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ANNEX III

to the Commission Implementing Decision on the financing of the annual action plan in favour of Colombia for 2024

Action Document for Global Gateway Facility for Colombia

ANNUAL PLAN

This document constitutes the annual 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	Global Gateway Facility for Colombia ACT-62638 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
2. Team Europe Initiative	NA
3. Zone benefiting from the action	Colombia
4. Programming document	Colombia - Multi-annual Indicative Programme 2021-2027
5. Link with relevant MIP(s) objectives / expected results	<p>MIP Priority area 1: Peace</p> <ul style="list-style-type: none">• MIP Specific objective 2: addressing inequalities as a root cause of violence and poverty, including through an increased focus on technical and vocational education and training, which is crucial for decent employment, in particular in support of youth, reintegration, and rural development <p>MIP Priority area 2: Environment and climate change</p> <ul style="list-style-type: none">• MIP Specific objective 1: Contributing to the sustainable use of biodiversity as a means of generating prosperity and inclusion for vulnerable rural communities• MIP Specific objective 3: Contributing to strengthening green growth policies with an inclusion and social justice approach

PRIORITY AREAS AND SECTOR INFORMATION				
6. Priority Area(s), sectors	Green Transition			
7. Sustainable Development Goals (SDGs)	Main SDG (1 only): SDG 9: Industry, innovation and infrastructure Other significant SDGs (up to 9) and, where appropriate, targets: SDG 5: Gender equality SDG 7: Affordable and clean energy SDG 8: Decent work and economic growth SDG 9: Industry, innovation and infrastructure SDG 10: Reduced inequality SDG 11: Sustainable cities and communities SDG 12: Responsible consumption and production SDG 13: Climate Action SDGs 14 and 15: Life below water & life on land SDG 16: Peace, justice, and strong institutions SDG 17: Partnership for the goals			
8 a) DAC code(s)	410 – General Environmental Protection (30%) 230 – Energy (30%) 22040 Information and communication technology (ICT) (25%) 430 Other Multisector (15%)			
8 b) Main Delivery Channel	10000 Public Sector Institutions 60000 Private sector institutions			
9. Targets	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input checked="" type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
	Climate change adaptation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
11. Internal markers and tags	Policy objectives	Not targeted	Significant objective	Principal objective			
	Digitalisation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
	Connectivity @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
	digital connectivity energy transport health education and research	YES <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	NO <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input 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"/>			
12. Amounts concerned	Budget line(s) (article, item): 14.020140 Total estimated cost: EUR 4,000,000 Total amount of the EU budget contribution is EUR 4,000,000						
MANAGEMENT AND IMPLEMENTATION							
13. Type of financing	Direct management (procurement) <i>Alternative – Indirect management</i>						
14. Type of measure	<input checked="" type="checkbox"/> Cooperation facility <input type="checkbox"/> Measures in favour of Civil Society						

1.2 Summary of the Action

In 2021, the Commission launched the Global Gateway strategy that is materialising in the LAC region at the country and regional level, mostly integrated into the EU-CELAC Global Gateway Investment Agenda, announced during the 2023 EU-CELAC Summit. In the case of Colombia, the Global Gateway Investment Agenda has been translated into four priority sectors: 1) Digital: strengthening connections and helping Colombia address the digital divide and integrate the global digital ecosystem; 2) Climate & Energy: supporting investments in climate mitigation and resilience, as well as clean energy; 3) Sustainable Transport: Promoting infrastructure investments that create sustainable, smart, resilient, inclusive and safe networks; 4) Green Finance: to increase level of financial flows from the public and private sector to sustainable development priorities.

Under the Global Gateway strategy, the Global Gateway Facility for Colombia aims to strengthen EU-Colombia investment relations by effectively implementing the Global Gateway Investment Agenda (GGIA).

Using a Team Europe Approach, the Action will aim to enhance the EU's investment potential by implementing the Global Gateway Flagships. In this regard, operationalising the GGIA in Colombia requires structuring the ideas and making them mature into investable projects. This requires expert support to be present in the target sectors, coordinate with stakeholders, steer the process, and support a level playing field for European investors.

