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ANNEX I

to the Commission Implementing Decision on the financing of the Annual Action Plan in favour of the Americas and the Caribbean – part III – for 2024

Action Document for Strengthening the Private Sector role in the context of the digital transition in Argentina

ANNUAL PLAN

This document constitutes the multiannual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23 of the NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	Strengthening the Private Sector in the context of the digital transition in Argentina OPSYS ACT-62278 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
2. Team Europe Initiative	TEI Argentina – Digitalisation
3. Zone benefiting from the action	The action shall be carried out in Argentina
4. Programming document	Multiannual Indicative Programme for the Americas and the Caribbean for the period 2021-2027 ¹
5. Link with relevant MIP(s) objectives / expected results	<ul style="list-style-type: none">• Supporting the Digital Transition• Strengthening SMEs
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	25010 Business Policy and administration
7. Sustainable Development Goals (SDGs)	Main SDG: <ul style="list-style-type: none">• SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

¹ Commission Implementing Decision adopting a Multiannual Indicative Programme for the Americas and the Caribbean for the period 2021-2027, C(2021)9356 on 13.12.2021.

	<p>Other significant SDGs and targets:</p> <ul style="list-style-type: none"> • SDG 2 End hunger, achieve food security and improved nutrition and promote sustainable agriculture <ul style="list-style-type: none"> ▪ 2.a Increase investment, including through enhanced international cooperation, in rural infrastructure, agricultural research and extension services, technology development and plant and livestock gene banks in order to enhance agricultural productive capacity in developing countries, in particular least developed countries ▪ 2.c Adopt measures to ensure the proper functioning of food commodity markets and their derivatives and facilitate timely access to market information, including on food reserves, in order to help limit extreme food price volatility • SDG 7 Affordable and clean energy <ul style="list-style-type: none"> ▪ 7.a By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology • SDG 12 Ensure sustainable consumption and production patterns • SDG 17 Strengthen the means of implementation and revitalise the global partnership for sustainable development <ul style="list-style-type: none"> ▪ 17.16 Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilise and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries ▪ 17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships 			
8 a) DAC code(s)	25030 – Business development services – 60 % 33181 – Human resources development in trade – 20 % 22040 – Information and communication technology (ICT) – 20%			
8 b) Main Delivery Channel	NON-GOVERNMENTAL ORGANISATIONS (NGOs) AND CIVIL SOCIETY - 20000			
9. Targets	<input type="checkbox"/> Migration <input type="checkbox"/> Climate <input type="checkbox"/> Social inclusion and Human Development <input type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input checked="" type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers	General policy objective @	Not targeted	Significant objective	Principal objective

(from DAC form)	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Aid to environment @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Internal markers and Tags:	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	digital connectivity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	/
	digital governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	digital entrepreneurship	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	digital skills/literacy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	digital services	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	Connectivity @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	digital connectivity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	/
	energy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
transport	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
health	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
education and research	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
Migration @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Reduction of Inequalities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
BUDGET INFORMATION				

12. Amounts concerned	Budget line(s) (article, item): 14.020140 Total estimated cost: EUR 7 million Total amount of EU budget contribution EUR 7 million The contribution is for an amount of EUR 7 million from the general budget of the European Union for 2024
MANAGEMENT AND IMPLEMENTATION	
13. Type of financing	Direct management through: - Grants - Procurement

1.2 Summary of the Action

The action, in its broadest terms, aims to **contribute to increasing EU-Argentina trade and investment relations including through contributing to the implementation of the EU-MERCOSUR Agreement**, subject to its finalisation and approval. More specifically, the action will **strengthen the EU Chambers of commerce ecosystem in Argentina** as well as **strengthen Argentina's digital policy and regulatory framework and thereby contribute to Argentina's economic development**.

Through a **Team Europe approach** whereby the EU Delegation will closely cooperate with the 21 EU Member States represented in Argentina, the action will bring about greater cooperation and joint action (seminars, roundtables, etc.), between different European private sector actors in Argentina with a view to **enhancing both the visibility and commercial potential of the EU's presence in the country**, showcasing and **expanding the EU's leadership on sustainable growth and circular economy, high environmental standards, responsible business conduct and cutting edge technologies**. This will be complemented by **an increased outreach of the EU chambers of commerce in Argentina** as well as an increase in the provision of business services to EU companies and entrepreneurs. Business guides, economic reports and market information will be provided and will **help to create a conducive environment for private investment**, including in the digital sector.

The action will also **contribute to Argentina's digital transformation**. Firstly, by facilitating the **transfer of EU expertise**, secondly through **the improvement of legislative, regulatory and policy frameworks based on EU values** to ensure these are fully anthropocentric (i.e., beneficial to human beings) to ensure that artificial intelligence, blockchain and other cutting-edge technologies of the digital revolution in Argentina are sustainable and, thirdly, by building digital capacities amongst enterprises in Argentina. The action will **contribute to implementing the "EU-Argentina Roadmap for a Digital Transformation"**, agreed with Argentina's Ministry of Foreign Affairs, International Trade and Worship, a commitment to cooperate on boosting connectivity, innovation, entrepreneurship, ethical governance, cybersecurity, research, amongst other priorities for an effective and sustainable digital transition.

