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The future of EU-LAC development cooperation and the 2030 Agenda for Sustainable Development: a bi- regional study

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The European Union (EU) and Latin America and the Caribbean (LAC) share a long history of political dialogue and bi-regional cooperation in which development has always played a key role. Both regions also share a commitment to multilateralism and have worked together at the regional and global level towards the achievement of the Millennium Development Goals (MDG). Since January 2016, both regions will be faced with new goals and targets for sustainable development of the UN-led Agenda 2030. This will raise considerable challenges for development cooperation between these two regions as well as with other countries and regions. Given the changes that have occurred since the establishment of the MDG both within the two regions and on a global scale, both regions have to understand how they affect their strategic partnership and how they can cooperate so as to effectively shape the new global governance of development.

Commissioned by the EU-LAC Foundation, the study *Beyond 2015: the future of development cooperation between the European Union and Latin America and the Caribbean* is aimed to address these issues: firstly, the study examines the new framework for post-2015 cooperation and the Sustainable Development Goals (SDG), as well as the policy priorities and instruments of the Latin American emerging South-South Cooperation, and the EU policy framework established in the “Agenda for Change” for the 2014-2020 programming cycle. Secondly, the study analyses how the EU and LAC “Strategic Partnership” and the EU-CELAC inter-governmental process and development cooperation could contribute to the Agenda 2030 for Sustainable Development.

The rise of emerging countries, the growing heterogeneity in the developing world, and other major changes in the “geography of development”, both in the North and the South, have led to significant changes in the international scenario, and a clear re-balancing of the EU-LAC bi-regional relationship. These changes have also altered the traditional balances and coalitions in the global governance of development, demanding a critical appraisal of both EU and LAC policies and strategies. These processes could be seen as risks and adversities, but they also provide opportunities for change and renewed leadership. Thus some LAC countries have left behind their traditional status of aid recipients and today they are more able to address development goals by themselves and to act as drivers of South-South Cooperation (SSC) in order to address development priorities both in the region and of a global scope. Globalisation processes, in particular, place them in a different position to that of the traditional North-South model, with a development agenda in which transnational dynamics and interdependence and global risks carry more weight. This implies greater responsibilities and interests in the governance of global development, in which the traditional discourse of subordination and the defensive position of the “Global South” do no longer fit well. These dynamics also challenge EU’s perception of its power, influence, legitimacy, values and international identity, which on some occasions were anchored in a traditional paradigm of North–South relations which does no longer seem appropriate.



Both the EU and LAC should avoid remaining entrenched in their discourses and narratives of self-legitimation which are often part of the traditional North–South narrative; and they should also take into account that these positions could be major obstacles to the dialogue and deliberations seeking to define, legitimise and apply principles, rules and procedures for action required for the multilateral governance of global development.

The study explored in detail the LAC performance regarding the MDGs, and it revealed mixed results: LAC appears to have achieved most of the goals, although in some cases there has been insufficient progress, with an unequal distribution of progress among countries in the region and within them. And despite this partial success, in 2015 LAC countries still faced significant development challenges, which include equality (in a multidimensional sense, including gender), security, respect for human rights and cultural diversity, health, good governance and the strengthening of institutions and democracy.

How to design development policies, allocate aid and measure progress taking into account these challenges? More complex and multidimensional indicators as country classifications are needed to implement the 2030 Agenda. The SDGs are not just a strategy for reducing economic poverty, but a multidimensional strategy for “sustainable human development” which defines a complex world map of priorities requiring a multidimensional comprehension of development challenges, both global and national/local. In order to achieve that greater comprehension of development, and in particular the challenges faced by LAC countries, the traditional classification of income per capita is not the most appropriate one.

Together with stability and security priorities related to “neighbourhood”, per capita income still governs most donors and particularly the EU criteria for aid allocation and country classification since the 2011 “Agenda for Change”. However classifications should be useful for the purpose for which they were created: facilitating the comprehension of a complex world and guiding the design of development policies. In the LAC context, the changes —and complexities— of the geography of sustainable development are such that a better comprehension —and management— of the goals of progress would demand new multi-dimensional taxonomies based in the SDGs indicators, capable of identifying the diverse development challenges of the Latin American and Caribbean countries, helping to guide international cooperation policies in the post-2015 context. The “SDG-taxonomy” proposed in this study includes the four dimensions of sustainable development, and by means of an analysis of clusters, it defined six groups of countries with important differences. This exercise is open to further refinement, being open to incorporate other SDG goals or even other dimensions of sustainable human development. The study also argues that these SDG-

taxonomies could be used as tools for planning, management and assessment of progress achieved, both for EU cooperation and for the emerging Latin American SSC.

Given the weight of the EU in trade, finance, aid, climate and other dimensions of development, the viability and results of the SDGs will depend, to a considerable extent, on its commitment in global development and the three dimension of his external action: as a model, as a player and as an implementer. The study analyse the external challenges for the EU leadership, concluding that many of the obstacles are actually endogenous, and they affect heavily the influence, identity and normativity of the EU. These problems are related to the EU's institutional construction, to the still unresolved problems of coordination and complementarity between policies, instruments and actions of the EU institutions and those of the member States, to the contradictions between their interests, identities and values, and to the incoherence of development policies regarding trade or development financing. As has been the case in other issues of the international agenda, the EU is both part of the problem and part of the solution.

Not less relevant in this regard are the emerging SSC and the Triangular Cooperation (TrC) initiatives carried out by LAC countries, which may play a significant role in the 2030 Agenda, and, in particular, in setting up new forms of partnership in the cooperation with the EU and its member States. For this, one of main findings of the study is the need of a improved European understanding and recognition of LAC SSC and TrC, in order to establish the basis for discussion on a new concept of development cooperation which will transcend Official Development Assistance (ODA), The broader SSC vision proposed by CELAC as a contribution to regional integration will provide a common ground for discussion. Some member states of the EU, such as Germany and Spain, have been particularly active in incorporating TrC in their relations with LAC, developing valuable lessons for regional cooperation. Opportunities for bi-regional cooperation have also been opened by SSC experiences, which have provided appropriate solutions for specific development problems. The new financing facility launched at the II EU-CELAC Summit 2015 to boost innovative TrC initiatives within the region with the help of national cooperation agencies, can constitute a useful instrument for such purposes. Other modes of SSC could be considered too as opportunities for bi-regional cooperation: regional cooperation practices have been identified which, while they are distanced from a SSC concept restricted to technical cooperation, also open up new options for EU-LAC cooperation. They arise in the context of the regionalisms present in LAC such as Mercosur, Unasur and SICA. The potential of regional institutions such as CAF-Development Bank of Latin America, and national institutions with regional activity such as BNDES (National Bank of Economic and Social Development of Brazil) should also be taken into account, as these mobilise resources for development based on specific modes and criteria which could be aligned, in the context of a broader development strategy, with the EU's blending strategy.

To conclude, the study argues that for both regions the post-2015 framework is an opportunity for establishing a new “global partnership for development” with common responsibilities, albeit with different capabilities and responsibilities. In this regard, the 17th SDG (“Global Partnership for sustainable development”) could contribute to revitalise EU-LAC dialogue and cooperation providing a strategic horizon, imbuing thereby the bi-regional strategic partnership with a new momentum.