In addition to infrastructure investments, the Global Gateway Facility for Colombia will also contribute to promoting an enabling environment in the sectors of interest under the Global Gateway Investment Agenda (GGIA) by improving the legal, regulatory, and policy framework and building local capacity through integrated value chains.

The Global Gateway Facility for Colombia will showcase and build on the EU's leading role in sustainable growth, fair trade, high environmental standards, responsible business, and cutting-edge technologies. To this end, the Delegation will work hand in hand with the Colombian Government and Colombian stakeholders and, in particular, promote European interests along with European Chambers of Commerce and EU companies with interests in Colombia.

The action will also contribute to the implementation of the EU Action Plan on Gender Equality 2021-2025 GAP III¹², in particular to its thematic areas of engagement "Promoting economic and social rights and empowering girls and women" and "Addressing the challenges and seizing the opportunities of the green transition and the digital transformation", as well as to the implementation of the EU Action Plan on Human Rights and Democracy 2020-2024³.

The EU Roadmap for engagement with civil society in Colombia will be the principal mechanism for an effective inclusion of CSOs in the GG facility. Moreover, the follow-up committee of the road map which is fully operating at a country level will engage with the GG facility to provide sectorial outputs and support the localisation of the GG strategy⁴.

¹ https://www.eeas.europa.eu/eeas/gender-action-plan-iii-towards-gender-equal-world_en

² EU Gender Equality Action Plan (GAP) III adopted by the European Commission and the High Representative of the Union for Foreign Affairs and Security Policy and welcomed through EU Presidency Conclusions by 24 EU Member States."

³ https://www.eeas.europa.eu/sites/default/files/eu_action_plan_on_human_rights_and_democracy_2020-2024.pdf

⁴ https://www.eeas.europa.eu/delegations/colombia/hoja-de-ruta-de-la-uni%C3%B3n-europea-para-el-compromiso-con-la-sociedad-civil-en-los-pa%C3%ADses-socios-2021_und_es?s=160

2 RATIONALE

2.1 Context

2.1.1 Economic and political background

Colombia is a country of extremes: an OECD member with thriving economic opportunities concentrated in the main urban areas, a destination for nearly 3 million Venezuelan migrants in search of a better life, a country with one of the highest numbers of internally displaced people in the world (4.8 million as of 2022⁵) and one of the most severe food security problems in all of Latin America and the Caribbean⁶. Colombia has one of the highest levels of poverty, income inequality, and labour market informality in Latin America. More than 60% of workers have informal jobs and no access to social security benefits except health. In rural areas, access to resources, especially land, remains uneven and a major cause of conflict. If these structural challenges are not addressed, there is little hope of ending the decades-long conflict that has been affecting the country.

Despite progress on the policy side⁷, persistent gender equality gaps still limit equality and economic growth. The COVID-19 pandemic exacerbated existing inequalities in the country, with differential effects on certain demographic groups, the economic and social impact falling disproportionately upon women and girls. As in many OECD countries, these gaps continue to prevent women of diverse backgrounds from fully participating in economic, public and political life – a prerequisite for stronger and vibrant democracies, increased levels of trust in public institutions and sustainable and inclusive recovery⁸.

Since August 2022, Colombia has had a leftist government for the first time, a major political shift. The Government has adopted an ambitious National Development Plan (NDP) 2022-2026 that aims to position Colombia globally through key changes: securing food rights, optimising water-based planning, enhancing security, fostering a sustainable economy, and combating climate change. The NDP provides a sound basis for social reform and protection of the environment. The NDP establishes a clear commitment to women's human rights. The plan details the actions that demonstrate the commitment to the realisation of these rights in a cross-cutting manner and sets out a roadmap to achieve them⁹. The Government's biggest proposals - reforms targeting health, pensions, the labour system, and education - have faced stiff opposition in Congress from broad sectors of society and the opposition.

President Petro's political priorities (peace, environment, and social justice) coincide with those in the Multiannual Indicative Programme (MIP) 2021-2027 and Team Europe Initiatives: Peace and Environment.