The proposed action contributes to the 2030 Agenda, notably to **SDG 9** "Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation".

1.3 Zone benefitting from the Action

The Action shall be carried out in Argentina.

2 RATIONALE

2.1 Context

Argentina is a major producer of agricultural commodities and is among the top world exporters of soy and sunflower products, pears, and lemons. Wine and beef are also well-known products, mostly consumed domestically. Argentina also has important mineral resources such as gold, copper and lithium and respectively the 2nd and the 4th largest shale gas and shale oil reserves in the world. Additionally, it has industrial production in sectors such as cars, nuclear industry, and an emerging digital service sector.

Argentina and the European Union (EU) have a historically strong relationship, reflected in the level of Foreign Direct Investment by EU companies, which held stocks worth EUR 43 billion in 2022. The European Union (EU) is Argentina's third trading partner, accounting for 14.1% of total Argentinean trade in 2019. In 2019, EU-Argentina bilateral trade in goods totalled EUR 14.3 billion. Argentina's main exports to the EU are agricultural products (58%), petroleum-derived chemicals (15%), and non-fuel raw materials (12%)¹. The EU exports to Argentina mainly manufactured goods, such as machinery and transport equipment (44%) and chemical products, including pharmaceuticals (24%). The EU is also Argentina's biggest foreign investor, accounting for half of Argentina's foreign direct investment (FDI). The EU-Mercosur Free Trade Agreement, – still to be ratified – should provide a framework for boosting trade and investment between the two regions by reducing tariffs of good and services as well as simplifying trade rules.

In this framework, and under the Global Gateway, supporting sustainable development through the private sector is fundamental. In Argentina there are 800 European companies, in sectors such as automotive, agriculture, agro-industrial, construction, energy, electric-electronic, chemistry-pharmaceutical, mechanic-industrial, public utilities, ICT and health. Many of these companies have been operating in the country for years, but a mechanism that associate this entrepreneurial world to the EU and capitalises on its leverage is still weak. The EU Delegation, following a whole Delegation approach, has been engaging in a consultation exercise with all EU bilateral Chambers of Commerce and numerous companies, resulting in a Road Map for the establishment of a Business Community in a Team Europe approach. There are **16 European Bi-lateral Chambers of Commerce in Argentina** (Austria, Belgium-Luxemburg, Croatia Denmark, France, Germany, Great Britain, Greece, The Netherlands, Ireland, Italy, Poland, Spain, and Sweden). Additionally, since 2014 **Euro Chamber Argentina** (Eurocámara), funded by European bilateral chambers promotes bilateral and regional socio-economic relations between Argentina, Mercosur and the European Union, generating concrete proposals and opportunities for business, institutional and strategic synergies. Euro Chamber Argentina was born of a strong pragmatic and innovative spirit that stands out in its strategic, integrative and synergistic institutional action at both the national and regional levels. In 2015, Eurocámara founded **EEN Argentina** (“**Enterprise European Network - Business Cooperation Center**”) with the Ministry of Science, Technology and Productive Innovation of Argentina, Argentine Industrial Union and the National Council of Science and Technology in order to promote innovation and technology transfer among SMEs, including a focus on technologies combining digitalisation and green/circular economic growth and business models.

A First **European Business Forum** took place in June 2023 with the participation of the President of the European Commission, Ursula von der Leyen. This initiative is to be expanded and systematised (and replicated at Provincial level when possible) during the implementation of this AAP. The Fora will show the strength of the EU-Business Community and its impact on the Argentinian economy in terms of promotion of sustainable growth, job creation, development of fair-trade practices, respect of environmental standards and responsible business conducts and to reflect on the leverage that this community can have when acting cohesively. The action will prioritise investment in digital solutions and promote the green/circular economy. In this sense, the action will complement some of the EU's most innovative projects with technical and financial support, similarly (and complementarily) to what has been done at a regional level with projects such as AL-Invest Verde or the Low Carbon Business Initiative.

The European Union and Argentina also share challenges in relation to **digital transformation**, such as the need of developing legislative and regulatory frameworks, ensuring a functional and transparent digital market and the protection of fundamental rights, as well as ethical dilemmas due to continuous technological advances.

