>3</sup> EU, The European Union, Latin America and the Caribbean: joining forces for a common future, April 2019, https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52019JC0006&from=en.

<sup>&</sup>lt;sup>4</sup> Some free trade agreements have been questioned by multiple economic, political and civil society sectors, because of their adverse effects. Several LAC countries are thus initiating renegotiation processes.

common international institutions and multilateral relations, and growing economic-financial logics of mere profits.

A key precondition for every partnership is **trust**. We are aware of **colonial debt and legacies** as well as **historical injustices and imbalances** that in certain forms keep being perpetuated by some European policies and practices, which regrettably still undermine sustainable and inclusive development in LAC countries. But we also know that there are strong **cultural, religious and personal ties, hopes and shared values** that unite our two regions beyond economic interests. Migration between the two regions, in both directions, has been a constant feature in our relations for centuries. Currently, six million European<sup>5</sup> and Latin American citizens<sup>6</sup> live and work on both sides of the Atlantic, and more than a third of Latin American students abroad are in Europe. We share languages, culture, history and religious beliefs. Principles and values such as respect for human dignity, freedom, justice, democracy, the rule of law, equality and solidarity are deeply rooted in our respective societies. There are many examples of international cooperation and sharing of best practices originating from LAC, such as experiences of solidarity economy and ethical finance, that have inspired similar processes in Europe. We also witness mutually expressed solidarity, such as the readiness of 52 Cuban doctors who in the darkest hours of the Covid-19 crisis came to Italy to share their expertise and assist with responses to the health emergency.

In view of a **renewed people-centred and hope-giving EU-CELAC partnership**, we as Bishops, Church communities and humanitarian and development organisations of the LAC and European regions, wish to contribute to the upcoming Summit and beyond with our reflections, best practices and recommendations based on our daily experience of accompaniment and engagement at the side of people experiencing poverty and in positions of vulnerability. Offering a 'prophetic vision' rooted in today's reality, we propose to orient the future EU-CELAC partnership around **three pillars: 1) Integral human development and social justice; 2) Integral ecology and care for our common home**; and **3) Peace and a culture of encounter**. Under each pillar, we suggest several areas and concrete initiatives to put this vision into action.

#### I. INTEGRAL HUMAN DEVELOPMENT AND SOCIAL JUSTICE

Public decision-makers have a particular responsibility for working towards the common good by creating conditions that make it possible for everybody to live a life in dignity and which favour integral human development<sup>7</sup> – the development of every person and of the whole person. Very often, however, our social and economic structures prevent the full participation of people experiencing the most vulnerable in economic, social and political life, thus threatening social cohesion and peace. Social justice, and in particular, a preferential option for the poor<sup>8</sup>, are key for overcoming the structural causes of exclusion and oppression by aiming to transform our economies so that these can better respond to and reduce the various social fractures in our

https://www.vatican.va/content/paul-vi/en/encyclicals/documents/hf\_p-vi\_enc\_26031967\_populorum.html

 $\underline{\text{https://www.vatican.va/content/john-paul-ii/en/encyclicals/documents/hf\_jp-ii\_enc\_30121987\_sollicitudo-rei-socialis.html}$ 

<sup>&</sup>lt;sup>5</sup> According to an EU-funded IOM study (2012), in 2008 and 2009, more than 107,000 Europeans, including dual nationals, migrated to a country in Latin America and the Caribbean. Brazil, Argentina, Venezuela and Mexico are among the main destination countries, while Spain (47,701 people), Germany (20,926), the Netherlands (17,168) and Italy (15,701) were the main countries of departure. <a href="https://www.iom.int/news/study-shows-changing-migration-flows-between-latin-america-caribbean-and-eu">https://www.iom.int/news/study-shows-changing-migration-flows-between-latin-america-caribbean-and-eu</a>

<sup>&</sup>lt;sup>6</sup> Around 4 million Latin Americans live in Europe, mostly in Spain.

<sup>&</sup>lt;sup>7</sup> Pope Paul VI, Encyclical Letter *Populorum Progressio* (1967),

<sup>&</sup>lt;sup>8</sup> Pope John Paul II, Encyclical letter *Sollicitudo Rei Socialis* (1987),

societies (economic, generational, cultural, digital, etc.) as well as the neglect, exploitation and abusive destruction of the environment, our common home.

# A. LAUNCHING A NEW GLOBAL GOVERNANCE IN TRADE RELATIONS AND A FAIR AND SUSTAINABLE INTERNATIONAL TRADE

"God intended the earth and everything in it for the use of all human beings and peoples. Thus, under the leadership of justice and in the company of charity, created goods should flow fairly to all. All other rights, whatever they may be, including the rights of property and free trade, are to be subordinated to this principle. They should in no way hinder it; in fact, they should actively facilitate its implementation. Redirecting these rights back to their original purpose must be regarded as an important and urgent social duty." [Pope Paul VI, Populorum Progressio, 22]<sup>9</sup>

As Christians, we believe that "trade should benefit people, not just markets and economies" and that **each economic activity should aim at integral human development.** Economic models that privilege economic growth and profit maximisation at all costs over people and families, are not in line with ethical values and principles of integral human development. The COVID-19 pandemic itself is a sad precedent of how an economic model based on profit maximisation was protected at the cost of the lives of millions of people and depriving people in situations of vulnerability of universal access to quality and affordable vaccines, diagnostics and medicines. The market is foremost a relation between people, and not only an exchange of goods and services.

**Trade agreements have human consequences and ethical dimensions**. They should not be concluded behind closed doors, but only with the **full participation of all actors involved** – especially parliaments, local communities, including indigenous peoples and Afro-descendants, trade unions, and civil society organisations. Trade interests of certain stakeholders – like business and multinationals with a powerful representation of their interests – cannot prevail over elected representatives and civil society actors when negotiating the agreement's contents and aims.

We believe that **democracy, transparency, human rights, sustainable development and an economy at the service of the human person and for the good of the community and our planet** must be the basic criteria on which to build any fair trade relation between countries and regions. Trade agreements should be negotiated through a human rights approach and **evaluated from the impact they have on the people,** especially those experiencing poverty and in situations of vulnerability, the communities and the environment. "The economy should serve people, not the other way around." 12

Unbridled competition in the international trading system has unleashed a "race to the bottom" in which exploiting weak labour standards, eroding environmental regulations and suppressing commodity prices are the surest paths to profitability. The big winners in this race have been

<sup>&</sup>lt;sup>9</sup> Pope Paul VI, Encyclical Letter *Populorum Progressio* (1967),

https://www.vatican.va/content/paul-vi/en/encyclicals/documents/hf\_p-vi\_enc\_26031967\_populorum.html

<sup>&</sup>lt;sup>10</sup> Note of the Holy See, Ethical Guidelines for International Trade (2003),

https://www.vatican.va/roman\_curia/secretariat\_state/2003/documents/rc\_seg-st\_20030910\_ethics-intern-trade\_en.html

<sup>&</sup>lt;sup>11</sup> Key to our vision is the concept of integral human development, which places the human person at the centre of the development process. Integral human development is defined as an all-embracing approach that takes into consideration the well-being of the person and of all people in seven different dimensions: 1) social, 2) work, 3) ecological, 4) political, 5) economic, 6) cultural, and 7) spiritual.

<sup>&</sup>lt;sup>12</sup> US Catholic Bishops' Conference (USCCB), Economic Justice for All (1986), https://www.usccb.org/upload/economic\_justice\_for\_all.pdf

multinational corporations. The big losers—people experiencing poverty and marginalisation, especially from countries of the Global South.

We are aware of the supply and demand crisis that the coronavirus pandemic, along with the war in Ukraine and tariff wars, have produced in these years in international markets. For this reason, it will be crucial to preserve, revive and enhance the exchange of goods on a regional and global scale by defining **new shared rules to foster fair and sustainable trade**.<sup>13</sup>

Europe and the LAC region have chosen a path of association agreements that include trade agreements, but also imply negotiating chapters of political, economic and cooperation partnership. The first bi-regional agreement that has integrated the elements of political dialogue, cooperation and trade, has been the Association Agreement between the EU and Central America (AAUECA), signed by the EU and Central America in 2013. Although this Agreement has consolidated the EU as the main regional partner of the Central American countries and their integration process, it has so far had only a moderate relevance in the region's development agenda. Its political dialogue and cooperation pillars were so broad in scope and had to undergo such a lengthy ratification process that they have not yet been effectively implemented. The lessons learned with this Agreement should be considered in further negotiations.<sup>14</sup>

On 28 June 2019, a political agreement was reached on the trade chapter of the Association Agreement between the **EU and Mercosur** (Argentina, Brazil, Paraguay, Uruguay), in negotiation since 2000. It foreshadows the birth of the largest free trade area ever created by the EU in its history, which will include a total population of 780 million people. While **recognising the political and economic value** of such an agreement, we are concerned about the potential of its political and sustainability dimensions being duly implemented, given the little progress that has been made in the AAUECA.

We are also **deeply concerned about the lack of democratic participation** in its negotiations led by the European Commission and the Mercosur governments, as well as by its basic approach. Although the agreement will have a big impact on the daily life of millions of people in Latin America, most of the people living in these countries have received no information about it. Trade unions and civil society actors could hardly enter into a dialogue with their governments and indigenous peoples, whose living environment is already under great pressure from agribusiness and multinational enterprises, were not even consulted. The European Parliament could also barely influence negotiations, as it may only pronounce itself after their conclusions and simply to approve or reject the agreement in its entirety. In addition to this, there are signs that the European Commission is considering splitting the Agreement to increase the chance of ratifying the economic part by 2023. This is particularly concerning, as economic policies heavily impact society and the environment. Separating these dimensions in economic decisions would be harmful for people and their habitat.

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<sup>&</sup>lt;sup>13</sup> An important recent international initiative already sees Europe and Latin America as co-leaders. To counter the progressive loss of credibility and effectiveness of the World Trade Organisation (WTO), the EU, together with 15 other countries, half of which are from Latin America (Brazil, Chile, Colombia, Costa Rica, Guatemala, Mexico, Uruguay), reached an agreement on 27 March 2020 for the creation of a provisional mechanism for the settlement of trade disputes (Multi-party Interim Appeal Arbitration Arrangement) that would also include an independent and impartial appeal instrument at the WTO (pending the reinstatement of the canonical Appellate Body with the appointment of new judges).

<sup>&</sup>lt;sup>14</sup> Pedro Caldentey Del Pozo, "The Association Agreement between the European Union and Central America: a potential to be exploited" in Documentos de Trabajo, Occasional Paper FC/EU-LAC (6) EN, Madrid, Fundación Carolina/ EU-LAC, <a href="https://www.researchgate.net/publication/361252863">https://www.researchgate.net/publication/361252863</a> The Association Agreement between the European Union and Central America a potential to be exploited

<sup>&</sup>lt;sup>15</sup> Trade Differently Coalition, *The EU-Mercosur free trade agreement: a critical analysis and an alternative*, Jilles Mast Ed., January 2022, p. 7.

