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WELCOME TO DMER

Delegation for relations with Mercosur

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Introduction

The Delegation for relations with Mercosur (DMER) is responsible for relations with Mercosur and its member states: Argentina, Brazil, Paraguay, Uruguay and Venezuela¹.

Parliamentary relations with Argentina, Paraguay and Uruguay are not institutionalised, as the cooperation agreements concluded in the early 1990s with these countries do not include parliamentary contacts between the legislative powers. Moreover, since there is no association agreement between the EU and Mercosur, the relationship between the two regions lacks the institutional structure enjoyed by other Latin American countries or regions that do have association agreements with the EU.

However, in February 2015, during DMER's visit to Paraguay, the Chair of the delegation proposed the establishment of a Parliamentary Committee on Paraguayan-EU friendship, which should make it possible to more effectively exploit the possibilities offered by parliamentary diplomacy. The Paraguayan National Congress decided to create this body in May 2016.

The Venezuelan National Assembly also created an Interparliamentary Friendship Group with the EU in November 2016. Unfortunately, the internal situation in Venezuela has not yet allowed any kind of meeting or visit between representatives of these two parliamentary bodies to take place.

The Mercosur Parliament (Parlasur) was established in May 2007 in Montevideo and the first interparliamentary meeting with the European Parliament was held in May 2008 in Brussels. In March 2023, Parlasur created an External Delegation to represent the Mercosur Parliament before the European Parliament, made up of the members of the Parlasur Board. These members, together with other representatives of Parlasur, attended the Parlasur-DMER interparliamentary meeting held in June 2023. Relations between the European Parliament and Parlasur include political dialogue, technical cooperation and information exchange.

Moreover, in November 2021, Parlasur set up a Temporary Committee to accompany the bi-regional MERCOSUR-EU Association Agreement. This is a dedicated Parlasur working group, chaired by parliamentarian Arlindo Chinaglia (Brazil), whose main functions are to study and reflect on the EU-Mercosur Association Agreement initiative, to follow up on the activities of the governments of the Mercosur countries and the EU related to the technical revision of the Agreement, and to promote relations with the national

¹ The Bolivarian Republic of Venezuela is suspended in all the rights and obligations inherent in its status as a State Party to Mercosur, in accordance with the provisions of the second paragraph of

Article 5 of the Ushuaia Protocol. The Plurinational State of Bolivia is in the process of ratifying its accession to Mercosur.

parliaments and international parliamentary organisations of Mercosur and the EU.

It should be noted that a Delegation for relations with the Federative Republic of Brazil was established by Parliament's resolution of 12 March 2014. The conclusion of an EU-Brazil Strategic Partnership in 2007 and the creation of a Brazil-EU Parliamentary Group at the Brazilian National Congress in 2008 to act as a counterpart to DMER provided the basis for strengthening ties with the country and for the creation of a specific EU Delegation for Brazil. This delegation has played a very important role in strengthening parliamentary ties and in monitoring the joint action plan, launched within the framework of the EU-Brazil Strategic Partnership. Due attention should therefore be paid to the competences of the respective delegations.

Composition and working methods

DMER is composed of 19 full members and an equal number of substitute members.

During the previous parliamentary term (2019–2024), the DMER Chair was Jordi Cañas (Renew Europe, Spain). Members Mónica Silvana González (S&D, Spain) and Stelios Kouloglou (The Left, Greece) held the positions of first and second Vice-Chairs, respectively.

DMER holds regular meetings in Brussels and Strasbourg to address issues relating to the political, economic and social situation in the region for which it is competent. The meetings focus on issues of bilateral or regional interest, such as the negotiations between the EU and Mercosur for the conclusion of an association agreement, the process of regional integration in Mercosur or current international issues affecting both Mercosur and EU countries. Such meetings may also be aimed at analysing the situation in a given Mercosur country and, for that purpose, invitations are sent to political, diplomatic, trade union or civil society representatives from that country or region and representatives of other EU institutions. In this sense, the official responsible for Mercosur or the country concerned in the European External Action Service (EEAS) is generally invited to meetings of the delegation. Officials responsible for matters addressed at DMER meetings, in particular representatives of the Commission's Directorates-General for Trade and for International Partnerships are also invited.