Work on the **Digital Team Europe Initiative (TEI)** has already started in Argentina. Under the Support Measures adopted in 2021, a dialogue has been structured with the Argentinian government and other relevant stakeholders. A network of experts has been established by the EU and EU Member States have contributed to the process by identifying and seconding national experts who worked under the coordination of an EU Facilitator. Activities took place as from November 2021 in Buenos Aires with the EU, following a Team Europe approach, organising various events, discussions, round tables and meetings with the Argentine counterparts such as the Economic and Social Council, the Directorate of Human Security, Innovation and International Technological Affairs (Ministry of Foreign Affairs and International Trade and Worship), the Ministry of Science, the Undersecretariat of Knowledge Economy, the Undersecretariat of Telecommunications, and the Undersecretariat of Education. Two seminars on Artificial Intelligence were organised in 2022 and 2023 and were a success in terms of participation and impact. These activities made it possible to identify a set of **priorities** (green growth and circular business models) **for future engagement** such as **regulations to ensure an open and transparent digital market, a framework of more responsibility for global platforms, data management, child protection, artificial intelligence**, amongst others, that have been set out in the “EU-Argentina Roadmap for a Digital Transformation”.

2.2 Problem Analysis

EU companies investing in **Argentina face several challenges**. Argentina’s embrace of heterodox economic policies has resulted in a **highly distorted economy with persistently high inflation**, which has affected market confidence and likely affected growth estimates. The country’s high and unpredictable tax burden and rigid labour laws are also obstacles to further investment in Argentina. Furthermore, **constant legislative changes, multiple exchange rates, and high levels of bureaucracy** are other challenges faced by companies doing business in Argentina. Over several decades, Argentina has imposed **significant barriers on imports, exports and capital flows**. As a result, international trade and investment climate suffered significantly. Although EU companies and investors reported some improvements in administrative procedures during recent years, a number of significant problems remain, such as: Export duties for many products and services ; the tax rate ranges from 5% (including services) to 33% (soy exports); Non-automatic import licences applied to around 1500 tariff lines, affecting almost 26% of EU exports to Argentina; Mandatory preferences for local companies in public procurement; local content requirements in the car and car-part sector to obtain tax advantages; Problems in the protection and enforcement of Intellectual Property rights, including delays in patent proceedings and inadequate protection of geographical indications.

Despite these challenges, **Argentina presents investment and trade opportunities in green and digital economy, in sectors such as agriculture, energy, information technology, as well as infrastructure and mining**.

In this framework, **digital transformation allows new forms of production**, through cyber-physical systems, which interconnect the physical world with the virtual one, integrating emerging digital technologies with production, operation and marketing tools, which allow digitising and reconverting factories. This allows the optimisation of production, the provision of products and services that best respond to the needs of customers, complies with quality standards and environmental regulation and facilitates access to substantial amounts of data from the production chain, which will be used later for feedback and improvement of processes.

Digital transformation also produces disruptive **changes in organisations**. These changes require the construction of new capacities, both human, organisational, and institutional. The **human resources** of the institutions will have to work in new environments, sharing their tasks and responsibilities with

² https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/argentina_en

machines and robots. To do this, they must incorporate new knowledge and skills. On the one hand, some jobs, mainly those related to repetitive and routine tasks, could be replaced by algorithms and machines. On the other hand, new jobs will be required to design, develop, deploy, and maintain all these technological products. At the level of **organisational resources**, some of the current organisational structures will no longer be necessary and others will be required to manage the new work scenarios. Likewise, institutions will have novel resources and tools to carry out their tasks. At the level of **institutional capacities**, the changes introduced require the review and adaptation of the current legal and regulatory frameworks. The limits of what is possible and permitted and what violates ethical and moral issues of society must be defined.

Argentina has made significant progress in digital transformation, particularly in the digital transformation of government. The country has progressed in the digital transformation of government, ranking among the most advanced countries in Latin America and the Caribbean (LAC) in terms of open government data policies. Nevertheless, Argentina still faces various challenges. One of the challenges is the need to improve the digital infrastructure, including broadband connectivity and access to digital services. Another challenge is the need to develop a skilled workforce that can support the digital economy. Additionally, there is a need to address the digital divide, which affects access to digital services and opportunities for citizens in remote and rural areas. The Argentine government is working on the digital transformation of the public sector with a focus on open technologies. Nevertheless, there is still a need for a clear digital strategy and a regulatory framework that supports innovation and entrepreneurship.

The digital transformation requires action to bend the curve of **digitalisation towards a more inclusive and sustainable future**. The European emphasis on digital transformation as a tool for sustainable post-pandemic recovery would positively impact in the work of government, enterprises and civil society in Argentina improving living standards and economic output. The focus on digital transformation, as crosscutting issue, will support the engagement with the Private Sector in order to solidify the integration of the EU companies in the context of the Team Europe approach and enhance the private sector contribution in attaining the Global Gateway strategic goals.

In this context and despite the complexities of the current political and economic scenario in Argentina, **positive agendas emerge for the development of a reinforced cooperation between the European Union and Argentina**. The EU Circular Economy Action Plan and the new EU Directive on corporate sustainability and due diligence, will have influence on exporters to the internal market, are policy developments that

There is a significant potential - in the medium term – to align the digital transformation agenda and to increase trade and investment particularly in the digital and green economy sectors through a business community of the European Union in Argentina. The progresses accomplished by the EU, Member States and European financing institutions in Argentina in coordination with the public sector, private companies, academia and civil society allow to generate a solid ground for deepening cooperation in these sectors. In May 2023 a Road Map between the EU and Argentina has been agreed to pave the way to more cooperation especially on the issue of the legislative, regulatory and policy framework. This Road Map will be a working and living document that will guide the joint agenda on the matter. A formal policy dialogue was also established and the news round (meetings on 20 and 21 June 2023). All this work is fully in line with the political guidelines provided also by the EU-CELAC (Brussels Summit, July).