The basic approach, provisions and objectives of this Agreement show **criticalities that need to be addressed with urgency**:

- The Agreement seems to impose a neo-colonial economic model. It follows the old logics of trade between the North and the South, by targeting the export of raw (mining) materials mostly needed by the EU industry and its high technology sector (lithium, for instance), as well as agricultural products such as cattle feed (soya), meat, agro-fuels and biofuels produced by big agricultural companies and multinationals in South American countries, while lowering or removing export taxes and restrictions or monopolies, in exchange for industrial products from the EU with a large added value. This trade model hinders production diversification and the process of industrialisation in the Mercosur region, as small emerging industries and workers will be hit by competition of the European car, textile, machine and shoe industries.
- Even if the Agreement includes strong environmental and human rights protection provisions and if the EU adopts a robust corporate social responsibility legislation, the model promoted by the agreement will inevitably push for increased soy, meat and sugar production by agribusiness in Mercosur countries. This risks endangering the protection of natural resources, biodiversity and the climate system of those areas, putting a pressure on scarce land with consequently increased deforestation, natural destruction and global warming, all of which violate the land rights of small farmers and indigenous peoples. The latter see their ancestral territories being extorted for soy plantations or extensive livestock farms.
- For now, the agreement's provisions on matters such as respect for workers' human rights
  and the environment are non-binding. This will put the health of millions of people at risk and
  will make the good practices of indigenous peoples, Afro-descendants and local
  communities in the LAC region as well as render the efforts of European farmers to abide by
  high environmental, labour and animal-welfare standards ineffective.

The Mercosur Agreement as well as other agreements with LAC countries should **promote workers'** labour rights, expand opportunities for access to decent employment, improve social protection and promote the means of dialogue in addressing labour issues, including the social and solidarity economy (ILC.110/Resolution II), which implies promoting labour relations in accordance with international standards of legality and formality, so that work is carried out in conditions of freedom, equality, safety and human dignity; all forms of forced or compulsory labour must be prohibited, as well as the use of such labour.

#### **OUR RECOMMENDATIONS:**

- The EU and LAC countries, including the Mercosur bloc, should negotiate trade agreements through a human rights approach, considering it a matter for governments and the citizens to whom they are accountable, and ensuring a fair, participatory and balanced negotiating process. In particular, they should:
  - provide public and civil society organisations, including faith-based organisations, with opportunities for meaningful consultation;
  - carry out social, environmental and human rights impact assessments with the
    participation of potentially affected communities and sectors before the signing of trade
    agreements;

- ensure that Parliaments can pronounce themselves throughout the negotiating process;
- provide channels for the identification and settlement of potential conflicts of interest or for ensuring independence from commercial interests. Powerful representations of particular business interests should be subject to stricter rules ensuring transparency and accountability.
- 2. When negotiating trade agreements, the European Commission should follow a people-centred approach based on ethical values and in line with the principles enshrined in Art. 3 para. 5 and Art. 21 of the Treaty on the European Union.16 In practice, this means that the Commission should insist on the inclusion of instruments ensuring an effective implementation of human rights and environmental clauses in trade agreements, including their enforceability. Beyond that, it should also refrain from supporting agribusiness and over-exploitation of natural resources by European and multinational business companies in the LAC region. Instead, it should promote a fair and sustainable trade model, prioritising and fostering diversification and industrialisation in LAC, through family and small-scale farming, habitat protection by indigenous communities, and agroecological production by Micro-, Small and Medium-sized Enterprises (MSMEs) and social enterprises.
- 3. The essential link between preservation of the environment and sustainable human development requires both the EU and CELAC to give priority attention to protecting the environment and health of local communities, including by valuing indigenous peoples' knowledge and supporting the weakest countries in the two regions, which often lack technologies and resources to maintain a safe environment.
- 4. The EU-Mercosur Agreement, as well as other EU agreements with countries of the LAC region, should include a ban on the exploitation of **child labour**, particularly in the extraction and processing of natural stone, as well as a uniform certification system that guarantees that imported products have been demonstrably produced along the entire value chain without the exploitation of child labour, in line with the ILO Convention 182.
- 5. Both the EU and the CELAC should jointly engage in a strengthened multilateral trading system, based on fair rules that do not harm indigenous and Afro-descendants' communities in LAC, and MSMEs, social and solidarity enterprises, and small-holder farmers in both regions. By doing so, the EU-CELAC partnership can contribute to reducing global inequalities and fostering inclusive development.

le Art. 3 para. 5 establishes that "In its relations with the wider world, the Union shall [...] contribute to peace, security, the sustainable development of the Earth, solidarity and mutual respect among peoples, free and fair trade, eradication of poverty and the protection of human rights, in particular the rights of the child [...]." Art. 21 establishes that the EU's external action should "foster the sustainable economic, social and environmental development of developing countries, with the primary aim of eradicating poverty', and 'help develop international measures to preserve and improve the quality of the environment and the sustainable management of global natural resources'.

## **OUR BEST PRACTICE / QUOTE FROM THE GRASSROOTS**

In the LAC region, there are several experiences of fair and community trade. One of them is the foundation "Maquita Cushunchic Comercializando Como Hermanos" (MCCH), regrouping various Ecuadorian ecclesial grassroots communities and popular organisations. It has 5300 members grouped in 400 cooperatives located in urban and rural areas. One of its objectives is to unite small food producers in order to increase their strength in relation to the national and international market. Its organisational system is democratic and participatory.

In January 1991, at the 1st Latin American Meeting on Community Commercialisation held in Quito, Ecuador, the MCCH experience gave rise to RELACC (Red Latinoaméricana de Comercio Comunitario - Latin American Community Trade Network). This network is made up of 12 National Community Commercialisation Network members, and links various networks, movements and other forms of organisation of the various sectors of the social and solidarity economy in 18 countries of the American continent. It is guided and oriented by values and principles of justice, solidarity, equity and harmony with the environment.

RELACC aims to be a leading continental corporation in the construction of a solidarity market. Through its community approach and internationally recognised action, it influences socio-economic policies that contribute to generating structural changes in society. With its national partners and in alliance with other solidarity economy spaces and organisations, this Network could organise several national meetings on community marketing, and regional exchanges of national and international experiences. It could also promote alternative marketing channels, services such as alternative tourism and savings and credit cooperatives, organic production, associative food processing, national and regional fairs, regional and Latin American meetings, implementation of solidarity marketers, exports, diploma courses and solidarity economy and trade schools, with an active presence in international forums and inter-network alliances.

# B. ADDRESSING THE STRUCTURAL CAUSES OF POVERTY AND SOCIO-ECONOMIC INEQUALITY MORE EFFECTIVELY

"Every perspective on economic life that is human, moral, and Christian must be shaped by three questions: What does the economy do for people? What does it do to people? And how do people participate in it?" [United States Conference of Catholic Bishops, Economic Justice for All, 1, 1]<sup>17</sup>

<sup>&</sup>lt;sup>17</sup> USCCB (1986), Economic Justice for All, <a href="https://www.usccb.org/upload/economic\_justice\_for\_all.pdf">https://www.usccb.org/upload/economic\_justice\_for\_all.pdf</a>

In 2021, Latin America's poverty rate reached 32.3% of the region's total population, while the extreme poverty rate was 12.9%. The unemployment in 2022 represents a setback of 22 years. LAC countries have been implementing various economic and social policy responses to reduce poverty and socio-economic inequalities in their multiple dimensions. Nevertheless, **limited fiscal space** and a **lack of state capacity** weaken the effectiveness of such policies by generating inflationary macroeconomic imbalances. In the aftermath of the COVID-19 pandemic that hit LAC particularly hard, LAC economies have been impacted by further challenges, such as the contraction of export commodity prices, the reduction in the volume of foreign direct investment by the major global powers, and the continuous outflow of financial capital.

In this frame, many LAC countries have requested the extraordinary intervention of the International Monetary Fund (IMF) to face what promises to be the worst economic recession in 50 years for the region. There are growing difficulties in refinancing the public **debts** of several LAC countries on the international markets, which are close to the risk of technical default. Moreover, there are very **high rates of personal and corporate income tax evasion** in the LAC region (44% and 58% on average respectively), and a significant share of LAC's wealth is estimated to be held offshore, depriving its governments of billions of tax revenue.<sup>19</sup>

The EU can and must play its part in building structural responses to combating poverty and socio-economic inequalities, including through its role in the G20, World Bank and IMF.

It would be crucial to **further global efforts to cancel the international debt** of highly indebted LAC countries to enable their governments to invest these resources in education, health and social protection programmes. One of the major initiatives in the past years was the Debt Service Suspension Initiative set up by the G20 in 2020, but only nine LAC countries benefited from it, and their debt was not cancelled, only suspended. **What needs to happen and what is morally just though is debt cancellation**. Another way in which the EU can contribute to enhancing LAC countries' fiscal space is by re-channeling its **Special Drawing Rights** (SDRs). EU countries can also play a big role by reducing the power of **private creditors** holding debt in their countries, as they currently can, for example, block agreements on debt restructuring.

Beyond macroeconomics, the EU-CELAC partnership can also have a meaningful impact in poverty and inequalities reduction by investing in **private sector** actors equipped to "do no harm" and, beyond that, to benefit the furthest behind. The framework of the EU Global Gateway initiative<sup>20</sup> could represent an opportunity to **design a new generation of value-based, people-centred and sustainable international cooperation, focused on the <b>fight against poverty** and on enhancing the **participation of all in the formal and in the popular economy**<sup>21</sup> by **creating decent job opportunities for people in position of vulnerability**, accompanied by measures fostering local **capacity-building** through quality education, technical formation, vocational training and scientific research. In this respect, we would like to stress that the **EU Global Gateway** should not aim at fostering a 'connectivity of competition' but rather a 'connectivity of care and community', by assuming a **clear development** 

<sup>&</sup>lt;sup>18</sup> ECLAC Social Panorama 2022 Report. Transforming Education as a Basis for Sustainable Development, https://www.cepal.org/en/publications/48519-social-panorama-latin-america-and-caribbean-2022-transforming-education-basis

<sup>&</sup>lt;sup>19</sup> OECD, Tax Transparency in Latin America 2022, <a href="https://www.oecd.org/tax/transparency/documents/tax-transparency-in-latin-america-2022.htm">https://www.oecd.org/tax/transparency/documents/tax-transparency-in-latin-america-2022.htm</a>

<sup>&</sup>lt;sup>20</sup> European Commission, https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/stronger-europe-world/global-gateway\_en

<sup>&</sup>lt;sup>21</sup> We define "popular economy" as the set of activities of production, distribution or consumption, carried out by people who are part of the impoverished sectors of the countryside, cities or the Amazon (or forest biomes) whose purpose is the satisfaction of the basic needs of the person and his or her family.

mandate (rather than focusing primarily on private sector's interests). In its governance structure, it should allow the participation of local LAC stakeholders (not only European representatives), including local communities and the civil society so that its initiatives can better consider local realities and needs, and promote an economy that serves people and planet.