Parliament also frequently receives visits from delegations from different countries, albeit with an uneven frequency (particularly during the past legislative term owing to the COVID-19 pandemic). Thus, during the 9th legislative term (2019-2024), DMER was able to count on the presence of the then President of Parlasur, Tomás Bittar Navarro, and the rest of the Parlasur Bureau, as well as the ambassadors of the member states of Mercosur to the EU.

In accordance with the implementing rules relating to the activities of delegations, DMER may organise interparliamentary meetings in more than one Mercosur country every year², as it has competence in respect of more than one country.

The missions programme usually includes meetings with members of the executive and legislative branches, and with political parties, employers' organisations, trade unions, representatives of academia, the press and civil society, with particular attention paid to organisations dedicated to the protection and promotion of human rights, development and the environment. In addition, the visit programmes provide for working meetings with EU Member State ambassadors and on-site visits to EU-funded projects.

EU-Mercosur relations and political priorities in the 2019–2024 parliamentary term

Relations between the EU and Mercosur in recent years have had two priority axes: the negotiation of the EU-Mercosur Association Agreement and the political, economic, social and humanitarian crisis in Venezuela. DMER has also taken these priorities into account and – both in its meetings and in its missions – has debated with its Mercosur interlocutors on these issues, of which detailed information is given below.

At its meetings in Brussels, together with the debate on the political, economic and social situation in the different Mercosur countries, and the EU's action in those countries, including in the field of cooperation, DMER has also addressed specific aspects relating to the EU-Mercosur Association Agreement, such as those dealing with deforestation in the Amazon rainforest, access to critical minerals or gender policies in Mercosur countries.

Likewise, DMER followed the electoral processes held in the Mercosur countries. In this regard, it should be noted that alongside the debates within the delegation on the elections held in the different countries under DMER's remit, the EU sent an Election Observation Mission to the presidential elections in Paraguay on 30 April 2023, which was joined by a dedicated Parliament mission.

During the 9th parliamentary term, DMER <u>visited Paraguay and Uruguay</u> (from 19 to 23 September 2022) and <u>Argentina</u> (from 18 to 21 December 2023). During

 $^{^2}$ Calculated on the basis of a period of two calendar years, the total number of members of the Delegation for relations with Mercosur (DMER) who may participate in missions to the third country or third countries in their relations shall not exceed 75 % of the total full members of the delegation (decision of the Conference of Presidents of 29 October 2015). Therefore, for the purposes of this calculation, each parliamentary term shall consist of two periods of two calendar years.

Any mission carried out by a standing interparliamentary delegation to one or more third countries in accordance with Article 8 (of the Rules governing the activities of delegations) shall take place in principle during the weeks reserved for external parliamentary activities (also called constituency weeks) of the calendar of the European Parliament.

these visits, in addition to the analysis of the bilateral relationship between the EU and each of these countries, the central theme of the talks was the negotiation of the EU-Mercosur Association Agreement, the strengthening of the bi-regional relationship, in particular on the basis of the conclusions reached at the third EU-CELAC summit in July 2023, the very important role that parliamentary diplomacy can play in strengthening relations between the two sides of the Atlantic and strengthening interparliamentary cooperation. Topics such as China's growing influence on trade relations and political systems in the Latin American continent in general and in South America in particular were also addressed. Other topics discussed include drug trafficking, corruption, terrorism, migration issues and cooperation between the EU and the countries of the region.

Relations between the European Parliament and Parlasur were strengthened during the previous mandate of the European Parliament, with the meeting between DMER and the Parlasur Bureau in the European Parliament in June 2022 and at the Parlasur headquarters in Montevideo in September 2022, and also with the DMER-Parlasur <u>interparliamentary meeting</u> held on 5 June 2023 in Brussels. These meetings opened the door to a strengthened relationship between the two regional parliaments and the establishment of administrative and technical cooperation mechanisms.

EU support for Mercosur's integration process and the negotiation of an EU-Mercosur Association Agreement

The EU has supported Mercosur's integration process since its creation in 1991. Thus, an Interinstitutional Cooperation Agreement was signed on 25 May 1992 to make Europe's experiences in the field of regional integration available to Mercosur. This agreement served as a framework for intensive cooperation and for multiple contacts between authorities of both regions. In December 1995, the EU and Mercosur signed an Interregional Framework Cooperation Agreement. The transitional and evolutionary nature of this Agreement was intended to strengthen relations between the two regions with a view to establishing a bi-regional economic and political partnership in the future.