Colombia recovered robustly from the shock of the pandemic, with GDP up by 10.7% in 2021 and 7.3% in 2022. In 2023, the Colombian economy grew 0.6%, well below the government projections. It feels negative economic repercussions of the Russian war against Ukraine, such as higher food and gasoline prices and fertiliser supply shortages. It also benefits from higher energy prices due to its coal, gas, and oil exports. GDP forecasts for 2025 hover around 1%, which would be insufficient to keep unemployment decreasing. This, combined with profound fiscal challenges and a complex social situation, put the country's growth at risk.

The Colombian economy has faced high inflationary pressures since the end of 2021. In particular, the Central Bank steadily increased its policy interest rate from 1.75% in September 2021 to 13.25% in September 2023. The closing inflation figure in 2023 was 9.38%, and the central bank began reducing

⁵ <https://www.internal-displacement.org/database/displacement-data>

⁶ No reliable data exist for Haiti and Venezuela

⁷ [As for its legislative frameworks, Colombia has enacted a number of laws addressing women's economic empowerment, their inclusion in the labour market, their political participation, public management with a gender equality approach \(UN Women, 2018\)\], as well as their reproductive rights](#)

⁸ [2. Gender equality in Colombia: A snapshot of gaps and opportunities | OECD Review of Gender Equality in Colombia | OECD iLibrary \(oecd-ilibrary.org\)](#)

⁹ [abc_mujeres_en_el_pnd.pdf \(unwomen.org\)](#)

the reference rate in January with a decrease of 25 basis points. Additionally, the National Government has implemented strategies such as the temporary reduction of tariffs on agricultural inputs, the adjustment in the prices of electricity services, the increase in the cost of gasoline, and the exclusion of the minimum wage for some goods and services.

Investment dropped substantially in the last three quarters of 2023, reflecting regulatory uncertainty in strategic and capital-intensive sectors such as mines and quarries, construction, and energy. These factors added to the high financing rates and dampened gross capital formation. According to Corficolombiana estimates, gross fixed capital formation will reduce from 2.4% in 2023 to 0.9% in 2024.

2.1.2 European Union and Colombia

Colombia is a key EU ally, like-minded, and a political leader in the region. EU-Colombia relations are close and encompass a wide range of sectors – with support to the peace process(es) at the heart of the engagement.

In terms of relationships with the EU, the year 2023 saw an unprecedented intensity of high-level engagement in the lead-up to the EU-LAC Summit, with a high number of official visits, including EVPs Timmermans, Vestager, HRVP Borrell, VP Schinas, and Commissioners Johansson and Sinkevičius.

Milestones also include the (Multi-party) Trade Agreement (2013), a short-term visa waiver agreement (2015), and a Framework Participation Agreement for participation in EU-led Common Security and Defence Policy (CSDP) missions (2020).

The “EU-Colombia Memorandum of Understanding on an Agenda of enhanced political and sectoral dialogue and cooperation for the next decade”, signed in September 2021, opens the perspective for negotiating a comprehensive legally binding agreement (Partnership and Cooperation Agreement, PCA) to complement the trade agreement. Negotiations of the PCA were formally launched in December 2023.

European companies have a long history of working together with Colombia. In 2022, the EU was Colombia’s 3rd largest trading partner, accounting for 14.2% of total Colombian trade, behind the US (25.6%) and China (15.6%). For its part, Colombia was the 41st trading partner of the EU, with 0.3% of total EU trade. In terms of Foreign Direct Investment, the EU was Colombia’s second supplier. In 2022, bilateral trade between Colombia and the EU reached approximately EUR 18,000 million.