Another key tool for poverty and inequalities reduction in LAC countries could also be the EU's strengthened **support to Micro, Small and Medium-sized Enterprises (MSMEs)**, as well as to **popular and solidarity economy** in the region, so that they can access national and regional markets, also by way of an intra-regional cooperation, as well as be able to face competition in international markets. LAC countries have a long history of popular and solidarity economy, and the social economy and its actors are distinctively equipped to address social inequalities and environmental degradation, promote social inclusion, foster resilience and help achieve the Sustainable Development Goals (SDGs). However, even if the EU adopted a Social Economy Action Plan in 2022, its external dimension lacks ambition and focus on LAC. The renewed EU-CELAC partnership could be an opportunity for the EU to increase its external action on social economy.

Given the role that investment banks play in the EU and LAC countries' development strategies, it would be crucial to ensure that such banks respect the 'do no harm' principle and comply with clear and strict rules regarding human rights and environmental due diligence, as well as transparency and accountability. It is also important to promote a **fairer role for the European Investment Bank**, that is, to re-orient its priorities so it increases its support to MSMEs, social economy businesses, women entrepreneurs and smallholder farmers and thereby effectively contributes to sustainable human development. From this point of view, the Italo-Latin American Forum on MSMEs, for example, could become the driving force behind a broader Euro-Latin American initiative that the European Commission may promote with the involvement of the main development banks, starting with Corporación Andina de Fomento-Banco de Desarrollo de América Latina (CAF), Banco Interamericano de Desarrollo (BID) and the European Investment Bank. Other positive initiatives that should be amplified and replicated include the Foro de cooperativismo y economía solidaria, created after the end of the operations of the Italian-Peruvian Fund (FIP), as well as other former experiences, such as FEPP in Ecuador, the Cooperativa Fortalecer in Peru, BANCOSOL in Bolivia and other practices promoted by the Banca Ética Italiana and ETIMOS.

#### **OUR RECOMMENDATIONS**

- The EU should further global efforts to create LAC countries' fiscal space, enabling them to increase investments in quality public education, universal health programmes and social protection.
  - EU countries play a major role in the governance and agenda setting of the IMF and the World Bank and should take the lead in *cancelling* debt.
  - EU countries being among the largest SDR beneficiaries, should commit to re-channeling a percentage of their **SDRs** to highly indebted and poorest LAC countries.
  - Efforts on debt cancellation and SDRs should go hand in hand with progressive fiscal policies
    aimed at reducing inequalities and supporting quality public basic services (housing,
    health, education, transport etc.) as well as promoting training and work opportunities for
    people experiencing poverty and in situations of vulnerability.

- EU countries should adopt legislation (applicable to private creditors holding debt in their countries) to reduce the imbalance of power between lower-income governments and private creditors.
- 2. In view of promoting **domestic resource mobilisation** and **fighting tax evasion** more effectively, LAC countries that have not yet done so, should adhere to pertinent international agreements, including the Convention on Administrative Assistance in Tax Matters (MAAC), build regional synergies and improve transparency, for example, through participation in the automatic exchange of financial account information (AEOI).<sup>22</sup>
- LAC countries should also enhance domestic resource mobilisation through fair and progressive tax policies. The EU-CELAC partnership should include information exchange, capacity strengthening and technical support for the development of such policies.
- 4. The EU should support LAC countries, through cooperation programmes and funding instruments, with the **transformation towards a formal economy** based on experiences of the popular economy and the social and solidarity economy.
- 5. Building upon existing EU initiatives concerning support for MSMEs, the EU should **upscale investments in the social and solidarity economy** in the LAC region, and in particular:
  - ensure access to finance (e.g. through the Global Gateway and the EFSD+) that specifically supports social economy enterprises in LAC countries;
  - offer technical assistance and capacity-building to LAC countries in developing adequate legal and regulatory frameworks that allow social economy organisations and enterprises to flourish;
  - ensure that EU Delegations in LAC countries have regular dialogue with social economy actors, and provide adequate information and training on social economy to EU Delegation staff;
  - **support** existing **solidarity economy networks** such as the Continental Network for the Promotion of the Social and Solidarity Economy (RIPESS).
- 6. Make sure that **financial institutions and development banks** are covered in relevant human rights and environmental due diligence frameworks and that they comply with clear and strict rules in that regard, as well as with transparency and accountability requirements.

<sup>&</sup>lt;sup>22</sup> OECD, Tax transparency progressing well in Latin America but further improvements needed, 2022, https://www.oecd.org/tax/transparency/documents/tax-transparency-progressing-well-in-latin-america-but-further-improvements-needed.htm

### **OUR BEST PRACTICE / QUOTE FROM THE GRASSROOTS**

At the IMF and WB meetings in Cologne (Germany) civil society and Church networks brought proposals for "reducing, mitigating or cancelling" the unpayable foreign debt, especially of the poorest countries. Important documents of the CIDSE and Caritas Internationalis networks were those of "Live before Debt", in which the cancellation of the debt with the participation of civil society was proposed. The result of this advocacy was the HIPC (Highest Indebted Poor Countries) agreement for the poorest and most highly indebted countries, which also determined that the process of reducing or cancelling the external debt be monitored by civil society. In Bolivia, for example, the Mecanismo de Control Social was created with the participation of the Pastoral Social–Caritas de Bolivia.

In highly indebted but "middle-income countries", which were not included in the HIPC agreement, and thanks to the joint action of civil societies and the Pastoral Social-Caritas, counter-value funds were created, i.e. financial mechanisms that consisted of the creditor country cancelling part of the external bilateral debt with the commitment of the debtor country to create a counter-value fund (or funds) for social investment (social programmes, social development, etc.). In Peru, for example, funds such as the Italian-Peruvian Fund (FIP) or the Peru-Germany Fund were created with the participation of civil society representatives in the respective decision-making bodies, which had a positive impact, especially at the local and sub-national levels.

These counter-value funds represented important experiences of social finance and solidarity finance.

#### C. BUILDING MORE INCLUSIVE SOCIETIES AND PROMOTING SOCIAL COHESION

"No one must be excluded. God's plan is essentially inclusive and gives priority to those living on the existential peripheries. Among them are many migrants and refugees, displaced persons, and victims of trafficking. The Kingdom of God is to be built with them, for without them it would not be the Kingdom that God wants." [Pope Francis, Message for the 108<sup>th</sup> Day of Migrants and Refugees, 2022]<sup>23</sup>

Populations in LAC countries are facing **growing inequity and widening social gaps**. The incidence of poverty is greater in some population groups: more than 45% of the **child and adolescent** population lives in poverty, and the poverty rate of **women** from 20 to 59 years of age is higher than that of men in all the region's countries.<sup>24</sup> Similarly, poverty is considerably higher in the **indigenous and Afro-**

<sup>&</sup>lt;sup>22</sup> Pope Francis, Message for the 108th Day of Migrants and Refugees, 25<sup>th</sup> September 2022, https://www.vatican.va/content/francesco/en/messages/migration/documents/20220509-world-migrants-day-2022.html. <sup>24</sup> ECLAC, Social Panorama 2022 Report, p. 2.

descendent populations. Despite significant advances in fighting illiteracy over the last decade, difficulties in accessing quality education and formation for some groups in positions of vulnerability (including refugees, displaced persons and Afro-descendant people) in many LAC countries still persist. Moreover, the combination of increased cost of living, rising unemployment and sluggish economic growth, along with deepening socio-economic inequalities across LAC societies, are raising the risk of social unrest.

It needs to be recognised that the right to **social security** (ILO Convention ILO-102) is an important tool to prevent and reduce poverty, inequality, exclusion and social insecurity, while promoting equality of opportunity, gender and race and supporting the transition from informal to formal employment. It is thus essential to extend social security systems to achieve a universal social protection floor (Resolution ILO-202). **Informal workers** constitute slightly over half of all jobs in the LAC region and lack full access to social protection.<sup>25</sup> The fundamental principles and rights linked to work, as a fundamental instrument of social inclusion, must be respected, promoted and realised for everyone.

Forced displacement is a structural reality that is increasingly spreading. The LAC region faces an unprecedented increase in migratory movements, representing more than a quarter of the world's migrants, in addition to multiple climate-related emergencies, droughts and/or floods like in the *Corredor Seco*. More than 7 million people are forcibly displaced and seeking asylum in the LAC region. Since 2017, nearly 6 million Venezuelans have migrated to neighbouring countries due to political and socio-economic instability in their country. Forced migration particularly affects groups in situations of vulnerability, children, adolescents, the elderly and women. There are increasing needs in terms of legal migration pathways, especially to the US and Europe, access to a legal status and to basic services, decent work and fighting racism and exploitation in the host societies.

The health of any society depends on the health of its **families** which are the foundation of the social edifice. The future EU-CELAC partnership should thus enhance the focus on fostering the socioeconomic conditions for the development of these 'basic cells of our societies'. In this respect, the **significant potential of young people and women** to be the **drivers of transformative processes** in our societies should be duly recognised and initiatives aiming at their promotion at all levels of economic, cultural, community, social and political life be encouraged.

In the face of progressing urbanisation across the LAC region, the future EU-CELAC partnership should also **better address the rural-urban divide**. While 81 % of Latin Americans live in cities, thousands of them live in informal neighbourhoods such as slums or favelas.<sup>26</sup> Public services are often missing in rural areas, and decisions impacting rural communities are often taken without a profound knowledge of the respective contexts. The EU could use its instruments, such as the Global Gateway initiative, to assist LAC countries with **better connecting these neighbourhoods to the main cities**, by building roads and public infrastructure, including schools, hospitals, parks, libraries and sports grounds.

**Digitalisation** is also an area on which the future EU-CELAC partnership should focus. While information and communication technologies (ICTs) are spreading at an unprecedented pace, their uneven diffusion is, however, further increasing socio-economic inequalities. The recently launched

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 $<sup>\</sup>underline{\text{https://www.europarl.europa.eu/thinktank/en/document/EPRS\_BRI(2021)690587}}$ 

 $<sup>{}^{26}\,\</sup>underline{\text{https://www.economist.com/the-americas/2023/01/12/latin-american-cities-are-becoming-far-nicer-for-poorer-inhabitants}\,.$ 

'EU-LAC Digital Alliance'<sup>27</sup> may help schools and academic institutions to **equip young people with the necessary digital skills** and bring significant benefits to citizens in areas, such as transportation, communication or healthcare. **Appropriate safeguards**, however, need to be put in place to minimise the risks of potential negative implications of an unregulated spread of digital technologies on employability, equality, human rights, democracy and security. Caution is called for systems relying on artificial intelligence. In this respect, the EU and CELAC should implement and jointly promote global standards for a human-centric and ethical development and use of digital technologies, including in the case of artificial intelligence.