Identification of main stakeholders

Strengthening the links on green and digital economy between Argentina and the European Union requires the involvement and active participation of a large and heterogeneous number of actors that includes both private and public actors. In particular, an approach that facilitates participation and support for the ecosystem of European Union companies in Argentina have been identified to allow the implementation of these strategic actions. This ecosystem includes companies such as Atos, Nokia, Ericsson, Telefonica, Telespazio, NH Tech, French Tech -, the European Chamber of Commerce (Eurocámara) as well as the bilateral chambers of commerce of the European Union in Argentina. The first EU Business Forum took place in Buenos Aires in June 2023, with the participation of the President

of the European Commission, Ursula Van der Leyen. Dozens of EU companies took part and digitalisation was highly prioritised on the agenda. An exhibition of green and digital innovative projects by Argentinian SMEs was also organised *ad latere* to foster cooperation between EU players and local enterprises. The results of other EU funded projects such as the Low Carbon Initiative, and all existing Team Europe Initiatives were also presented to ensure the highest possible synergy and coordination.

From the governmental side, there are different key actors including the Undersecretariat of Telecommunications and Connectivity (Undersecretariat of Public Innovation), Economic and Social Council (Strategic Affairs Council), Ministry of Education and Youth, Ministry of Science, Technology and Innovation, Foreign Ministry, Ministry of Security, as well as subnational governments, both provincial and municipal, political actors of the legislative and judicial branches are essential to promote a coherent and active agenda around the digital transformation of both the productive sectors and public management. In addition, this agenda will be strengthened with the consolidation of the work that the European Union in Argentina has been conducting with relevant actors from civil society, think tanks and academia within the digital transformation and green economy agendas.

Finally, as these actions are carried out within the framework of the Team Europe initiative, the Embassies of EU Member States in the definition of the priority strategic guidelines as well as in the follow-up of the activities developed within the framework of this action.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The Overall Objective of this action is to contribute to the increasing of EU - Argentina trade and investment relations.

The Specifics Objectives of this action are to:

1. Strengthen the EU chambers of commerce ecosystem in Argentina;
2. Level-up digital policy and regulatory framework in Argentina;
3. Improve EU-Argentina trade and investment links in the digital and green economy.

The Outputs to be delivered by this action contributing to the corresponding Specific Objectives are:

- 1.1 Increased business service provision to EU companies and entrepreneurs in Argentina;
- 1.2 Increased outreach of EU chambers of commerce in Argentina.
- 2.1 Improvement of the legislative, regulatory and policy framework for the digital transition;
- 2.2 Establishment of a conducive environment for private investment in the digital sector;
- 2.3 Facilitate transfer of EU expertise for digital transformation to Argentina;
- 2.4 Enhanced capacities on digital transformation in Argentina.
- 3.1 Promoted digital transformation and greener practices of EU enterprises working in Argentina;
- 3.2 Expanded EU-Argentina trade and investments links on digital and green economy.

3.2 Indicative Activities

Activities relating to Output 1.1: Increased business service provision to EU companies and entrepreneurs in Argentina

The aim is to boost the EU/bilateral chambers ecosystem in Argentina by strengthening the capacity to develop, produce and disseminate relevant market-related information for the benefit of and commercial use by European companies in Argentina. Information tools and materials related to the Argentine market, with a focus on its main sectors will be developed, such as business guides, economic reports, market studies, investment opportunities, etc.

A digital platform will be set-up to facilitate access to information and support tools including linking with existing critical EU platforms, programs, projects, publications: Europe Enterprise Network – EEN (een.ec.europa.eu); Mineral Development Network Platform – MDNP (www.mineralplatform.eu); European Cluster Platform Collaboration (clustercollaboration.eu); Biogas and Gasification Matchmaking Platform (biogasplatform.eu); European Network of Research and Innovation Centres and Hubs in Latin America and the Caribbean (lac.enrichcentres.eu) – Low Carbon Business Action (latam.lowcarbonbusinessaction.com).

1.1.1 EU-Argentina business intelligence online platform

1.1.2 Sector Reports

1.1.3 Briefings

Activities relating to Output 1.2: Increased outreach of EU chambers of commerce in Argentina

The purpose is to support the ecosystem of European chambers of commerce in Argentina with a view to strengthen alliances with local and regional business organisations as well as to facilitate collaboration and the exchange of knowledge and resources. It also aims to strengthen the capacity of the European chambers to organise key networking and exchange events to boost trade and investment relations between Argentina and the European Union. This will also be reinforced by the development of training courses and specific seminars to improve the capacities of actors to develop business in Argentina, in particular in the green and digital fields.