2.1.3 Global Gateway and Colombia

In 2021, the Commission launched the Global Gateway strategy that is materialising in the LAC region at the country and regional level, mostly integrated into the EU-CELAC Global Gateway Investment Agenda, announced during the 2023 EU-CELAC Summit. In the case of Colombia, the Global Gateway Investment Agenda has been translated into four priority sectors: 1) Digital: strengthening connections and helping Colombia address the digital divide and integrate the global digital ecosystem; 2) Climate & Energy: supporting investments in climate mitigation and resilience, as well as clean energy; 3) Sustainable Transport: Promoting infrastructure investments that create sustainable, smart, resilient, inclusive and safe networks; 4) Green Finance: to increase level of financial flows from the public and private sector to sustainable development priorities as well as its commitments to address gender equality and human rights protection in all priority sectors.

Under the Global Gateway strategy, action will drive the transition to sustainable investment in three key ways: by attracting private sector investment through enabling regulations and supporting viable projects, by shaping policy frameworks and aligning with international standards, and by strengthening the institutional capacity of regional and national administrations to implement sustainable strategies effectively.

2.2 Problem Analysis

Short problem analysis:

The National Development Plan 2022-2026 has established a roadmap to ensure an inclusive, sustainable, environmental and social development. The influx of sustainable investment is a fundamental pillar, contributing to knowledge transfer, capital, and projects that enhance the country's competitiveness. Colombia has made progress towards sustainability, but important gaps still need to be filled to attract sustainable investment. These include the following:

1. *Lack of resources for sustainable investment*

Colombia has made strides towards sustainability, but significant gaps still need to be filled in sustainable investments. According to the OECD, the country ranks 10/17 in terms of preparation to face climate change. While investors are growing interested in environmentally friendly projects, there's still a lack of adequate financing mechanisms and incentives to stimulate sustainable investments at scale. Colombia's sustainable investment gap can be partially attributed to regulatory uncertainties, limited access to green financing, and insufficient investors' awareness of the potential long-term benefits of sustainability initiatives.

2. *Limited capacity for formulating and structuring quality and environmentally sustainable projects and tenders.*

One of the main obstacles to financing is the lack of quality in formulating investment projects, from their structuring to their technical and financial viability. In addition, many tenders for large infrastructure works in Colombia are based solely on price criteria. Quality, environmental sustainability, and respect for labour rights are not considered. These tender criteria limit European companies' bids' competitiveness and compromise the projects' sustainability.

3. *Weak public-private sector coordination to ensure efficient use of resources.*

There's a need for enhanced collaboration between the public and private sectors to develop innovative financial instruments and policies that encourage sustainable investments across various sectors of the economy. In addition, a continuous dialogue between the European and Colombian private sector and the Colombian public sector is essential to promote the necessary regulatory reforms in critical sectors for sustainable investment.

According to the World Economic Forum's Global Competitiveness Report, Colombia ranks below the global average regarding ease of doing business, primarily due to cumbersome administrative procedures and inadequate infrastructure (World Economic Forum, 2022). Working with private and public stakeholders is of key importance since Public-Private Partnership (PPP) projects face tremendous challenges to success. According to the Private Council for Competitiveness, 65% of PPPs have been rejected, withdrawn, failed, or declared void.

4. *Uncertainty in legal, regulatory, and practical investment conditions*

Among the important lessons learned is that uncertainty in legal, regulatory, and practical investment conditions systematically weakens the flow of foreign and domestic investment in Colombia, resulting in fewer investment opportunities for EU companies. Colombia's sustainable investment gap can be partially attributed to regulatory uncertainties. While investors are growing interested in environmentally friendly projects, there is still a lack of adequate financing mechanisms and incentives to stimulate sustainable investments at scale.

To address these challenges, Colombia must prioritise reforms aimed at streamlining regulatory processes, enhancing transparency, creating incentives, reducing costs and risks, and fostering a more conducive business environment to spur economic growth and attract investment.

5. *Low institutional capacity in investment-related areas*

The Colombian Government's lack of capacities presents a significant obstacle to achieving tangible results and fostering transformative change towards sustainable growth. Public administration exhibits a high rotation of staff, including high-ranking officials and ministers, which slows the

effective implementation of public policies. Limited technical expertise, bureaucratic inefficiencies, limited information, lack of knowledge of regulatory affairs, and inadequate resource allocation hinder effective policy implementation. Strengthening governmental capacities at all levels through targeted investments is essential to overcome these barriers and drive meaningful progress.

