

EU-LAC

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REMARKS DURING PLENARY SESSION (CLOSING EVENT), HUNGARY - LATIN AMERICAN FORUM, 21-22 MARCH 2012

CHECK AGAINST DELIVERY.

Dear Minister Martonyi, dear János

Dear Minister Matolcsy,

Dear Mr. Leffler,

Queridos invitados latinoamericanos,

Excellencies, Ladies and Gentlemen,
Excelencias, Sras. y Sres. ...

It is my great **pleasure** to be in Budapest today and speak to such a sophisticated audience at this plenary session of the Hungary-Latin America Forum. Thank you very much for your kind invitation, dear János and **thanks** to the Hungarian Ministry of Foreign Affairs for hosting this splendid and multi-faceted event. Muchísimas gracias. Es un **honor** estar aquí.

Latin America and the Caribbean is a region that has always been close to my **heart**, a region that has accompanied me throughout my political and diplomatic career as Secretary of State and Minister of Foreign Affairs of my home country, Austria and later on as European

Commissioner for External Relations and European Neighbourhood Policy. Today, I am delighted to address you here in Hungary as President of the new European Union-Latin America and Caribbean Foundation, the **EU-LAC Foundation**; a role I hold with great pride and enthusiasm.

Ladies and Gentlemen,
Señoras y Señores,

Before I go into details about this new and exciting **adventure** –the EU-LAC Foundation-, I would like to delve for a moment into the rich history and the great potential of the strategic partnership between Europe and Latin America and the Caribbean; a partnership embedded in a global context that is best described by the concept of **paradigm shift**.

I EU-LAC strategic partnership

The world has changed significantly since the European Union and the countries of Latin America and the Caribbean launched their strategic partnership during the Rio summit in 1999.

We are going through a period of sustained crisis of the global economy, and we have been witnessing gradual but steady shifts in the global architecture and balance of power. All societies and all governments are affected by these challenges, and there is a pressing need to find sensible solutions to improve global governance, going far beyond economic and financial concerns.

This **paradigm shift** has had profound albeit different impacts on Europe and Latin America and the Caribbean, which may give rise to a sense of uncertainty as far as the future of the strategic partnership is concerned.

However, change is perhaps the only constant in history, and I strongly believe that what really matters is our capacity to adapt and

jointly manage this change to Europe's and Latin America's and the Caribbean's common advantage and benefit. We therefore need to seize the **opportunities** today's -admittedly challenging- environment brings along and project our relation into the future.

While Europe is at the very centre of the global economic and financial crisis with some countries being especially exposed, Latin America and the Caribbean economies –due to their overall positive performance- are increasingly seen as **part of the solution** instead as part of the problem. During a visit to Brazil last December, IMF Managing Director Christine Lagarde, urged Euro zone countries to find a collective, comprehensive solution to the crisis or risk enduring a “lost decade”.¹ Let me remind you that the term “lost decade” used to be a standard quotation to describe the Latin American debt crisis of the early 1980ies. Nowadays instead we are witnessing the “**Latin American decade**”, as the Director of the Interamerican Development Bank, Alberto Moreno has put it not too long ago.

¹ “Emerging Markets Seen as Part of Solution to Global Problems”, IMF Survey online, December 2, 2011 (<http://www.imf.org/external/pubs/ft/survey/so/2011/CAR120311A.htm>).

From a regional perspective, Latin American and Caribbean economies have performed well in terms of growth and shown positive indicators, including an increase in exports of 23% during 2011 and a reduction of the unemployment rate from 7.3% in 2010 to an anticipated rate between 6.6% and 6.8% in 2012. However, according to the Economic Commission for Latin America and the Caribbean's (ECLAC) balance and prospect for the Latin American and Caribbean economy, regional growth will suffer a slight slowdown to 3.7% this year having reached 4.3% in 2011 and 5.9% in 2010. This is due to international economic turmoil, lower growth of the world and especially Europe's economy and greater uncertainty and volatility in international financial markets.

Ladies and Gentlemen,
Señoras y Señores,

What does this mean for the strategic partnership between the European Union and Latin America and the Caribbean? I strongly

believe that we are moving towards a more balanced relationship: a partnership between equals with due respect for our diversity and particular needs and challenges, as regions *and* as individual countries. I think that we are all well aware of the fact that neither the European Union nor Latin America and the Caribbean are perfectly homogenous entities although we share the strife for increased cohesion, both in- and outwards.

A true partnership between the European Union and Latin America and the Caribbean will strengthen our joint capacity to address the problems of our global economy. The health of this economy, its stability and dynamism to generate sustainable growth, will determine the wellbeing of our societies in the future. During the recent finance chiefs meeting of the G20, President Calderón of Mexico acknowledged that “we are all in the **same boat**” and that the “failure of a containment strategy will mean not only the implosion of the euro but a devastating crisis with consequences for the rest of the world”. As I mentioned at the beginning of my speech, what really matters is our capacity to jointly turn the current challenges into

opportunities, this is to create a virtuous circle that allows us to share the benefits of a joint vision.

Allow me to emphasize here that Latin America and the Caribbean and the European Union are very well placed to do so.

The countries of the European Union and Latin America and the Caribbean are natural allies linked by strong historical, cultural and economic ties. They co-operate closely at international level and maintain an intensive political dialogue at all levels - regional, sub regional and increasingly also at bilateral level.

Issues such as macro economic and financial matters; environment, climate change and energy; science, research and technology; migration; and, finally, employment and social affairs figure prominently in bi-regional dialogues.