1.2.1 Trade Fairs

1.2.2 Business fora

1.2.3 Seminars

1.2.4 Training

Activities relating to Output 2.1: Improvement of the legislative, regulatory and policy framework for the digital transition

Due to the diverse economic challenges to which the country has been exposed, Argentina has not been able to prioritise the development of a legal and regulatory framework to facilitate the digital revolution. Some policies have been formulated, but there is a lot to do to ensure a digital governance in the country. In particular, Argentina could further upgrade its data protection laws, and cybersecurity legal frameworks. More alignment with the EU can be sought to ensure that the digital revolution will be fully anthropocentric and this could include legal and regulatory framework for artificial intelligence, blockchain and other technologies that are sustainable. Alignment could also be sought with reference to the rules for tech giants.

2.1.1 Seminars

2.1.2 Policy Dialogue

2.1.3 Technical assistance

2.1.4 Exchange of experts and mutual visits

Activities relating to Output 2.2: Establishment of a conducive environment for private investment in the digital sector

Legislative, regulatory and policy solutions should be also sought in order to ensure a level playing field and transparency in the digital market. Competition policies can be strengthened and should cover the new digital markets. Tendering procedures should be balanced and avoid a loss of control in terms of sovereignty or the possible introduction in the country of harmful technologies and practices. Based on these challenges, the initiatives will foster cooperation and dialogue between the EU and Argentina particularly with a view to drafting legislative proposals to regulate the digital market and digital services.

2.2.1 Seminars

2.2.2 Policy Dialogue

2.2.3 Technical assistance

2.2.4 Exchange of experts and mutual visits

Activities relating to Output 2.3: Enabled transfer of EU expertise for digital transformation to Argentina

These activities focus on strengthening digitalisation policy and associated regulations. The activities will cover issues such as artificial intelligence ethics and regulations, the development of a consolidated version of general principles of ethics for artificial intelligence in Argentina, and a draft of a public policy framework on artificial intelligence in Argentina. Additionally, it is expected to develop activities focused on aspects such as competition policies and protection of cyberspace users, protection of minors, regulation of platforms and competition policies based on the EU Digital Services Act and the Digital Markets Acts, data governance and industrial policies digital government and connectivity and digital divide.

2.3.1 Promotion of public debate on digital transformation, regulations and policies

2.3.2 Exchange of experiences

2.3.3 Reports and sector briefings

2.3.4 Technical assistance to government agencies – at national and local levels - regulators, judiciary, NGO and academia.

Activities relating to Output 2.4 Fostered capacities on digital transformation in Argentina

These activities will promote and develop capacities of institutional actors in Argentina to design and implement specific policies to foster digital transformation. Areas of focus include digital government, emerging standards for interoperability between administrations, competition policies, protection of users in cyberspace, digital technologies for a green/climate transition, etc. Through a capacity-building-oriented approach, training actions will target public officials, academics, think tank and industry representatives.

2.4.1. Policy-oriented research for digital transformation

2.4.2. Training and seminars

2.4.3 Executive training for practitioners

2.4.4 Studies on regulatory aspects of digital transformation

Activities relating to Output 3.1: Promoted digital transformation and greener practices of EU enterprises working in Argentina

The strategy to be deployed through this output is focused on increasing the visibility of the EU business community as well as developing training and sectoral dialogue activities in order to promote and enhance investments and trade between the European Union and Argentina in the fields of the digital and green economy. At least 100 companies will be supported with relevant business services to facilitate the digital and/or green transitions. Possible focus areas: energy saving, climate friendly technologies, energy consumption, digital waste, circular economy, etc.

3.1.1 Training

3.1.2 Business rounds

3.1.3 Sector dialogue roundtables

Activities relating to Output 3.2: Expanded EU-Argentina trade and investments links on digital and green economy

The strategy for this output focuses on enhancing support to companies and entrepreneurs to facilitate new investments or develop EU-Argentina links through direct and indirect assistance to identify commercial opportunities, define investment modalities, accelerate projects on green and digital

economy and promote international trade and investments within the framework of the European Union-MERCOSUR agenda.

- 3.2.1 Support to increase the EU's commercial presence in Argentina
- 3.2.2 Participation in matchmaking events to find customers and partners
- 3.2.3 Technical assistance services (legal advice, technical and commercial feasibility studies)
- 3.2.4 Project acceleration
- 3.2.5 Support to EU entrepreneurs (including digital nomads) to establish business and operations in Argentina
- 3.2.6 Training workshops on international trade with a focus on the EU-Mercosur agreement

The commitment of the EU's contribution to the Team Europe Initiative to which this action refers, will be complemented by other contributions from Member States and/or European financing institutions. It is subject to the formal confirmation of each respective member's meaningful contribution as early as possible. In the event that the TEIs and/or these contributions do not materialise, the EU action may continue outside a TEI framework.