The country's capacity to successfully transition to a more sustainable growth model will depend largely on the capacities of key stakeholders in the public and private sectors, able to catalyse investments in crucial sectors such as energy, transportation, finance, and technology.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

On the government side (duty bearers), several key actors are involved, including the Ministry of Foreign Affairs, the Ministry of Economy, the National Planning Department, sectoral ministries (energy, transport, ICT, environment, ministry of equality etc.), the government agency in charge of promoting Colombian exports, international tourism, and foreign investment to Colombia (ProColombia), and regulatory agencies. In some cases, local and departmental authorities are vital to developing regional value chains.

The Colombian Government recently designated the Ministry of Trade and Industry as the coordinating interlocutor of governmental institutions on issues related to the Global Gateway.

An activity aimed at strengthening EU-Colombia investment relations requires the involvement and active participation of a large and heterogeneous number of private and public actors. An approach that facilitates the participation and support of the European Union business ecosystem in Colombia has been identified to enable the implementation of these Global Gateway Flagships. In addition, Colombian companies are in the priority sectors, as well as business organisations and chambers of commerce.

This action will be carried out within the framework of the Team Europe initiative. The embassies of the EU Member States will be involved in defining the strategic priorities and following up on the activities developed.

Global Gateway is the EU's contribution to putting the Sustainable Development Goals back on track. Civil society is a key partner in the implementation of the 2030 Agenda. Therefore, the strategic engagement of civil society - including women's and Human Rights organisations- in the Global Gateway is key to enhancing its overall effectiveness and sustainability by bringing in additional perspectives, experience, and expertise. The EU Roadmap for engagement with civil society in Colombia will be the principal mechanism for an effective inclusion of CSOs in the GG facility. Moreover, the follow-up committee of the road map which is fully operating at a country level will engage with the GG facility to provide sectorial outputs and support the localisation of the GG strategy¹⁰.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The **Overall objective** of this action is to contribute to the implementation of increasingly transformative and equitable sustainable strategies in Colombia through a more coordinated and effective implementation of the Global Gateway Investment Agenda for Colombia.

The **Specifics Objectives** of this action are to:

Outcome 1: Developed transformative and gender equality responsive initiatives in priority areas (flagship initiative) between EU and Colombia, supporting access to and mobilisation of sustainable finances and investments.

¹⁰ https://www.eeas.europa.eu/delegations/colombia/hoja-de-ruta-de-la-uni%C3%B3n-europea-para-el-compromiso-con-la-sociedad-civil-en-los-pa%C3%ADses-socios-2021_und_es?s=160

Outcome 2: Promoted a conducive environment around the Global Gateway Investment Agenda for Colombia through actions identified in multi-stakeholder dialogues.

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

Contributing to Outcome 1:

- Output 1.1: Stakeholder networks around transformative and gender-responsive initiatives in the priority areas of the Global Gateway Investment Agenda for Colombia are established, strengthened, and connected.
- Output 1.2: Transformative and gender-responsive bankable projects are developed, and bidding processes are strengthened in terms of quality and sustainability in the sectors prioritised in the Global Gateway Investment Agenda for Colombia.

Contributing to Outcome 2:

- Output 2.1: Established platforms for trust-based dialogue between the EU and Colombia to facilitate an enabling environment for the Global Gateway Investment Agenda for Colombia.
- Output 2.2: Improved policy, regulatory, and institutional frameworks to facilitate and incentivise investment in the sectors prioritised in the Global Gateway Investment Agenda for Colombia.
- Output 2.3: Enhanced institutional capacity in Colombia to support the Global Gateway Investment Agenda for Colombia.