Personally, I like the image of Latin America and the Caribbean as “extreme occident”.

*Both regions share the respect and commitment to democracy, the rule of law, human dignity and human rights.

*Latin America and the Caribbean have a young population that can enrich quickly aging European countries through well-managed and mutually agreed migration policies.

*Latin America accounts for 25% of the productive land of the world and is therefore key as a source of agricultural commodities. It is also blessed with 33% of the global drinking water reserves and is incredibly rich in natural resources, including gas, oil, gold, copper, etc.

*The region represents a growing market of great interest for foreign investors.

The EU is the leading investor in the region and the second trading partner of Latin America.

Admittedly, every other time, sceptical voices make themselves heard with regards to the importance and the potential of the relations between the European Union and Latin America and the Caribbean. Throughout my

career, I have always been a fierce and loyal advocate. Nevertheless, I have to confess that over the years I have become aware of a persisting “weak link” and a potential stumbling block: Societies on both sides of the Atlantic perceive that so far, little has been achieved between Europe and Latin America and the Caribbean.

Now, let me reassure you, dear Ladies and Gentlemen, that through the **EU-LAC foundation** we are determined to turn this weak link into a solid **building block** of a true strategic partnership. The European and Latin American and Caribbean societies constitute the **heart** of this partnership and must therefore be the first to feel the benefits it can deliver.

II EU-LAC Foundation

The EU-LAC Foundation saw the light of the day in May 2010 in Madrid at the 6th Summit of Heads of State and Government between the European Union and the countries of Latin America and the Caribbean. It took up its

activities in November last year and has its seat in the city of Hamburg in Germany.

The Foundation is composed of the governments of Latin America and the Caribbean and the Member States of the European Union as well as the EU institutions, all of which are represented in the Foundation's Board of Governors.

I have just made a reference to the **heart** of the strategic partnership: the societies in Europe, Latin America and the Caribbean. The EU-LAC Foundation's **goal** is to connect the non-governmental sectors of Europe-Latin America and the Caribbean with each other and to bring them closer to the agenda the governments of both regions are developing and implementing. We want to strengthen channels and mechanisms of dialogue and debate thereby enhancing the impact on key areas for constructing the bi-regional strategic partnership. This will facilitate that a wide range of stakeholders across the economic, social, cultural, environmental, academic and educational, research and technology domains

progressively **own** and invest in this partnership.

We want to involve the societies of Europe, Latin America and the Caribbean in this partnership process and **transform** the strategic partnership between both regions into a strengthened and visible reality in which the respective societies participate actively.

The Foundation will carry out activities across the whole range of areas that constitute the bi-regional agenda. Let me highlight some of the domains of particular importance:

- Social cohesion and inclusion, the fight against poverty and employment creation.
- Sustainable development.
- Climate change.
- Integration, trade, and connectivity.
- Science, technology, and education, with an emphasis on the role of small and medium-sized enterprises.
- Education and culture.
- Investment.

- Europe, Latin America and the Caribbean's participation in international investment and trade flows.

The EU-LAC Foundation works through a limited number of **strategic partnerships** with relevant actors from our member countries on both sides of the Atlantic. The strategic partners and their activities represent a specific field of action relevant to the bi-regional partnership. They will help us to stimulate, coordinate and, in a non-exclusive way, take a leading role in executing activities related to their field of expertise.

As far as Europe is concerned, we already have two strategic partners:

- The Institut des Amériques in Paris, France ... which bears a leading role in the field of intellectual exchanges concerning regional integration dynamics in the context of globalization.
- The Lombardy Region in Italy ... which contributes with a wealth of experience in the field of partnerships among

small and medium sized companies with a special focus on innovation, research and technology transfer.

Moreover, I am delighted to share with you that we are currently awaiting the formal approval of two more strategic partners by our Latin American and Caribbean colleagues:

- Fundación Global Democracia y Desarrollo (FUNGLODE), Dominican Republic
... a pluralistic and interdisciplinary think tank and research centre for public policies, democracy promotion, human rights, the rule of law, sustainable development, etc.
- The United Nation's Economic Commission for Latin America and the Caribbean's (ECLAC or CEPAL in Spanish)

Apart from these strategic partners we will collaborate with many more allies from the public and private sector and civil society, such as, for example, the Interamerican Development Bank (IDB/BID), the Development Bank of Latin America (CAF), the Latin American

Faculty of Social Sciences (FLACSO), the Organisation for Economic Cooperation and Development (OECD), and many more.

Ladies and Gentlemen,
Señoras y Señoras,
Dear friends,

Allow me to draw your attention to the fact that we are a very young institution with limited resources albeit great aspirations. We are determined to match these. To do so we, however, need the explicit **political and financial commitment and support** of our founding members who decided to create the EU-LAC Foundation in Madrid almost two years ago.

In parallel, we are actively looking for external sponsors, but please allow me to be clear: By no means can these additional funds ensure the financial viability and the development of the EU-LAC Foundation and therefore enable us to bolster the strategic partnership in the ways I have described earlier.

This event has offered us the unique opportunity to strengthen the networks between diplomats, policy makers, business leaders, and academics from across the European Union, Latin America and the Caribbean. It could not reflect any better the EU-LAC Foundation's goal to **transform** the strategic partnership between our regions into a visible reality with tangible results for vibrant and interconnected societies in Europe, Latin America and the Caribbean.

You can count on me. ¡Cuenten conmigo!

Muchísimas gracias nuevamente por la generosa invitación.

Thank you again for your kind invitation.