3.3 Mainstreaming

Environmental Protection & Climate Change

Outcomes of the EIA (Environmental Impact Assessment) screening

The EIA (Environment Impact Assessment) screening classified the action as Category C (no need for further assessment).

Outcome of the CRA (Climate Risk Assessment) screening

The Climate Risk Assessment (CRA) screening concluded that this action is no or low risk (no need for further assessment)

Gender equality and empowerment of women and girls

As per the OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that all the actions to be carried out will integrate a gender equality focus.

Human Rights

The action's support for the development of anthropocentric digital transformation is a key driver to improve human rights, as established in the declaration on European digital rights and principles.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D0. This implies that there are no specific actions in terms of disability foreseen in the action.

Reduction of inequalities

The actions to be carried out will impact in geographical inequalities in Argentina, as it will be promoted the development of capacities for green and digital economy sectors which can be located in the least developed areas of the countries.

Democracy

The focus of this action plan on digital transformation will contribute to more effective and inclusive public policies in areas such as e-government and digitalisation of services. A close involvement of civil society and the private sector is foreseen in the actions.

3.4 Risks and Lessons Learnt

A critical risk in cooperating with Argentina at this time relates to the political changes that will arise from the upcoming presidential elections in October 2023 and the change of government next December. The change of government, even considering the possibility of a continuation of the current governing party, will generate a change of counterparts at both political and technical levels in the national government. These potential changes can impact the speed and progress of the cooperation on the digital transformation agenda.

The private sector also faces risks and challenges associated with an on-going uncertain macroeconomic situation. For this reason, it is all the more important to strengthen the EU chambers of commerce in Argentina in order for them to in turn support European companies to effectively conduct their investment and foreign trade activities.

On the geopolitical level, it must be stressed that China is also increasingly active on the digital agenda – particularly as regards 5G – and has provided infrastructure to various branches of the Argentinian administration that, given the economic challenges the country is facing have been well received, particularly during this electoral cycle.

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
Political	Change of government and counterparts	High	Medium	The work conducted in a Team Europe approach with political and technical actors from different political parties at a national and subnational level generated policy networks that will allow to continue the work initiated on this agenda in future administrations
Economic	Macroeconomic instability	Medium	Medium	Argentina is under an IMF programme which would mitigate macroeconomic imbalances
Geopolitical	China's focus on the digital transformation agenda in Argentina	Medium	Medium	A robust EU agenda on trade, investment and digital economy shall be continued to counterbalance China's emerging presence in the country
Geopolitical	Russia's interest in installing Glonass Global Positioning System ground stations in Argentina	Medium	Medium	A strengthened agenda on trade, and digital transformations shall be continued to counterbalance Russia's technological initiatives in the country

Lessons Learnt:

Among the lessons learned, it can be highlighted that the joint work in a Team Europe spirit in Argentina allows a strengthened base to interact and compromise with various public sector actors both at national and subnational level as well as to link with relevant actors in the business sector. The development of previous activities on digital transformation with representatives from

independent think tanks as well as academia created a robust network for the development of activities in this field in the coming years.

3.5 The Intervention Logic

The intervention logic for this action is framed around a **Team Europe approach**, a joint framework between the European Union Delegation in Argentina and the embassies of the 20 European Union Member States represented in the country. Over the past years the Team Europe approach in Argentina has grown and strengthened its position with a **common strategy for communication and support measures** and enabling direct cooperation with the national counterparts.

The robust coordination with EU Member States Embassies and bilateral cooperation agencies has allowed the EU, Member States and European financing institutions in a Team Europe approach in Argentina to identify and mobilise **experts from EU governments as well as the EU's and private sector** to support activities in a Team Europe approach in Argentina. The EU, Member States and European financing institutions in a Team Europe approach are cooperating directly with high level representatives – including CEOs – of EU companies in Argentina, which reflects the private sector's strong commitment and desire to engage in joint activities.

Based on the work led in a Team Europe approach, the **strategy for this action plan is twofold and integral**. Firstly, this action is based on the active **support to EU and local companies in Argentina through the establishment of a common ground to increase investments and trade in the field of the green and digital economy**. To this end, it will seek to improve the coordination mechanisms of the private sector of the European Union in Argentina as well as to promote EU business seeking to improve the leverage of the European business community in the country. Secondly, a robust set of activities focusing on **strengthening digital policies and regulatory framework in Argentina**, which will positively impact in the context where EU companies operate in the country, is foreseen.

By linking EU companies benefitting from this action to projects supported in previous annual action plans for Argentina in the field of green investments and sustainable value chains (biodiversity in the Gran Chaco region and marine biodiversity in the Patagonia region), we aim to increase finance for sustainable agriculture, climate change and sustainable waste management and responsible fishing practices at the local level.