3.2 Indicative Activities

An indicative list of activities of the outputs contributing to **Outcome 1** is:

- Output 1.1: Stakeholder networks around transformative initiatives in priority areas of the Global Gateway Investment Agenda for Colombia are built, strengthened, and connected.
 - Engaging stakeholders to identify transformative initiatives in priority areas of the GGIA for Colombia
 - Facilitating sectoral dialogues related to transformative initiatives in priority areas of the GGIA for Colombia
 - Facilitate knowledge sharing and transfer from Europe, other Latin American countries, and the private sector with expertise in key areas related to transformative initiatives in GGIA's priority areas for Colombia.
 - Conducting sectoral market research to identify the interests of European companies.
 - Studies and research to inform the policy dialogues and strengthen evidence-based, result-oriented discussions.
- Output 1.2: Developed transformative bankable projects and strengthened in terms of quality and sustainability tendering processes in the sectors prioritised in the Global Gateway Investment Agenda for Colombia
 - Supporting the identification and matchmaking between governments and the EU private sector's investment opportunities.
 - Providing fit-for-purpose bankable project development and formulation support to access finance from public and private sources for project proposals in a current state of development (concept note or similar) with capacity for scalability and replicability.
 - Support the development of finance readiness studies.

- Promoting strategic partnerships with European financial institutions and investment funds to mobilise capital for priority projects in Colombia, taking advantage of the available guarantee funds.
- Implementation of pilot projects in collaboration with stakeholders to test innovative approaches and solutions in GGIA's priority areas for Colombia.
- Support for improvements in terms of quality, respect for labour rights, environmental sustainability, etc., in key tendering processes.
- Providing technical assistance in establishing Public-Private Partnerships (PPPs) to facilitate investments.

An indicative list of activities of the outputs contributing to **Outcome 2** is:

- Output 2.1 Established platforms for trust-based dialogue between the EU and Colombia to facilitate a conducive environment around the Global Gateway Investment Agenda for Colombia.
 - Engaging stakeholders on policy and regulatory barriers or measures to be adopted to facilitate the implementation of flagship initiatives in the framework of the GGIA for Colombia.
 - Facilitate sectoral dialogues on policy and regulatory barriers or measures to be adopted to facilitate the implementation of flagship initiatives under the GGIA for Colombia.
 - Conducting studies and research to inform the policy dialogues and strengthen evidence-based, result-oriented discussions and national policies implementation in areas of common interest.
- Output 2.2: Enhanced policy, regulatory, and institutional frameworks to facilitate and incentivise investments in the sectors prioritised in the Global Gateway Investment Agenda for Colombia:
 - Facilitate knowledge sharing and transfer from Europe, other Latin American countries, and the private sector with expertise in key areas related to sectors prioritised in the Global Gateway Investment Agenda for Colombia.
 - Supporting Colombia in aligning policy instruments and procurement practices with international standards.
 - Support ministries in creating economic and social incentives to foster the implementation of Sustainable investments.
 - Short-term technical assistance and training activities to support the design and implementation of national and local strategies in areas of interest.
- Output 2.3: Enhanced institutional capacities in Colombia to support the Global Gateway Investment Agenda for Colombia
 - Carrying out capacity needs assessments to identify key capacity and institutional gaps in Colombia in the sectors prioritised in the GGIA.
 - Strengthen the capacity of public and private stakeholders, including financial institutions, in designing and managing innovative financial instruments.
 - Strengthen the capacity of Colombian stakeholders in developing or revising regulations in the sectors prioritised in the GGIA.
 - Strengthen the capacity of Colombian stakeholders in developing and formulating proposals to enable effective access to sustainable finance from the public and private sectors.

- Strengthen Colombian stakeholders' capacity to use tools and information systems, such as Copernicus, for decision-making processes.

3.3 Mainstreaming

Global Gateway is value-driven and based on the Union's high social, environmental, fiscal, and labour standards. Global Gateway, and consequently this Action, will channel EU spending on global infrastructure development in accordance with the following key principles: democratic values and high standards, gender equality, inclusion and diversity, good governance and transparency, equal partnerships green and clean, security-focused, and catalysing private sector investment.