#### **OUR RECOMMENDATIONS:**

- The EU and LAC countries must put at the forefront the promotion of full, productive, nondiscriminatory and freely chosen employment and decent work in the formal economy.
- 2. The EU-CELAC partnership should encourage the countries that have not done so, to ratify Convention ILO-102 and to follow-up Recommendation ILO-R202 in its full scope, i.e. to guarantee a universal social protection floor for the entire population, including for migrant workers; the EU should also assist LAC countries in fostering the social protection of all, including those working in the informal economy.
- 3. The EU should support LAC countries in ensuring **equitable and non-discriminatory access for all to quality basic public services**, including decent housing, adequate healthcare, clean water, nutrition and education.
- 4. The EU should assist LAC countries with **upscaling investments in education, formation, vocational training** in view of **enhancing employability and entrepreneurship** for young people, women, families as well as groups in situations of vulnerability, including people with disabilities, refugees, displaced persons and Afro-descendant people who are often faced with racism and exclusion; besides providing financial support for educational projects<sup>28</sup> ensuring educational pathways (formal / informal) also to youth experiencing poverty and in situations of vulnerability, and reducing the technological gap, the EU and its Member States could also **strengthen their academic exchange programmes** for students from the LAC region, by financially supporting the study programmes of those under vulnerable economic conditions.
- 5. The EU and LAC countries should **duly recognise the potential of young people and women** to be the drivers of transformative processes in societies and **support initiatives aiming at their promotion and inclusion** at all levels of economic, cultural, community, social and political life.
- 6. The EU and LAC countries should promote the **reception**, **protection of rights and full inclusion** and integration of migrants, refugees and displaced persons and their families in the two regions. A fairer and farsighted EU migration and asylum policy should harmonise EU Member

<sup>&</sup>lt;sup>27</sup> https://ec.europa.eu/commission/presscorner/detail/en/ip\_23\_1598

<sup>&</sup>lt;sup>28</sup> On 12 September 2019, Pope Francis appealed to all those engaged in various ways in the field of education to "dialogue on how we are shaping the future of our planet and the need to employ the talents of all, since all change requires an educational process aimed at developing a new universal solidarity and a more welcoming society" (Message for the Launch of the Compact on Education). For this reason, Pope Francis promoted the initiative of a Global Compact on Education in order "to rekindle our dedication for and with young people, renewing our passion for a more open and inclusive education, including patient listening, constructive dialogue and better mutual understanding". I invited everyone "to unite our efforts in a broad educational alliance, to form mature individuals capable of overcoming division and antagonism, and to restore the fabric of relationships for the sake of a more fraternal humanity". The 7 commitments for the Global Compact on Education are presented in a Vademecum. Cf. <a href="https://www.educationglobalcompact.org/resources/Risorse/vademecum-english.pdf">https://www.educationglobalcompact.org/resources/Risorse/vademecum-english.pdf</a>

- States' policies to avoid inequalities in the assistance and care of migrants and/or forcibly displaced people depending on their nationality or country of origin.
- 7. The EU should support LAC countries in the **enhancement of connectivity** between popular neighbourhoods and main cities, as well as between urban and rural areas, by building public infrastructure and **bridging the digital gap**. With regard to digitalisation, especially the following actions could be supported:
  - develop special programmes for the spread, transfer and use of digital technologies in view
    of enhancing the equity in the access to knowledge and technical resources for all, while
    pursuing a human-centred and ethical approach (e.g. intensify cooperation on ICT projects
    at the service of human development, promote ICT training courses, especially groups in
    positions of vulnerability and marginalisation);
  - promote technology research and development adapted to the specific needs of the LAC countries, including in the areas of distance learning, community training, computer literacy, distance medicine, natural disaster prevention and mitigation;
  - promote the use of ICTs by Small and Medium-sized Enterprises as well as by social and solidarity economy actors in LAC countries, as these are a major source of employment.

## OUR BEST PRACTICE / QUOTE FROM THE GRASSROOTS

In Latin America, the Salesians of Don Bosco respond to the specific needs of children, adolescents, young people and families in vulnerable situations through more than 180 Salesian social works, accompanying them with a specific educational-pastoral proposal. The direct work with young people in a situation of disengagement from armed groups, developed in Ciudad Don Bosco (Colombia, Medellín), shows that it is possible to empower young people by virtue of their abilities. The social transformation is based on a pedagogical accompaniment that guides their talents and skills in the artistic, cultural and sporting fields along the path of discipline and passion. Through the "Move Project", more than 80 young people have been empowered, through dance, to build their life project.

Regarding migration, the Salesians respond with specialised programmes in six countries in the region. In Tijuana (Mexico), between 800 and 1000 people receive daily food, health, shelter and legal assistance. In Lima (Peru), there is a shelter and training programmes for more than 60 young Venezuelans. In Bogotá (Colombia), comprehensive care is provided to more than 700 migrant family members. In Santiago de Chile (Chile), the programme works to restore the violated rights of more than 30 migrant families, especially women with dependent children.

In several countries, such as Argentina, social development proposals are developed in shanty towns and working-class neighbourhoods. In the Salesian work in Zárate, the Hogar

de Cristo boarding school receives people who want to recover from addictions and situations of problematic consumption.

Facing new challenges, the women's empowerment and food security project developed in Ambato (Ecuador) allowed 30 families to become agents of their own development, through workshops on citizenship, literacy, good agricultural practices, work in community plots and agro-ecological fairs. The Don Bosco Women's Association requests support from public and private institutions for their agricultural and business practices, to improve the living conditions of their families and preventing their sons and daughters from street work.

#### II. INTEGRAL ECOLOGY AND CARE FOR OUR COMMON HOME

In his Encyclical letter Laudato Si',<sup>29</sup> Pope Francis makes an urgent appeal for protecting 'our common home' by bringing together the whole human family to seek a sustainable and integral development. Since "everything is inter-connected", there is an inherent link between the care of all Creation and the building of a truly just and equitable social order. While the LAC region is blessed with environmental richness and unique biodiversity, it cries because of disastrous consequences of climate change and a predatory exploitation of its natural riches in the name of economic interests. This injustice calls for pursuing the approach of an "integral ecology" by protecting our common home, while taking into account all the related environmental, social, economic, human and cultural aspects.

# A. WORKING TOWARDS GREATER BI-REGIONAL AND MULTILATERAL COOPERATION FOR SUSTAINABLE DEVELOPMENT AND INTEGRAL ECOLOGY

"The neglect of creation and social injustices influence each other: there is no ecology without equality and there is no equality without ecology." [Pope Francis, Address to the participants in the meeting of the "Laudato Si" communities, 2020]<sup>30</sup>

LAC is home to the **Amazon rainforest**, which hosts 50 % of the planet's biodiversity. Both Europe and the LAC region need to **reduce their percentage of global greenhouse gas emissions**. Ensuring the two regions' transition to a more sustainable development path is a matter of global concern. Europe and LAC have already often found themselves allied in common battles in multilateral fora, as in the case of 2030 Agenda or the Paris Agreement on climate change. And it is precisely sustainable development and climate change that will be among the most complex and demanding test beds for a new EU-CELAC strategic partnership. In view of the COP 28, it will be necessary to **build a broad front to advance an ambitious global agenda** for sustainable development and climate action.

<sup>&</sup>lt;sup>29</sup> Pope Francis, Laudato Si'. On Care for our Common Home (2015),

https://www.vatican.va/content/francesco/en/encyclicals/documents/papa-francesco\_20150524\_enciclica-laudato-si.html .

<sup>&</sup>lt;sup>30</sup> Pope Francis, Address of His Holiness Pope Francis to the participants in the meeting of the "Laudato Si" communities, Vatican City, 12.09.2020.

https://www.vatican.va/content/francesco/en/speeches/2020/september/documents/papa-francesco\_20200912\_comunita-laudatosi.html

We commend EU's initiatives on preserving biodiversity, halting deforestation and fostering climate resilience,<sup>31</sup> but further efforts in the framework of the future EU-CELAC partnership will be required in enhancing **adaptation and mitigation** by way of capacity-building, training and technical assistance, as well as increased climate finance. Particular attention should be devoted to the **protection and conservation of water** that "determines every form of life".<sup>32</sup> We also encourage the promotion of policies by both the EU and CELAC that will raise public awareness and **promote a change in citizens' consumption patterns** to make them more responsible and sustainable.

As Europe finally realises the need for diversifying energy resources and the importance of advancing on the path towards a **just and sustainable energy transition**,<sup>33</sup> the future EU-CELAC partnership also calls for a **reinforced energy cooperation** since the LAC region is among the world's leading regions on renewables, and it has centres with advanced research on clean energies. Attention, however, needs to be paid so that the initiatives taken in the process of energy transition do **not reinforce irresponsible mining and extraction** of raw materials<sup>34</sup> and that they **respect the environment of local communities**.

In the WTO, eighteen participants representing 46 WTO members are already engaged in negotiations towards an Environmental Goods Agreement (EGA), which seeks to **eliminate tariffs on a number of important environment-related products**.<sup>35</sup> The benefits of this new agreement will be extended to the entire WTO membership, and all members will enjoy improved conditions in the markets of the participants to the EGA. The EU and the LAC countries could significantly contribute to this negotiating process to help achieve environmental and climate protection goals.<sup>36</sup>

Finally, it is important that the EU be proactive in implementing the principle of **Policy Coherence for Sustainable Development** (PCSD), meaning that it takes concrete steps in all policy areas to ensure that none of them undermine sustainable development in LAC countries. The EU must ensure coherence when it comes to its **climate commitments**, the meaningful reduction of greenhouse gas emissions, and new gas deals signed to solve the energy crisis. These are some of the key areas in which the EU has a key role to play:

- At COP27, the EU announced that it would increase its commitment to emissions reduction from 55% to 57%, but this is not enough. As greater CO2 concentrations in the atmosphere affect staple crops around the world, climate experts indicate that the EU should reduce its emissions by at least 65%.
- Alongside other developed countries, the EU has committed to making an annual climate
  finance contribution of US\$100 billion, but it has neither delivered on it nor developed a
  concrete action plan or roadmap on climate finance. Fulfilling such commitments is however
  a fundamental component of the EU's international cooperation for sustainable development.
  Partner countries need hundreds of billions of dollars annually to prevent climate-related

<sup>&</sup>lt;sup>31</sup> Including those referred to in the <u>2019 Joint Communication</u> on the EU-LAC partnership, such as the Euroclima+ programme and the post-2020 Biodiversity Framework, as well as the <u>recently agreed</u> EU Regulation on deforestation-free products.

