

Europe and Latin America and the Caribbean: a new partnership for the future

Recovery from the coronavirus disease (COVID-19) crisis is a global challenge. No country, no region, no continent can face it alone. It is therefore right for the European Union and Latin America and the Caribbean to strengthen our strategic partnership towards a more sustainable, inclusive and equal world.

The human toll of the COVID-19 pandemic in our regions has been dramatic. As of 15 June 2021, a total of 732,000 people in the European Union and 1,210,000 people in Latin America and the Caribbean have lost their lives.

COVID-19 has also thrown Latin America and the Caribbean into its worst economic recession in 120 years, with more than one third of its 650 million population now living in poverty.

The pandemic is magnifying structural challenges through inequality, informality, and low productivity. This could cancel out more than a decade of development progress. In Latin America and the Caribbean, unemployment is expected to rise to more than 33 million people, affecting women and young people in particular.

Governments in the region have already made unprecedented fiscal efforts to cushion the blow. Public debt has jumped by more than ten points, to reach 79.3% of GDP.

However, tackling the pandemic and stabilising the economy will mean more spending in 2021.

The European Commission has called for a Global Recovery Initiative, linking debt relief to investment in the Sustainable Development Goals. And yet, Latin America and the Caribbean have so far received limited multilateral support. This is because middle-income countries are not eligible for the Group of 20 (G20) Debt Service Suspension Initiative (DSSI) or its Common Framework for Debt Treatment.

Against this backdrop, the European Commission and the Economic Commission for Latin America and the Caribbean (ECLAC) are calling for a paradigm shift in development cooperation, in line with the 2030 Agenda for Sustainable Development. Classifications based solely on income-per-capita criteria do not reflect the whole range of a country's multidimensional vulnerabilities, structural gaps and financing needs. Income alone is not sufficient to determine the inclusion or exclusion of countries from global cooperation mechanisms neither during this crisis or those linked to climate change, environmental degradation and loss of biodiversity.

The European Commission and ECLAC will work to renew biregional political dialogue for a renewed partnership based on three pillars.

The first is moving toward sustainable development models, with equality at the centre. Addressing climate change and the transition to sustainable patterns of production and consumption must be a development priority.

The second is promoting a stronger and more inclusive multilateral system. This should include mechanisms to facilitate access to financing for sustainable investment, a strengthened rules-based trading system, and a renewed commitment to climate action.

The third to be effective, is facilitating access and development of green and digital technologies. Latin America, the Caribbean and Europe enjoy a longstanding partnership. We share the belief that cooperation and partnerships are the main tools to solve global challenges. Now is the time to join forces to shape a better future for all.

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