Environmental Protection & Climate Change

Environmental protection and climate change are at the heart of this Facility and, more generally, of Global Gateway's work in Colombia. As significant objectives of the action, these will be promoted explicitly throughout the activities. Global Gateway in Colombia focuses on key strategic areas that provide solutions to Colombia's environmental challenges; in particular, three policy drivers directly impact environmental protection & climate change issues: 1) Climate & Energy: supporting investments in climate change mitigation and resilience, and clean energy; 2) Sustainable Transport: Promoting infrastructure investments that create sustainable, smart, resilient, inclusive and safe networks; 3) Green Finance: increasing the level of public and private financial flows to sustainable development priorities.

All flagships will be screened for their environmental impact and proneness to climate risks and consequent disaster risk-reduction by the screening procedure in the EU guidelines "Integrating the environment and climate change into EU international cooperation and development", or equivalent screenings for the lead financial institution. Environmental impact assessments and climate risk assessments will be prepared as required to ensure the interventions' environmental sustainability and climate resilience. These should be linked to Do-No-Harm to the environment considerations in relation to unintended negative impacts in relation to social safeguards, human rights, conflict, and violence.

Outcomes of the EIA (Environmental Impact Assessment) screening (relevant for projects and/or specific interventions within a project)

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 (relevant for projects and/or specific interventions within a project)

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

Gender equality and empowerment of women and girls

As per the OECD Gender DAC codes, this action is labelled as G1, implying that gender equality is a significant objective. Sustainable investment has profound implications for social justice and gender equality in Colombia, as women are often disproportionately impacted by the effects of climate change and natural hazards compared to men, unequal access to digital services or clean energy.

This Facility is also governed by European regulations, which include the Action Plan for Gender Equality and Women's Empowerment in External Action (GAP III), through which the EU reiterates its commitment to gender equality as a guiding principle for their international cooperation. This commitment translates into an ambition that 85% of all new actions generated by the EU's external relations contribute to gender equality and women's empowerment by 2025.

Gender equality is a central issue for the European Union, and a fundamental pillar in the relations with Colombia. The new EU Gender Action Plan (GAP III) 2021-2024 for Colombia seeks to accelerate progress on the empowerment of women and girls and to safeguard the gains made on gender equality in the 25 years since the adoption of the Beijing Declaration and Platform for Action. In Colombia, the EU and its Member States have worked together to formulate a Country Level Implementation Plan (CLIP) that adopts a set of objectives and indicators for gender mainstreaming, as well as a set of four thematic areas oriented towards: 1) Ensuring a life free from sexual and all forms of gender-based violence, 2) Strengthening economic and social rights, 3) Integrating the Women, Peace and Security agenda and 4) Addressing the challenges and opportunities of Green Transition & Digital Transformation.

For these reasons, the Facility will include the provision of technical assistance to mainstream a gender equality perspective into the activities supported. The Facility will prioritise support to:

1. Initiatives that include a strong focus on gender equality and women's empowerment, addressing intersectionality with other forms of discrimination while considering youth empowerment.
2. Initiative that contributes to the implementation of the EU Gender Action Plan III in Colombia and considers the strategic priorities of the Youth Action Plan (YAP) whenever possible and appropriate.

Human Rights

Climate change and biodiversity loss threaten the attainment and realisation of human rights, posing a serious risk to the fundamental rights to life, health, food, and an adequate standard of living of individuals and communities. Vulnerable groups are especially at risk. Persons with disabilities are also impacted; recent research by OHCHR highlights the negative impact climate change has on the human rights of persons with disabilities.

Human rights apply online just as they do offline. Digital technologies provide new means to exercise human rights but are too often used to violate them. Data protection and privacy issues, digital identity, the use of surveillance technologies, online violence, and harassment are of particular concern.

This Action will finance activities that fully respect and protect human rights through:

- Integration of public consultation when needed and participation processes (and when applicable free, prior, and informed consent protocols) with vulnerable and minority groups into developing, preparing, and implementing activities.
- Plan and implement activities, complying with national and international human rights legislation.
- Encourage a just transition analysis to measures and initiatives this action supports, including mitigating risks.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labeled as D0. This implies that while this has not been identified as a significant objective, the action will seek to be inclusive in communicating with and including people with disabilities.