Similarly, and in the context of a call for proposals launched in November 2022 with funding of EUR 6.2 million to strengthen civil society organisations, the European Union in Argentina has given priority to projects that contribute to bringing about the green and digital transitions. Specifically, the call has prioritised connectivity, digital inclusion, sustainable agriculture, energy efficiency and waste management. Efforts will be undertaken to connect the action proposed herein with the projects to be supported through the afore-mentioned call for proposals for greater impact.

3.6 Logical Framework Matrix

Results	Results chain (@): Main expected results (maximum 10)	Indicators (@): (at least one indicator per expected result)	Baselines (Values and years)	Targets (Values and years)	Sources of data
Impact	To contribute to the increase of EU - Argentina trade and investment relations	1. % increase in EU-Argentina trade (in particular in digital & green economy) 2. % increase in EU-Argentina investment (in particular in digital & green economy)	1. 2023 2. 2023	1. 3% (2027) 2. 3% (2027)	DG TRADE and Eurostat reports
Outcome 1	EU chambers of commerce ecosystem strengthened	1. EU-Argentina high-level trade and investment meetings 2. Visibility of EU enterprises cooperation in Argentina based on media coverage	1. 1 (2023) 2. To be defined ³	1. 3 (2027) 2. 30% increase (2027)	Eurochamber reports Media coverage of EU
Outcome 2	Digital policy and regulatory framework in Argentina levelled-up	1. Proposal of Data Governance legislation upgrade presented to the Argentine Congress 2. Policy framework of Artificial Intelligence approved by regulator	1. 0 (2023) 2. 0 (2023)	1. 1 (2027) 2. 1 (2026)	Draft Laws
Outcome 3	EU-Argentina trade and investment links on the digital and green economy improved	Participation of digital and green economy in the EU-Argentina trade and investment agenda	To be defined ⁴	10% (2028)	DG TRADE and Eurostat reports
Output 1 relating to Outcome 1	Business service provision to EU companies and entrepreneurs in Argentina increased	EU companies established in Argentina served by Eurocámara	To be defined ⁵	To be defined	Eurochamber reports
Output 2 relating to Outcome 1	Outreach of EU chambers of commerce in Argentina increased	1. Local companies and entrepreneurs linked to Eurocámara activities 2. Agreements with local business organisations	1. 0 (2023) 2. 0 (2023)	1. 500 (2027) 2. 10 (2027)	Eurochamber reports
Output 1 relating to Outcome 2	Legislative, regulatory and policy frameworks for the digital transition improved	EU-Argentina Roadmap for digital transformation starts implementation	0 (2023)	1 (2025)	Government reports/ Project reports

³ A baseline will be developed in the implementation phase to define the value of the indicator

⁴ A baseline will be developed in the implementation phase to define the value of the indicator.

⁵ A baseline will be developed in the implementation phase to define the value of the indicator

Output 2 relating to Outcome 2	Establishment of a conducive environment for private investment in the digital sector	1. Draft proposal of a Digital Service Act prepared 2. Draft proposal of a Digital Service Markets prepared.	1. 0 (2023) 2. 0 (2023)	1. 1 (2026) 2. 1 (2027)	Project reports Company evaluations
Output 3 relating to Outcome 2	Enabled transfer of EU expertise for digital transformation to Argentina	Number of policy-oriented reports and studies conducted	0 (2023)	25 (2027)	Policy Reports/Studies
Output 4 relating to Outcome 2	Capacities on digital transformation in Argentina enhanced	1. Institutions supported on digital transformation 2. Number of officials trained on digital transformation (disaggregated by gender)	1. 0 (2023) 2. 0 (2023)	1. 25 (2027) 2. 800 (2027)	Project reports Participant evaluations
Output 1 relating to Outcome 3	Digital transformation and greener practices of enterprises in Argentina promoted	1. Number of EU companies established in Argentina supported on green and digital economy issues 2. Number of EU companies formulate new digital/green policies/strategies/plans.	1. 0 (2023) 2. 0 (2023)	1. 100 (2027) 2. 20 (2027)	Project reports Company websites Company policies
Output 2 relating to Outcome 3	EU-Argentina trade and investments links on digital and green economy expanded	Number of links generated between EU and Argentine companies engaged in providing green and digital products/services	0 (2023)	150 (2027)	Project reports Company websites Local Business organisation websites

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is not envisaged to conclude a financing agreement with the partner country.

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 48 months.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3 Implementation Modalities

The Commission will ensure that the EU rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.

4.3.1 Direct Management (Grants)

4.3.1.1. Grant (direct management): Strengthen the EU chambers of commerce ecosystem

(a) Purpose of the grant(s)

Objective 1 - Strengthen the EU chambers of commerce ecosystem in Argentina

(b) Type of applicants targeted

The target organisation to implement this activity is Eurocámara, which operates in Argentina and was established in 2014 by EU bilateral chambers of commerce to generate an institutional space representative of the European business system in Argentina and to promote the interests, objectives and projects of the EU business community.