In this regard, the EU and Mercosur launched negotiations in 2000 for the signing of an association agreement based on three pillars: political dialogue, cooperation and the establishment of a free trade area. However, as a result of the considerable differences between the European and Latin American negotiators regarding the trade chapter, negotiations were suspended in 2004. This was not an obstacle to further promoting political relations, and the importance of an EU-Mercosur Association Agreement was repeatedly underlined (the fifth EU-Latin America and Caribbean summit in 2008 in Lima, and the fourth Mercosur-EU summit in 2010 in Madrid). Against this backdrop, negotiations for the conclusion of an EU-Mercosur Association Agreement were relaunched in May 2016 through an exchange of offers and a negotiating round. The negotiation of the trade chapter of the agreement covered key issues such as customs tariffs, rules of origin, technical barriers to trade, sanitary and phytosanitary measures, trade in services, public contracts, designations of origin, intellectual property or standards for small and medium-sized enterprises (SMEs).

After 38 negotiating rounds (the last in March 2019), the rapprochement of positions allowed for the holding of a ministerial summit in Brussels on 27 and 28 June 2019, where both parties agreed to the conclusion of the trade pillar of the EU-Mercosur Association Agreement. The conclusion of this pillar was announced at the Osaka G20 summit on 30 June 2019, while the conclusion of the political and cooperation pillar was announced just a year later.

However, the emergence of questions about environmental protection, particularly in the <u>Amazon region</u>, about Mercosur's compliance with EU rules on corporate due diligence and corporate responsibility, as well as the emergence of protectionist interests in some EU Member States, halted the process of adopting the agreement. The Commission tried to resolve the impasse by preparing additional commitments in March 2023, mainly on environmental issues, to be annexed to the Agreement, which were met with reservations by the Mercosur states. Differences between states of the two regions over the political opportunity and direction of the negotiations, the holding of various electoral processes in EU and Mercosur countries, and political statements contrary to the agreement have resulted in the agreement not yet being adopted five years after the conclusion of the negotiations.

Despite the above, the new international landscape created by the COVID-19 pandemic and the Russian invasion of Ukraine, the need to diversify the supply channels for critical minerals, energy and food, the opportunity to strengthen ties with democratic and stable countries, and the growing presence of other world powers in South America are factors advocating for a stronger relationship between Mercosur and the EU, which represent about 25 % of global GDP and a market of 780 million people. For Mercosur, the EU is its second-largest trading partner, and its first in terms of investment, while, for the EU, Mercosur is its eighth-largest trading partner. The entry into force of the EU-Mercosur Association Agreement would result in the completion of the EU's network of association agreements with all Latin American and Caribbean countries, as well as one of the largest free trade areas in the world. The negotiated tariff reduction would be staggered over a period of 15 years, albeit asymmetrically in favour of Mercosur. However, the agreement is not only about trade issues, but also includes political and development pillars, and envisages an institutional chapter that would, among other things, give new impetus to the parliamentary dimension of the bilateral relationship.

The situation in Venezuela and Parliament's position

Under the regime of Nicolás Maduro, Venezuela is facing a serious political, economic and social crisis. The continuing deterioration of the situation has led to a humanitarian emergency affecting a large part of the population and has forced more than seven million of its citizens to emigrate to other countries, with potential destabilising effects at regional level.

Relations with Venezuela had been partially suspended during the late President Hugo Chávez's final term. With his successor, Nicolás Maduro, the internal situation in Venezuela has deteriorated sharply, leading Parliament to take a position on repeated occasions.

It should be recalled that during the 8th legislative term, Parliament's 2017 Sakharov Prize for Freedom of Thought was awarded to the Venezuelan democratic opposition, and that an ad hoc mission was organised in June 2018 to the towns of Cúcuta (Colombia) and Boa Vista (Brazil), both bordering Venezuela, to analyse the situation of Venezuelan migrants in those countries. With the same objective, another ad hoc mission to the cities of Lima and Tumbes (Peru) was organised in March 2019.