<sup>32</sup> Pope Francis, Post-Synodal Exhortation Querida Amazonia (2020),

 $<sup>\</sup>frac{\text{https://www.vatican.va/content/francesco/en/apost\_exhortations/documents/papa-francesco\_esortazione-ap\_20200202\_querida-amazonia.html}{}$ 

<sup>33</sup> COMECE, Energy emergency, a call for solidarity ahead of the winter (2022),

 $<sup>\</sup>underline{\text{https://www.comece.eu/wp-content/uploads/sites/2/2022/11/Statement-07112022-COMECE-calls-for-solidarity-ahead-of-the-winter.pdf}$ 

<sup>&</sup>lt;sup>34</sup> Such as the extraction of lithium used in the batteries of electric cars.

<sup>35</sup> https://www.wto.org/english/tratop\_e/envir\_e/envir\_neg\_serv\_e.htm

<sup>&</sup>lt;sup>36</sup> The Environmental Goods Agreement includes products which contribute to generating clean and renewable energy, to improving energy and resource efficiency, to controlling air pollution, managing waste, treating waste water, monitoring the quality of the environment and combatting noise pollution, <a href="https://www.wto.org/english/tratop\_e/envir\_e/ega\_e.htm">https://www.wto.org/english/tratop\_e/envir\_e/ega\_e.htm</a>

disasters, adapt to the warming that is already inevitable, or repair the damage already caused.

- The agreement at COP27 to establish a fund to address loss and damage is of huge significance forcommunities in situations of vulnerability at the frontlines of climate change. However, there is a lack of urgency to operationalise it transparently and respond to the needs of those most affected by disasters – it remains to be seen whether the fund will be established, monetised and governed in a timely and effective manner.
- In other areas, such as biodiversity protection, there is a risk that the EU **backs down from ambitious climate commitments** due to the energy crisis.

#### **OUR RECOMMENDATIONS:**

- Both regions should ensure the implementation of international and regional agreements on climate, deforestation, access to water, and governance of the oceans, and create a strong alliance at the next COP 28 to achieve more ambitious goals.
- 2. The EU and CELAC should take a leading role in the **establishment of a Loss and Damage Finance Facility**.
- 3. The EU and LAC countries should **internalise 'environmental externalities' in trade agreements** to effectively counter their potential negative impact on natural resources, pollution, biodiversity and climate change.
- 4. The EU-CELAC partnership should improve access to green goods and technologies (those that prioritise people and planet, rather than "greenwashing") to achieve the objectives of sustainable development; both regions should also redouble efforts to reach a rapid conclusion of the WTO negotiations for the elimination or reduction of tariff and non-tariff barriers on environmental goods and services.
- 5. Both regions should **reinforce cooperation on the diversification of energy resources** in view of promoting a sustainable and just energy transition in both regions, while respecting the environment of local communities and ensuring that processes of energy transition do not reinforce irresponsible mining and extraction of raw materials.
- 6. As part of **climate resilience** and disaster preparedness efforts, the EU-CELAC partnership should put a greater emphasis on **adaptation and mitigation** by way of capacity-building, training and technical assistance.

# B. ENSURING CORPORATE SOCIAL RESPONSIBILITY AND HUMAN RIGHTS AND ENVIRONMENTAL DUE DILIGENCE

"Economy, as the very word indicates, should be the art of achieving a fitting management of our common home, which is the world as a whole. Each meaningful economic decision made in one part of the world has repercussions everywhere else; consequently, no government can act without regard for shared responsibility." [Pope Francis, Evangelii Gaudium, 206]<sup>37</sup>

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<sup>&</sup>lt;sup>37</sup> Pope Francis, Apostolic Exhortation Evangelii Gaudium (2013), para. 206.

Many local communities across the LAC region are concerned about big extractivist projects exploiting natural resources in their environment, often without previous informed consultation.

Extractivism refers to "an unbridled tendency of the economic system to convert the goods of creation into capital". The excessive growth of extractive activities, often driven by predatory economic interests of large corporations, has not only inflicted irreversible damage upon the ecological richness of the LAC region, its forests and its waters, but it has also negatively impacted its social and cultural wealth and threatened the unique identity of its peoples, including indigenous communities. Moreover, those who have been defending human rights and the environment of affected communities, are often facing threats to their physical integrity and life. From 2015 to 2019, 1323 human and environmental rights defenders have been killed in at least 64 countries, while Latin America continues to be the most affected region with environmental human rights defenders being the most targeted. The situation is particularly disturbing for those protesting land grabs or those defending the rights of people, including indigenous peoples, by objecting to governments that are imposing business projects on communities without free, prior and informed consent.

The Brumadinho dam disaster of 2019, which killed almost 300 people and caused irreparable environmental damage in the municipality of Brumadinho in Brazil, is one example of blatantly irresponsible corporate behaviour, for which justice and accountability are still eluding the victims. This is, unfortunately, not the only case of an abusive corporate practice in LAC,<sup>40</sup> and **Europe must not hide its complicity**, with European companies, investors and banks being often directly or indirectly involved in such practices, particularly in the mining and extractive sector.<sup>41</sup>

We see the EU's **growing reliance on the private sector**, such as in the Global Gateway initiative, **without sufficient transparency and robust legal frameworks and monitoring mechanisms**<sup>42</sup> as a concern. Neither growth nor private sector engagement *per se* can guarantee poverty eradication or social inclusion, but can rather exacerbate socio-economic inequalities and environmental degradation, if strong public regulatory frameworks enforcing the "do no harm" principle and redistributive policies mitigating inequalities are not in place. Several European and LAC companies – in prioritising profit making above social or environmental concerns – have proved incapable of ensuring respect for dignity and human rights and negatively affected the lives of millions of people living in the LAC and other regions of the world. Exploitative working conditions, toxic air pollution, soil and water contamination, land–grabs and evictions of indigenous peoples and local communities are examples of the human and environmental costs of such corporate abuse.

Our view is that **increased reliance on the private sector** engagement and investment **must be accompanied by adequate safeguard mechanisms**, including human rights and environmental due

 $<sup>\</sup>label{lem:https://www.vatican.va/content/francesco/en/apost\_exhortations/documents/papa-francesco\_esortazione-ap\_20131124\_evangelii-gaudium.html\,.$ 

<sup>38</sup> CELAM, Toward a Synodal Church Going Forth into the Periphery (2022), https://asambleaeclesial.lat/wpcontent/uploads/2022/10/ingles.pdf.

<sup>39</sup> https://media.business-humanrights.org/media/documents/A\_HRC\_46\_35\_E.pdf.

<sup>&</sup>lt;sup>40</sup> For other cases of corporate abuse in LAC see, for example, <a href="https://divestinmining.org/tia-maria-mining-project-a-death-threat-to-agriculture/">https://divestinmining.org/piquia-de-baixo-mining-that-violates-human-rights-health-and-adequate-housing/</a> (Brazil), <a href="https://divestinmining.org/veladero-argentina/">https://divestinmining.org/veladero-argentina/</a> (Argentina).

<sup>&</sup>lt;sup>41</sup> On the role of European companies and financial institutions in fomenting corporate abuse across the globe see, for example, <a href="https://www.ecchr.eu/en/case/the-safety-business-tuev-sueds-role-in-the-brumadinho-dam-failure-in-brazil/">https://www.ecchr.eu/en/case/the-safety-business-tuev-sueds-role-in-the-brumadinho-dam-failure-in-brazil/</a> and <a href="https://www.facing-finance.org/files/2022/05/Facing\_Finance\_Dirty\_Profits\_9.pdf">https://www.facing-finance.org/files/2022/05/Facing\_Finance\_Dirty\_Profits\_9.pdf</a>

<sup>&</sup>lt;sup>42</sup> For some of the major concerns regarding the EU Global Gateway initiative see

https://assets.nationbuilder.com/eurodad/pages/3034/attachments/original/1663057226/EU-global-gateway-report-FINAL.pdf?1663057226

diligence. The increasing role of the private sector should not happen before such robust mechanisms are in place and functioning on behalf of the most disadvantaged.

It is therefore crucial that both the EU and CELAC **adopt binding rules for business companies, ensuring due diligence** throughout their global value chains. In addition, both regions should also constructively participate in the ongoing negotiations on a UN Legally Binding Instrument on Business and Human Rights.<sup>43</sup>

With regard to the EU legislation, the European Commission's proposal for a Corporate Sustainability Due Diligence Directive<sup>44</sup> must not be watered down in the upcoming trialogue negotiations, but it needs to be further strengthened in terms of the scope of the companies covered as well as in view of ensuring effective access to justice for victims of corporate abuses through a fair distribution of the burden of proof regarding civil liability. Moreover, it must not exclude important sectors such as financial institutions or arms trade, and the range of environmental risks and impacts covered by the proposal should be significantly expanded and made flexible, so as to respond to the wide range of negative impacts corporations have on the environment. The legislation should also acknowledge the specific impact human rights abuses have on women and indigenous people, and the role human rights and environmental defenders play in protecting people and the planet, as outlined in international standards. Stakeholder consultation should be made an integral part of the due diligence process so that companies engage with relevant and affected stakeholders when they carry out their due diligence obligations. In addition, the EU Corporate Sustainability Due Diligence Directive, once adopted, should **not limit the value chain** by not including the end use of products in downstream chains since this could mean that some harmful practices would not be covered, such as the sale of harmful pesticides or dairy products.

#### **OUR RECOMMENDATIONS:**

- 1. The EU and LAC countries should adopt strong legal frameworks and enforcement mechanisms for responsible business conduct, including binding due diligence legislation for business companies, and work constructively together towards the adoption of an International Binding Treaty on Business and Human Rights, so as to ensure compliance of corporate actions throughout the global value chain with internationally recognised human and labour rights as well as social and environmental standards, and to provide victims of corporate abuses with fair access to an effective remedy. These frameworks should also make sure that the social balance and accountability to local communities with due transparency are properly incorporated into the Corporate Social Responsibility Plans of business companies.
- 2. The EU and LAC countries, within the framework of their bilateral and multilateral trade relations, should work on the inclusion and enforceability of human rights and environmental clauses contained and developed in the treaties ratified within the United Nations framework as part of the International Human Rights Law. This also includes the ILO Conventions No.29 (and its 2014 Protocol on "Forced Labour"), No. 105 ("Abolition of Forced Labour"), No.169 ("Indigenous and Tribal People"), and No. 182 ("Worst Forms of Child Labour").
- 3. Both the EU and LAC countries should be committed to **protecting, defending and promoting the rights of indigenous and local communities** affected by harmful corporate actions, including

<sup>43</sup> https://www.ohchr.org/en/hr-bodies/hrc/wg-trans-corp/igwg-on-tnc.

 $<sup>{}^{44}\,\</sup>underline{\text{https://commission.europa.eu/publications/proposal-directive-corporate-sustainability-due-diligence-and-annex\_en}\,.$ 

their rights to safeguard their habitat (access to land, no soil and water pollution and no exploitation of natural resources by extractive companies), while respecting the principle of **Free Prior Informed Consent**, especially in the context of mining and extractive activities.

