



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 5 September 2013

**15683/12
EXT 1**

**AMLAT 63
PESC 1328**

PARTIAL DECLASSIFICATION

of document:	15683/12 RESTREINT UE/EU RESTRICTED
dated:	5 November 2012
new status:	Public
Subject:	EU-CELAC Summit - Orientation debate

Delegations will find attached the partially declassified version of the above-mentioned document.



ANNEX

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NOTE

from : General Secretariat of the Council
to : COREPER

Subject : EU-CELAC Summit
- Orientation debate

Delegations will find in Annex a note issued under the responsibility of the Cabinet of the President of the European Council, in close cooperation with the Presidency of the Council, the Commission services and the European External Action Service.

EU-CELAC SUMMIT
(Santiago de Chile, 26th 27th January 2013)

ORIENTATION NOTE

1. Introduction

The European Union and the Community of Latin American and Caribbean States (CELAC)¹ will hold a Summit of Heads of State and Government in Santiago de Chile on January 26th-27th, 2013. This will be the seventh bi-regional Summit since 1999, but the first with CELAC as EU counterpart.

The Summit's overall aim is to further reinforce bi-regional ties and discuss issues of common interest, notably in the field of investments and related topics such as sustainable economic growth, legal security and corporate social responsibility. The official theme will be "Alliance for Sustainable Development: Promoting Investments of Social and Environmental Quality".

Two key documents will be adopted at this Summit: 1) a Political Declaration focusing on the dialogue between both regions, the shared values and positions in the international and multilateral arena, the progress in the bi-regional partnership process and the promotion of investments of economic, social and environmental quality; and 2) a review of the Action Plan adopted at the Madrid Summit in 2010 **NOT DECLASSIFIED**.

A ministerial meeting and a business summit will take place in conjunction with the Summit.

¹ CELAC is a framework for political coordination of Latin American and Caribbean countries, which succeeds the former Rio Group and the Latin American and Caribbean Summit on Integration and Development (CALC).

2. Context

Overall, there have been important, positive changes in Latin America and the Caribbean (LAC) over recent years. Although challenges persist, political stability, democracy and the rule of law largely prevail in the region. Economic growth has been significant due to increased trade and investment partly fuelled by the region's abundant natural resources, and to the sound macroeconomic policies applied by many countries². All this has contributed to greater influence at multilateral level (e.g. currently two seats at the UN Security Council, three G-20 members) and in world affairs more generally, as well as to increased self-confidence and assertiveness.

It has also triggered renewed regional integration initiatives, CELAC itself being a prime example, as well as the "Pacific Alliance". The combination of the wealth of the region in terms of raw materials, its growth and its progressive stability have led to increased interest from outside actors traditionally absent from the region (e.g. China). Nonetheless, the economic and political potential between Europe and Latin America remains enormous. The trade agreements concluded with Colombia and Peru can serve as an incentive for other countries in the region to follow through. Mercosur negotiations, once completed, would result in the world's largest free-trade zone, encompassing 750 million people. Politically, the EU and Latin America also share much in common in terms of values and key objectives.

NOT DECLASSIFIED New policies in research and innovation still need to become fully effective.

² (GDP growth of 5.2% in 2010, 3.8% in 2011. Average growth of 4% for the period 2006 – 2011.)

Relations between the EU and the LAC region have gradually strengthened through intensified political dialogue, strategic partnerships with specific countries and progress towards more ambitious sub-regional and bilateral agreements. The Association Agreement signed recently with Central America and the Trade Agreement with Colombia and Peru, which are expected to enter provisionally into force in 2013, are good examples. Two-way trade and investment have increased significantly³. EU cooperation with the region has contributed to fostering regional integration, poverty reduction, social inclusion and cohesion, and human development. Under the "Agenda for Change", EU cooperation will in the future become more selective, taking due account of the evolution observed in LAC in recent years - most countries of the region being now Middle Income Countries. Instruments will be consequently adjusted to respond better to needs, challenges and mutual interest. Other forms of cooperation, notably in such areas as research, innovation, regulation will become more important.

Besides this general context, the Santiago Summit may be influenced by specific factors. **NOT**

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³ Trade figures have more than doubled since 2004 to reach some € 180 billion. The EU represents about 13% of total LAC volumes, and LAC over 6% of total EU exports. The EU is the main investor in the region. With over € 300 billion, EU's FDI stock in LAC is higher than that in Russia, China and India together.

3. Key Objectives

The EU's key objectives for the Summit can be summarised as follows:

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4. Next steps

Following the orientation debate of November 7th, COREPER is expected to revert to the preparations of the Summit on January 17th. In the meantime, the Council Working Group for Latin America (COLAT/AMLAT) will pursue preparations at working level and will inform COREPER on the state of play, seeking guidance as appropriate.

As regards the Foreign Affairs Council, a discussion on the Summit could take place at the December 10th meeting.