Parliament sent a mission to join the EU Election Observation Mission to the regional and municipal elections held in Venezuela on 21 November 2021. In its <u>final report</u>, the EU Election Observation Mission considered these elections as a possible first step towards broad political agreement on the conditions necessary to conduct democratic elections accepted by all parties and to advance the re-institutionalisation of the country. It also concluded that there were better electoral conditions compared to past elections, such as a more balanced electoral administration, the conduct of several audits at different stages of the electoral process and a broader update of the electoral register. However, the mission noted structural weaknesses such as the lack of legal certainty, showcased by the arbitrary disqualification of candidates, the extensive use of state resources in the campaign in favour of government-supported candidates and the unequal access of candidates to the media.

Between July 2019 and March 2024, Venezuela was one of the countries subject to the largest number of Parliament resolutions, with seven resolutions in total. In these resolutions, adopted by a large majority of Members, Parliament urged the regime of Nicolás Maduro to respect democratic principles and fundamental rights, to release all political prisoners, to put an end to attacks on civil society and the opposition, and to hold free, transparent and fair elections. In its latest resolution, Parliament also called for the tightening of sanctions against key Venezuelan authorities close to the regime.

The situation in Venezuela has also been a priority for DMER, which has invited prominent personalities to its meetings, such as former acting President Juan Guaidó, opposition candidate María Corina Machado and other political leaders such as Leopoldo López Mendoza, Henrique Capriles, Oscar Figuera, Nicmer Evans or Gerardo Blyde. Members of DMER also participated in the Parliament Election Observation Mission sent to Venezuela's regional and local elections in October 2021.

At its last meeting in April 2024, DMER discussed the outcome of the opposition's primary elections and the agreement in principle adopted in Barbados, as well as the political situation ahead of the presidential elections scheduled for 28 July 2024. The issue of the humanitarian and human rights situation in Venezuela, including the issue of migrants, received due attention, with the presence of representatives of the Independent International Fact-Finding Mission on the Bolivarian Republic of Venezuela.

Overview of bi-regional relations and prospects for the new legislative term (2024-2029)

The main axes of EU-Mercosur relations in recent years are not expected to vary in the short term. This is why DMER's most important role in the 10th parliamentary term will likely be to follow up on the negotiations on the EU-Mercosur Association Agreement and to monitor the situation in Venezuela.

Likewise, DMER should analyse the evolution of Mercosur, a regional organisation in constant tension between the supporters of its trade opening to third countries and those who advocate giving priority to intraregional development. Additionally, DMER should also consider its consistency within the regional framework, mainly with respect to other organisations active in the area (Pacific Alliance, Prosur). It will be interesting to assess the effects of Bolivia's accession to Mercosur on the organisation itself, the culmination of which is expected to take place throughout the new parliamentary term of the European Parliament. On the other hand, DMER should strengthen its institutional ties with Parlasur and offer all possible political and technical support so that it has more influence in the political strengthening of Mercosur.

The delegation should also pay particular attention to relations with all Mercosur countries. Regarding **Brazil**, DMER will have to take into account the new political and economic context that emerged in the country following the elections in autumn 2022 which saw Luiz Inácio Lula da Silva elected as president, while respecting the division of competences between DMER and the Delegation for relations with the Federative Republic of Brazil. DMER should also take into account the outcome of the elections to be held in **Uruguay** in October 2024 and in **Chile** in autumn 2025. Likewise, it will be necessary to assess the political and economic changes in **Argentina** after the arrival to power of President Javier Milei and the political rebalancing that may occur after the by-elections in 2025. Finally, DMER should continue to pay attention to the serious political, economic, social and humanitarian situation in Venezuela, with the prospect of the presidential elections on 28 July 2024, and should offer, if

circumstances so allow, its collaboration in the search for a peaceful and negotiated solution to this crisis.

Together with the other relevant delegations, DMER should take into account the implementation of the conclusions of the third EU-CELAC summit and its roadmap, the rolling out of the Global Gateway investment programme in the countries covered by DMER and the preparation of the fourth EU-CELAC summit, scheduled to be held in Colombia in 2025.

Useful websites and resources

- Parliament's Delegation for relations with Mercosur (DMER)
- EU Delegation to Argentina
- EU Delegation to Brazil
- EU Delegation to Paraguay
- EU Delegation to Uruguay
- EU Delegation to Venezuela
- European Parliament fact sheet on Latin America and the Caribbean
- List of Parliament resolutions on Mercosur
- European Parliamentary Research Service briefing entitled '<u>Latin America</u> outlook: Issues to watch in 2024' (February 2024)

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