- 4. Both the EU and LAC countries should ensure a better protection of human rights and environmental defenders; the EU should update its Guidelines on Human Rights Defenders and enhance their implementation in practice, so as to apply also to new categories of human rights defenders (in particular, environmental and climate activists, as well as women and religious actors) and include provisions on adequate shelter, temporary visa facilitation, as well as on offering human rights and environmental defenders appropriate technical, legal, medical and psychological assistance.
- 5. The EU-CELAC partnership should encourage LAC countries that have not yet done so, to **sign and ratify** the 'Regional Agreement on Access to Information, Public Participation and Justice in Environmental Matters in Latin America and the Caribbean' (the **'Escazú Agreement'**).<sup>45</sup>

## **OUR BEST PRACTICE / QUOTE FROM THE GRASSROOTS**

The Churches and Mining Network (Red Iglesias y Minería) is an ecumenical space, made up of Christian communities, pastoral teams, religious congregations, theological reflection groups, lay people, bishops and pastors who seek to respond to the challenges of the impacts and violations of socio-environmental rights caused by mining activities. The network accompanies the faith, hope and work of people, institutions and communities that defend every day the harmonious coexistence between human beings and the earth, in the face of projects and lifestyles that impact them, which are the expression of strong external interests distant from the communities. Among the values that inspire the work of the network are truth, the defence of Creation, the defence of life, the struggle for justice for all, the promotion of peace, the full exercise of human environmental rights. The network is committed to strengthening popular movements and sectors, democratic values, gender equality, respect for multiculturalism, interculturalism and interreligious dialogue and ecumenism. Each process or initiative is based on the fundamental and appropriate level of organisation and specific animation. The animators or coordinators have the task of motivating, provoking, convening, energising and promoting participation and initiatives. The network shares and makes use of various instruments of intercommunication, dialogue, debate and collective production of proposals, studies and projects.

<sup>&</sup>lt;sup>45</sup> For the moment, the Escazú Agreement only counts 24 signatories and 13 parties from the LAC region, cf. <a href="https://www.cepal.org/en/escazuagreement">https://www.cepal.org/en/escazuagreement</a>. The objective of this Agreement is "to guarantee the full and effective implementation in Latin America and the Caribbean of the rights of access to environmental information, public participation in the environmental decision-making process and access to justice in environmental matters, and the creation and strengthening of capacities and cooperation, contributing to the protection of the right of every person of present and future generations to live in a healthy environment and to sustainable development", cf. <a href="https://observatoriop10.cepal.org/en/treaties/regional-agreement-access-information-public-participation-and-justice-environmental">https://observatoriop10.cepal.org/en/treaties/regional-agreement-access-information-public-participation-and-justice-environmental</a>

# C. FOSTERING FOOD SOVEREIGNTY THROUGH AGRO-ECOLOGY AND SUPPORT TO SMALL-HOLDER FARMERS

"The family consists of a network of relationships in which we learn to live with others and in harmony with the world around us. It thus represents a fertile ground and a model for conducting a sustainable agriculture, with beneficial effects not only for the farming sector, but also for mankind as a whole and for the protection of the environment. In this sense, the family can help us appreciate the interconnection of humanity, creation and agriculture." [Pope Francis, Message to the FAO Director, 2019]<sup>46</sup>

Hunger affects 56.5 million people across the LAC region (8.6% of the region's population). Currently, 40.6% of people suffer moderate or severe food insecurity, with women being the most affected.<sup>47</sup> In this respect, it is crucial that the future EU-CELAC partnership puts a stronger emphasis on **effectively addressing food insecurity and its root causes**. The EU could use the resources available under the Global Gateway initiative to also support more sustainable agri-food systems in the LAC region. However, any future EU-LAC cooperation on agriculture, rural development and food security should pursue a **food sovereignty approach**. Food sovereignty emphasises the people's right to define their agricultural and food policy, focusing on local agricultural production to feed the people (rather than to prioritise international trade).<sup>48</sup> It also prioritises the appreciation of indigenous knowledge, values and wisdom built up over thousands of years, that provide a strong basis for people to respond to their own needs for healthy, culturally adapted foods and to shape their own "innovative solutions".

We also expect the EU's cooperation with LAC countries to include a strategy to reduce the concentration and abuse of power of large-scale agribusiness and to place **local communities as** well family and smallholder farmers at the centre of democratic processes for a sustainable future. We recommend that the partnership prioritises addressing major barriers facing smallholder farmers (such as access to land and seeds),<sup>49</sup> and promoting the role of smallholder farmers in decision-making and policy design.

We call for **caution** regarding EU initiatives that heavily invest in **climate-smart<sup>50</sup> and industrial agriculture**, <sup>51</sup> which goes against the objective of resilient agriculture, a goal that the EU should pursue with its policies more coherently. Climate-smart agriculture has been contested for taking profit-driven approaches, presented as "solutions", offering only incremental interventions that do not change the business model and structural injustices of current agricultural production. While it may contribute to crops better resisting adverse weather conditions and reduce greenhouse gas emissions, it does not, for example, invest in diversification or enable farmer empowerment that

<sup>&</sup>lt;sup>46</sup> Pope Francis, Message to the Director General the of FAO for the inauguration of the United Nations Decade of Family Farming (29 May 2019), <a href="https://www.vatican.va/content/francesco/en/messages/pont-messages/2019/documents/papa-francesco\_20190529\_messaggio-fao.html">https://www.vatican.va/content/francesco/en/messages/pont-messages/2019/documents/papa-francesco\_20190529\_messaggio-fao.html</a>

<sup>&</sup>lt;sup>47</sup> IFRC, The Path Towards Equity. Actions to address socio-economic and food security challenges in Latin America and the Caribbean by 2023 (2022), https://reliefweb.int/report/world/path-towards-equity-actions-address-socio-economic-and-food-security-challenges-latin-america-and-caribbean-2023

<sup>48</sup> For a definition of food sovereignty, see Via Campesina, https://viacampesina.org/en/food-sovereignty/

<sup>&</sup>lt;sup>49</sup> CORDAID, "'We cut out the middlemen.' Breaking down the barriers of African smallholder farmers", 3 August 2021, https://www.cordaid.org/en/story/we-cut-out-the-middlemen-breaking-down-the-barriers-of-african-smallholder-farmers/

<sup>&</sup>lt;sup>50</sup> The World Bank defines climate-smart agriculture as an integrated approach to managing landscapes – cropland, livestock, forests and fisheries – that address the interlinked challenges of food security and climate change. In other words, climate-smart agriculture approaches seek to increase productivity while reducing carbon emissions in production systems.

<sup>&</sup>lt;sup>51</sup> Industrial agriculture is the large-scale, input-heavy, intensive production of crops and animals, often involving chemical fertilisers, pesticides, and genetically modified organisms.

effectively contributes to enhancing local food systems. In fact, "climate-smart" can include a broad range of practices that dispossess rural people and contribute to control of the land, seeds, markets and labour out of the hands of small-scale farmers by multinational companies.<sup>52</sup>

A similar pattern can be identified when it comes to the EU's approach to **fertilisers**. The EU's strategy on fertilisers<sup>53</sup> relies mainly on ensuring availability and affordability of synthetic fertilisers. It ranks "supporting the transition to the sustainable use of fertilisers and the deployment of sustainable alternatives to mineral fertilisers" only as a mid- or long-term goal and lacks a solid plan for a transition period.

What is thus still lacking is a recognition of the need to abandon – rather than reduce – harmful agricultural practices – today, not tomorrow. In the future of EU-LAC relations, we would wish to see consistent and increasing support for **transformative food systems transitions** that are based on **agro-ecological principles** and combine food quality, biodiversity conservation, environmental protection, response to climate change, human health, decent employment, and social inclusion.

#### **OUR RECOMMENDATIONS:**

- The EU-CELAC partnership should increase support for transformative food systems transitions
  that are based on agro-ecological principles, following a food sovereignty approach and
  combining food quality, biodiversity conservation, environmental protection, response to climate
  change, human health, decent employment, and social inclusion.
- 2. The EU and LAC countries should move away from investing in agribusiness towards supporting more effective, sustainable and people-centred cooperation formats aimed at **promoting family and small-scale farming, agro-forestry and environmentally friendly production** by Small and Medium-sized Enterprises. In this respect, agro-ecological solidarity economy experiences should be promoted through cooperatives and other solidarity economy organisations.
- 3. The EU-CELAC partnership should **strengthen the network and market access for small-scale and family-run agricultural enterprises and agro-ecology** for the food security of populations in the LAC region and in Europe.

#### III. PEACE AND A CULTURE OF ENCOUNTER

Human security is essential because it aims at protecting the dignity of every person. However, true security can only exist in sustainable peace. Christians regard peace as "more than the absence of war and violence", since it requires "the establishment of an order which is based on justice, integral human development, respect for fundamental human rights and the care of Creation". For Promotion of dialogue and 'a culture of encounter' is an important ingredient of peace-building, as these are capable of transcending our differences and divisions. In this respect, religious and faith-based

<sup>&</sup>lt;sup>52</sup> Food First/Institute for Food and Development Policy, "What's Smart About Climate-smart Agriculture?" in *Policy Brief* #22, (2018), https://archive.foodfirst.org/wp-content/uploads/2018/01/Taylor-Climate-Smart-Ag-Food-First\_-Final-1.pdf.

<sup>&</sup>lt;sup>53</sup> European Commission, Communication on ensuring availability and affordability of fertilisers (2022),

https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52022DC0590&from=EN.

<sup>&</sup>lt;sup>55</sup> Pope Francis, Encyclical letter Fratelli tutti. On Fraternity and Social Friendship (2020),

actors, deeply rooted in local realities as networks of trust, work as bridge-builders that foster social peace and actively contribute to sustainable human development of local communities.

## **OUR BEST PRACTICE / QUOTE FROM THE GRASSROOTS**

Many Caritas organisations work at different levels in fostering food sovereignty. The Social and Solidarity Economy Area of Caritas Ecuador promotes three fundamental areas of work:

1) Responsible production, incorporating processes of the right to food and food security and sovereignty;

2) Fair trade and responsible consumption, which develops two strategies: marketing in social, solidarity and popular economy fairs and the marketing seal "Siempre Bueno" (Always Good), which allows the recognition of sustainable goods and services; and

3) Solidarity finance through community savings and credit cooperatives in which enterprises have access to financing and are trained in financial education.

Similarly, Caritas Guatemala and Caritas Brazil have actions that promote financing for agro-ecological production and social and solidarity economy initiatives.