(c) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because of Eurocámara's representation of the EU chambers of commerce and enterprises established in Argentina, competence and high degree of specialisation. Additionally, it will be required that Eurocámara implements this grant in association with bilateral EU chambers of commerce in Argentina.

Due to its particular institutional set-up, Eurocámara is able to implement the activities in a timely manner, taking into consideration the needs of EU enterprises in the local business environment and the rapidly a changing context. On this basis, Eurocámara will receive a direct award of an action grant due to its technical competence or administrative power, in accordance with Art 195(1)(f) of the 2018 Financial Regulation.

The part of the action under the budgetary envelope reserved for grants may, partially or totally and including where an entity is designated for receiving a grant without a call for proposals, be implemented in indirect management with an entity, which will be selected by the Commission's services using the criteria defined in section 4.3.1.1. c above.

4.3.1.2. Grant (direct management): Improve EU-Argentina trade and investment links on green and digital economy

(a) Purpose of the grant(s)

Objective 3 - Improve EU-Argentina trade and investment links in the digital economy

(b) Type of applicants targeted

The target organisation to implement this activity is an NGO, think tank or any other institution with relevant

experience in the management of complex projects aimed at supporting private sector development in Europe or Latin America.

4.3.2. Direct Management (Procurement)

The proposed procurement of services links to the achievement of Outcome 2 and implementation of its activities. Build on the work carried out by TEI in Argentina in the framework of the Support Measures adopted in 2021, a technical assistance contract will be set up to provide expertise in the development of studies, training and technical assistance to Argentinian beneficiaries.

4.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provision.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.5 Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)	Third-party contribution, in currency identified
Objective 1 Strengthened the EU chambers of commerce ecosystem composed of	1,000,000	
Grants (direct management) – cf. section 4.3.1.1	1,000,000	
Objective 2 Supported digital transformation in Argentina composed of	1,000,000	
Procurement (direct management) – cf. section 4.3.2	1,000,000	
Objective 3 Improved EU-Argentina trade and investment links in digital and green economy	5,000,000	
Grants (direct management) – cf. section 4.3.1.2	5,000,000	
Grants – total envelope under section 4.3.1	6,000,000	N.A.
Procurement – total envelope under section 4.3.2	1,000,000	N.A.
Evaluation – cf. section 5.2 Audit – cf. section 5.3	-	N.A.
Contingencies	-	N.A.
Totals	7,000,000	-

4.6 Organisational Set-up and Responsibilities

For the implementation of the activities foreseen in this Action Plan, it is expected that both the Delegation of the European Union in Argentina, Member States and European financing institutions will participate in the monitoring of the activities. Specifically, for the activities implemented through grants, it is foreseen the participation of the European Union Delegation in Argentina as member of the steering committees of the

projects. Additionally, the monitoring of the project's activities will be part of regular meetings between actors following the Team Europe approach.

On the other hand, in the actions focused on the digital transformation, the EU, Member States and European financing institutions in a Team Europe approach will conduct a follow-up in order to contribute to the identification of emerging agendas, specific actions, and modalities of cooperation through its Digital Team Europe Initiative.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action and may sign or enter into joint declarations or statements, for the purpose of enhancing the visibility of the EU and its contribution to this action and ensuring effective coordination.

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.2 Evaluation

Having regard to the nature of the action, an evaluation will not be carried out for this action or its components.

In case an evaluation is not foreseen, the Commission may, during implementation, decide to undertake such an evaluation for duly justified reasons either on its own decision or on the initiative of the partner.

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

In line with the 2022 [“Communicating and Raising EU Visibility: Guidance for External Actions”](#), it will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

Appendix 1 REPORTING IN OPSYS

A Primary Intervention (project/programme) is a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Identifying the level of the primary intervention will allow for:

Articulating Actions or Contracts according to an expected chain of results and therefore allowing them to ensure efficient monitoring and reporting of performance;

Differentiating these Actions or Contracts from those that do not produce direct reportable development results, defined as support entities (i.e., audits, evaluations);

Having a complete and exhaustive mapping of all results-bearing Actions and Contracts.

Primary Interventions are identified during the design of each action by the responsible service (Delegation or Headquarters operational Unit).

The level of the Primary Intervention chosen can be modified (directly in OPSYS) and the modification does not constitute an amendment of the action document.

The intervention level for the present Action identifies as (tick one of the 4 following options);

Action level (i.e. Budget Support, blending)		
<input checked="" type="checkbox"/>	Single action	Present action: all contracts in the present action: OPSYS ACT-62278
Group of actions level (i.e. top-up cases, different phases of a single programme)		
<input type="checkbox"/>	Group of actions	
Contract level		
<input checked="" type="checkbox"/>	Single Contract 1	Direct Grant
<input checked="" type="checkbox"/>	Single Contract 2	Procurement
	(...)	
Group of contracts level (i.e., series of programme estimates, cases in which an Action includes for example four contracts and two of them, a technical assistance contract and a contribution agreement, aim at the same objectives and complement each other)		
<input type="checkbox"/>	Group of contracts 1	