# A. ENCOURAGING GREATER POLITICAL COOPERATION TO SUPPORT PEACE-BUILDING, HUMAN RIGHTS PROTECTION AND DEMOCRATISATION PROCESSES

"There is an "architecture" of peace, to which different institutions of society contribute, each according to its own area of expertise, but there is also an "art" of peace that involves us all." [Pope Francis, Fratelli Tutti, 231]<sup>56</sup>

Globally, with the war in Ukraine and other violent conflicts, we are witnessing a "third world war fought piecemeal".<sup>57</sup> Despite many achievements, the failure to prevent major violent conflicts from erupting demonstrates the **crisis that has affected the multilateral system, with the United Nations** and its Security Council at its heart. The EU and LAC countries, representing together about a third of all votes at the United Nations, should **jointly promote a rethinking of international bodies** so that these **respond more adequately and democratically to the challenges of our time**, especially in the areas of conflict prevention and nuclear disarmament. This demands a reform that allows them to function more effectively, "so that they can be truly representative of the needs and sensitivities of all peoples, and avoid procedures that give greater weight to some, to the detriment of others."<sup>58</sup>

Regionally, LAC countries have been plagued in recent years by **strong social and political tensions**, according to dynamics of accentuated polarisation, in the face of an increasingly fragile political party system, marked by populist tendencies of political figures lacking strategic visions, with a

https://www.vatican.va/content/francesco/en/encyclicals/documents/papa-francesco\_20201003\_enciclica-fratelli-tutti.html\_

<sup>&</sup>lt;sup>56</sup> Pope Francis, Encyclical Letter Fratelli Tutti. On Fraternity and Social Friendship (2020), op. cit., para. 231.

<sup>&</sup>lt;sup>57</sup> Pope Francis, Address to members of the diplomatic corps accredited to the Holy See (9 January 2023),

https://www.vatican.va/content/francesco/en/speeches/2023/january/documents/20230109-corpo-diplomatico.html

<sup>58</sup> Pope Francis, Address to members of the diplomatic corps accredited to the Holy See (9 January 2023), op. cit.

strong role of the armed forces and narrow economic oligopolies. Although the EU, with its economic power and political leverage, is still recognised as a key global player by a large part of LAC countries, its role is increasingly being confronted with a significant political and economic presence or even interference by other foreign powers.

The EU has been a long-standing promoter of the **peace process in Colombia**. Besides supporting the conclusion of the historic 2016 peace agreement after more than 50 years of a dramatic conflict, the EU also established a special Trust Fund to provide technical and financial assistance for sustainable development of the regions affected by the conflict, demilitarisation and socioeconomic reintegration of former FARC guerrillas as part of transitional justice efforts. Nevertheless, as the implementation of the peace agreement is fragile and constantly exposed to hostile actions, it is crucial that the EU maintains its **political as well as financial and technical support to the peace process**. Since there cannot be peace without justice and true reconciliation, stepped-up European support will be particularly needed for the work of the *Sistema Integral de Verdad, Justicia, Reparación* y Non Reparación (SIVJRNR), the system of special transitional justice courts.<sup>59</sup>

The EU should also closely accompany and help **address, through pertinent political, human rights and humanitarian mechanisms,** the worrying developments in other parts of the LAC region that continue to be marked by **political instability, fragile democracy, shrinking civic space and challenges to the rule of law and human rights,** notably Cuba, Haiti, Nicaragua, Peru and Venezuela. The unprecedented political crisis in the latter has exacerbated an already serious economic and social crisis and led to the mass exodus of almost 7 million Venezuelans, who have fled to the rest of the LAC region. These, as well as people who have remained in Venezuela, will require continued EU's humanitarian support, alongside EU's mediation and facilitation efforts, <sup>60</sup> so that "peaceful institutional means can be found to provide solutions to the political, social and economic crisis, means that can make it possible to help all those suffering from the tensions of recent years, and to offer all the Venezuelan people a horizon of hope and peace". <sup>61</sup>

Peace in the LAC region is, however, not only threatened by violent conflicts. Regional homicide rate in the LAC region is more than three times the global average, and cocaine trafficking remains one of the major forms of organised criminality in this region, while human trafficking has seen an increase over the last years, including subjecting minors and women to various forms of slavery and sexual or labour exploitation and to the removal of organs for transplants. While supporting on–going EU–LAC cooperation and coordination mechanisms to fight cross–border **organised crime as well as drug and human trafficking**, we encourage the EU to focus on the future partnership with CELAC more on **addressing the root causes** of these phenomena. Besides increased investment in basic social services, quality education for all and the creation of socio–economic empowerment opportunities for young people, an important aspect will also be to invest in informal neighbourhoods of large cities and to enhance their public infrastructure and connectivity. In this regard, the EU should support and finance projects aimed at **strengthening local capacities for conflict management and peace–building**, at promoting citizen participation and democratic governance and at addressing the root

<sup>&</sup>lt;sup>59</sup>In this respect, see also the work and the reports of the Truth Commissions that have been established in several LAC countries: <a href="https://www.derechos.org/koaga/iii/1/cuya.html">https://www.derechos.org/koaga/iii/1/cuya.html</a>

<sup>60</sup> Including renewed efforts within the International Contact Group on Venezuela, <a href="https://www.eeas.europa.eu/eeas/international-contact-group-venezuela-ministerial-declaration-1\_en">https://www.eeas.europa.eu/eeas/international-contact-group-venezuela-ministerial-declaration-1\_en</a>

<sup>&</sup>lt;sup>61</sup> Pope Francis, Address to members of the diplomatic corps accredited to the Holy See (7 January 2019), https://www.vatican.va/content/francesco/en/speeches/2019/january/documents/papa-francesco\_20190107\_corpo-diplomatico.html

causes of violence by promoting alternatives for inclusive and sustainable economic development in the regions.

A worrying tendency to be observed not only in the LAC region but also across Europe in different forms, is **political and societal polarisation**, often fuelled through disinformation campaigns. Racism, xenophobia, as well as practices undermining good governance, such as corruption, are also challenges that need to be duly reflected in the future EU-LAC partnership framework and addressed in pertinent workshops and relevant political and human rights fora. The EU should also use these instruments to promote the **complete abolition of the death penalty** across the LAC region.

#### **OUR RECOMMENDATIONS:**

- 1. The EU and CELAC should jointly promote a reform of international bodies, including the United Nations and its Security Council, so that these respond more adequately and effectively to global challenges, especially in the areas of conflict prevention and nuclear disarmament. The reform should aim at enhancing regional representation and equity to better reflect local needs and sensitivities, and avoid procedures giving preference to particular interests of stronger actors harming weaker ones.
- 2. Both regions should reinforce joint efforts in fighting against and addressing the root causes of organised crime and human trafficking, which are exploiting the vulnerability of persons experiencing poverty and marginalisation— especially of migrants, displaced, refugees as well as children and women in both regions; in this respect, more support should be provided for investment in basic social services, socio-economic empowerment opportunities for young people, and public infrastructure and connectivity in informal neighbourhoods.
- 3. The EU should continue **supporting conflict transformation**, <sup>62</sup> **transitional justice**, <sup>63</sup> **peace-building and democratisation processes**, and in empowering local communities in their efforts to reconstruct their socio-economic fabric, as well as to heal traumas in conflict and post-conflict situations in the two regions. <sup>64</sup> In this respect, the EU should increase <sup>65</sup> its material, technical and financial support for projects that promote access to truth, justice and reparation for victims, strengthen access to justice and the rule of law in the region, contribute to the reintegration of former combatants, while propelling measures of reconciliation and peaceful coexistence, with the aim of promoting respect for the human rights of all people.

<sup>&</sup>lt;sup>62</sup> Conflict transformation is part of the peace-building process. It seeks to transform a given situation of conflict between people or communities or countries by identifying the causes of conflict and making agreements to move towards conflict resolution. But no conflict can be guaranteed to be totally resolved, as many conflicts are very complex and have multiple causes. Thus, while a conflict transformation process is not necessarily able to achieve resolution, it can move conflicts towards a peace process, albeit through limited but sustainable progress.

<sup>&</sup>lt;sup>63</sup> Transitional justice is generally applied to post-conflict situations and is aimed at peacebuilding and lasting peace (i.e. the non-repetition of violations of fundamental rights). It is therefore a comprehensive justice system that is based on peace agreements or contexts that allow for peacebuilding. Transitional justice implies very important reforms of the justice system, reparations for victims of political violence, police and military reforms, and a series of reforms and policies that guarantee rights. Important experiences of the design of transitional justice processes are contained in the recommendations of the Truth Commissions.

<sup>&</sup>lt;sup>64</sup> In this regard, the experiences of transitional justice processes in LAC countries and the pertinent proposals for peace-building and non-repetition could be systematised.

<sup>&</sup>lt;sup>65</sup> The financial envelope of the European Peace Facility, an EU off-budget instrument to mainly finance the costs of external military operations, is 5.7 billion euros for the period 2021-2027, while the budget of the Global Europe Civil Society Organisations Programme that supports locally led peace-building projects following a human rights-based approach, only amounts to 1.5 billion euros for the same period.

- 4. Both regions should **systematically and effectively counter tendencies of some governments to curtail civic space** with legal or practical restrictions. In this regard, the EU should reinforce its Global Europe Civil Society Organisations Programme<sup>66</sup> as a means of promoting and strengthening civic spaces, and complement it with policies that promote citizen participation and dialogue between civil society, private actors and public authorities. This also requires measures to strengthen the capacities and the autonomy of civil society organisations, and to promote social dialogue in view of fostering fundamental rights and freedoms.
- 5. The EU should **mobilise new funds for humanitarian assistance and support of people displaced** within their countries and across borders due to conflicts, economic cracks, violence and political instability.
- 6. The EU-CELAC partnership could foresee the organisation of joint workshops allowing an exchange of experiences, good practices and technical advice on countering challenges present in both regions, such as weakening of democracies, societal polarisation, disinformation campaigns, racism, xenophobia, corruption and shrinking civic space; moreover, the bilateral political and human rights for a should be used more effectively to address systematic human rights abuses and to promote the complete abolition of the death penalty across the LAC region.

#### **B. STRENGTHENING INTER-CULTURAL AND INTER-RELIGIOUS COOPERATION**

"Listening to indigenous peoples and to all the communities living in the Amazon – as the first interlocutors of this Synod – is of vital importance for the universal Church. For this we need greater closeness. We want to know the following: How do you imagine your "serene future" and the "good life" of future generations? How can we work together toward the construction of a world which breaks with structures that take life and with colonizing mentalities, in order to build networks of solidarity and inter-culturality? And, above all, what is the Church's particular mission today in the face of this reality?" [Synod on the Amazon, Preparatory Document, 2018]<sup>67</sup>

What will ultimately make the difference in the search for shared paths and responses between the EU and CELAC, two regions so distant geographically, yet so fraternally close in terms of values, religions and culture, will continue to be that **extraordinary heritage of human, cultural and spiritual links** between European and LAC societies, nurtured by intellectuals and artists, as well as ecclesial communities, faith-based actors and civil society organisations.

Across LAC societies, **religion and culture** are still **deeply embedded in local realities** and they are one of the key determinants of community and personal bonds. The culture of several LAC countries is enriched by the **unique presence of indigenous communities** that do not only possess a special connection to their land, but also maintain their original language. The future EU-LAC partnership should ensure that this **religious and cultural diversity is respected**, **preserved and promoted** as a source of strength, trust and mutual enrichment. Moreover, in order to avoid new forms of "ideological colonisation", <sup>68</sup> EU actions should abstain from promoting concepts and practices which are not in

<sup>66</sup> https://ec.europa.eu/commission/presscorner/detail/en/IP\_21\_6792

<sup>&</sup>lt;sup>67</sup> Amazonia: New Paths for the Church and for an Integral Ecology: Preparatory Document of the Synod of Bishops for the Special Assembly for the Pan-Amazon Region (8 June 2018), Preamble,

 $<sup>\</sup>underline{\text{https://press.vatican.va/content/salastampa/en/bollettino/pubblico/2018/06/08/180608a.html}}.$ 

<sup>&</sup>lt;sup>68</sup> Cf. Pope Francis, *Meeting with civil authorities, representatives of indigenous peoples and members of the diplomatic corps*, Québec (27 July 2022), <a href="https://www.vatican.va/content/francesco/en/speeches/2022/july/documents/20220727-autorita-canada.html">https://www.vatican.va/content/francesco/en/speeches/2022/july/documents/20220727-autorita-canada.html</a>

line with internationally recognised human rights and human dignity, and that contradict the identity, religious beliefs, culture, traditions, values and life of local communities in LAC partner countries.

Religious heritage is one of the pillars of culture and identity. The renewed EU-LAC partnership could better recognise the spiritual, historical, artistic, economic as well as social contribution of religious and cultural heritage, and reinforce policies aiming at its promotion and protection. Such initiatives would not only improve the respective religious and cultural literacy, but they could also foster a spirit of encounter, dialogue and better mutual knowledge and understanding. Intercultural and interreligious dialogue can be powerful instruments to foster social cohesion and build bridges within and between the two regions. In this respect, we encourage EU and LAC policymakers to promote actions contributing to a favourable environment for inclusive interreligious encounters,69 while respecting the different ethos of religious and faith-based actors and upholding the fundamental right to religious freedom.

As stipulated in the current EU Action Plan on Human Rights and Democracy (2020-2024),70 the EU will "support interfaith dialogues and reach out to religious and faith-based actors and assess how they can be involved in the protection and promotion of human rights, in delivering the sustainable development goals, and in peace making, conflict prevention, reconciliation and mediation, and find synergies with ongoing UN initiatives". It is our hope that the future EU-CELAC partnership framework and the respective policies will better integrate the respective efforts of Churches and faith-based organisations who are among the frontline and long-standing actors also in the LAC region providing access to basic social services, including education and healthcare, and actively engaged in peace-building, mediation, reconciliation and humanitarian action.

As the world's largest aid donor, the EU is strategically well positioned to provide responsible leadership in transforming the aid sector, so it shifts towards locally led humanitarian action and development. The EU-LAC partnership is an important framework for the EU's localisation commitments to be implemented. We therefore strongly encourage the EU to reflect in the future partnership with the LAC region the European Commission's 2021 Communication on Humanitarian Aid as well as of the Recommendation on Enabling Civil Society in Development Co-operation and Humanitarian Assistance by the Development Assistance Committee of the Organisation for Economic Cooperation and Development. In its humanitarian and development projects in LAC countries, the EU must significantly increase direct humanitarian and development funding to local grassroots civil society organisations, including faith-based as well as religious organisations, paying particular attention to the overhead costs borne by these actors.

In view of fostering personal contacts between and across the two regions, educational, academic, scientific, professional and cultural exchanges could be further reinforced. The present policy frameworks, such as Erasmus+ or the EU-CELAC Joint initiative on Research and Innovation, form a good basis on which people-to-people contacts across and between the two regions can and should be strengthened.

<sup>69</sup> Such initiatives could, for instance, be supported through platforms based on the example of the "Global Exchange on Religion in Society", https://europa.eu/capacity4dev/global-exchange-on-religion-in-society-geris-

<sup>70</sup> https://www.eeas.europa.eu/sites/default/files/eu\_action\_plan\_on\_human\_rights\_and\_democracy\_2020-2024.pdf

#### **OUR RECOMMENDATIONS:**

- The EU-CELAC partnership should make inter-cultural and interreligious cooperation a priority
  by ensuring that religious and cultural diversity and heritage are respected, preserved and
  promoted, in line with the respect for human rights; a particular importance should be given to
  valuing indigenous knowledge and to protecting and preserving the language and cultural as
  well as religious heritage of indigenous peoples.
- 2. The EU and LAC countries should duly recognise the specific role of religious actors and faith-based organisations, alongside other civil society organisations, in supporting sustainable human development and peace. These actors should also be involved in consultation processes ahead of and during the EU-CELAC Summit, and pertinent local or regional (interfaith initiatives could be supported in the course of the implementation of pertinent policy areas, such as the protection and promotion of human rights, the delivery and monitoring of the sustainable development goals, the promotion of integral ecology, as well as peace-building, conflict prevention, reconciliation and mediation.
- 3. The EU-CELAC partnership should favour the **localisation of development and humanitarian** assistance and cooperation through granting an equitable and non-discriminatory access to **EU funding instruments** for projects of religious and faith-based organisations and other local civil society actors working on the ground.
- 4. The EU-CELAC partnership should support **multicultural and interreligious encounters and joint actions** within and between the two regions, while respecting the different ethos of the various religious and cultural communities; it should also contribute to the **protection and promotion of the fundamental right to religious freedom**.
- 5. Building upon existing policy frameworks, the future EU-CELAC partnership could **promote more** educational, academic, scientific, professional and cultural exchanges, training opportunities and people-to-people contacts across and between the two regions.
- 6. EU-CELAC Summits should be held more regularly and besides the meeting of the respective political leaders, adequate space for consultation with and participation of civil society and faith-based actors from both regions should be ensured ahead, during and also in the follow-up to the Summits.

#### CONCLUSION

With the upcoming EU-CELAC Summit, both regions have a **unique opportunity to reinforce their cooperation** in the form of a **fair and mutually beneficial partnership** that goes beyond the outdated donor-recipient approach. A partnership that in challenging times **gives hope to the people** of our regions, by not only offering short-term responses to emergencies but by **focusing on addressing structural issues** that increase LAC countries' vulnerabilities and that bring disproportionate effects of global crises on their populations. A partnership that will not substitute, but **complement and reinforce the respective bilateral cooperation formats** between the EU and its Member States on the one hand, and the CELAC countries on the other, which accentuate the respective priorities respecting the diversity of each country's specific identity and reality. A partnership that provides the necessary space for the participation of civil society in all processes; that allows them to share good practices and to offer their contribution to enhancing governance

and building societies which cherish fundamental rights and promote integral human development rooted in solidarity and sustained "from below", from the local communities.

Looking beyond the immediate horizon, a "new generation" of globalisation seems to be emerging, which is characterised by the challenge to establish integral perspectives and dynamics at all levels, on the basis of local realities. This new stage also runs the risk of being marked more and more by inequalities within and between countries and regions, by increased corporate power to the benefit of a few, by dominant or widespread nationalistic tendencies and less interdependence, as well as by a more pronounced economic and technological gap derived from unsustainable development patterns. These are challenges that both the EU and CELAC will have to face from one side of the Atlantic to the other in the post-COVID 19 world. They will require adequate responses, which can only be truly effective if they are built together, in a partnership of mutual support and with an agenda of shared commitments to the common good. Bound by strong historical, economic and cultural ties, the EU and CELAC are natural partners in steering efforts to restore trust, reinvigorate multilateralism. The EU-CELAC partnership also bears the potential to enhance global standards and make international institutions and procedures more democratic and effective in addressing key issues of today and tomorrow, such as human development, climate action, conflict prevention, disarmament, as well as sustainable fair trade and a human-centric and ethical development and use of modern technologies.

As Bishops' Conferences and Church organisations actively engaged in the European and the LAC regions, we strongly believe that our two regions can walk together, respecting and supporting each other on the way to **a more just, sustainable and fraternal world**. We pray for a fruitful outcome of the upcoming EU-CELAC Summit and wish to reaffirm our commitment, as Church and ecclesial communities and organisations of the two regions, to contribute to the future EU-CELAC partnership and its implementation.

This document is endorsed by:

H.E. Msgr. Miguel Cabrejos Vidarte

President of the Latin American Episcopal Council (CELAM)

H.E. Msgr. Mariano Crociata

President of the Commission of the Bishops' Conferences of the European Union (COMECE)

H.E. Msqr/José Luis Azuaje Ayala

President of Caritas Latin America and the Caribbean

Msgr. Michael Landau President of Caritas Europa

#### **WHO WE ARE**

The Latin American Episcopal Council (CELAM) is an organism of collegiality, communion, reflection and collaboration, at the service of the Church in Latin America and the Caribbean, through the 22 Episcopal Conferences that comprise it. It was created in 1955 by the Holy See, at the request of the Latin American Episcopate, as a sign and instrument of collegial affection, in perfect communion with the Universal Church and with the Bishop of Rome. CELAM coordinates activities with other regional episcopal and ecclesial organisations to promote the mission of the Church in the continent based on the postulates of the Word of God, the pontifical Magisterium and the social thought of the Church, with a prophetic voice, a perspective of incidence and an integrating vision, articulating and integrating networks in favour of life, both in the ecclesial and social spheres.

The Commission of the Bishops' Conferences of the European Union (COMECE) brings together the Bishop delegates from Bishops' Conferences of the 27 EU Member States. For more than forty years now, COMECE has been closely involved in the process of European integration and sharing its reflections with EU institutions. COMECE is the Catholic Church partner of EU institutions in the Dialogue foreseen by Article 17(3) of the Treaty on the Functioning of the European Union. Its permanent General Secretariat, based in Brussels, analyses EU policies on a day-by-day basis, striving to bring the specific contribution of the Catholic Church into the European debate. COMECE maintains close contacts with Bishops' Conferences and ecclesial institutions from other regions of the world, including Latin America and the Caribbean.

Caritas Latin America and the Caribbean has 22 member organisations in 22 countries across the region. In many of these countries, Caritas has a long history of working for the poor – over fifty years – tackling natural and man-made disasters and providing healthcare. Working together, the members of the Caritas LAC region focus on peace, social and economic justice, integral human development, and safe migration.

**Caritas Europa** is a Catholic network working with people of all faiths to end poverty and to promote the dignity of all people. Caritas Europa has 49 member organisations in 46 countries across the European continent, including in all member states of the European Union. Many Caritas Europa member organisations carry out humanitarian and development projects in LAC.

This paper was prepared jointly by the four organisations and by **Caritas Internationalis**, with contributions from **Caritas Spain**.