Reduction of inequalities

Colombia is one of the most unequal countries in the world, even more so after the COVID-19 shock, and one with very low social mobility. Income inequality in Colombia is the highest among all OECD countries and the second highest among 18 LAC countries. Social benefits do little to alleviate inequalities, and most social spending goes to the non-poor, particularly in the case of pensions. Large inequalities also exist between different population groups. A woman in Colombia is 1.7 times

more likely to be unemployed than a man. An indigenous Colombian receives, on average, two years less schooling than other Colombians, and an Afro-Colombian is twice as likely to live in a slum.

Different forms of poverty are also combined: 18.5% of people in Colombia faced energy poverty, and nearly 40% of Colombia's population lacked access to the internet. The digital literacy and skills gap exacerbates the digital divide, hindering vulnerable populations' access to essential services and economic opportunities.

This Facility aims to contribute to implementing increasingly transformative and equitable sustainable investments in Colombia. Consequently, the analysis of the impact on inequality of the activities carried out, particularly of the flagship initiatives supported by the Global Gateway, will take into account this dimension of the reduction of inequality.

Democracy

Democratic participation in formulating and developing investment initiatives is key to ensuring all stakeholders' needs are considered. This action will:

- Promote and encourage inclusiveness and broad participation in the design and monitoring of activities and
- Prioritise investment initiatives not only with ambitious policies results but also those that take into consideration democratic principles and human right.

Conflict sensitivity, peace, and resilience

Activities financed under this action will assess risks of doing harm and issues related to social conflict and natural resources in the geographic and thematic areas where this action seeks to work in order to promote a conflict-sensitive approach in the proposed activities. Peace and resilience will also be promoted, including through the following:

- Conflict sensitivity issues, especially as they relate to natural resources but also digital connectivity and sustainable transport.
- National and sub-regional dialogues will promote exchanges on how to best manage natural resources, promote peace, and deter conflict and, violence and human rights violations.
- The inclusion and participation of marginalised groups will be promoted to ensure societal and environmental resilience.

Disaster Risk Reduction

This action will consider societal, political, economic, environmental, and security-related risks by regularly assessing these factors in the identification, formulation, and implementation of activities.

While Colombia is exposed to varying levels of risk (societal, political, economic, environmental, and security-related), individual analyses will be made on a case-by-case initiative basis. These will be addressed through a risk analysis, and relevant mitigating measures will be identified before and during the implementation of any action.

Other considerations, if relevant

Digitalisation will be among the cross-cutting issues in all the dimensions of the action for developing innovative services and solutions for economic actors and populations. Digital transformation is a powerful tool for addressing climate change, enhancing resilience, and driving sustainable practices across various sectors. Furthermore, a digital literacy and skills development gap exacerbates the digital divide. Addressing these gaps requires concerted efforts from policymakers, industry stakeholders, and civil society to implement inclusive policies, expand broadband coverage, and promote digital literacy programmes, particularly in underserved areas.

Colombia faces significant challenges in ensuring equitable access to digital transformation opportunities. While the country has witnessed remarkable progress in expanding internet connectivity and digital infrastructure, disparities persist, particularly in rural and marginalised

communities. The Government of Colombia set a goal to increase internet coverage to 85% of the population by 2026 (DNP, 2023).

Digital transformation is a powerful tool for addressing climate change, enhancing resilience, and driving sustainable practices across various sectors. **Digitalisation** can contribute to **reducing greenhouse gas (GHG) emissions and monitoring specific areas like Amazon or practices like deforestation by using satellite information. An excellent example is the EU Copernicus programme**, which collects and transforms data from multiple sources, including satellites, to provide information about the earth's land, oceans, and atmosphere and monitor climate change.

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood	Impact	Mitigating measures
Political risks	China concentrates investment in Colombia	M	H	<ul style="list-style-type: none"> To counterbalance China's emerging presence in the country, a robust EU agenda on trade, investment, and the digital economy shall be continued. It is imperative to work with public and private actors in the identification and formulation phase of investment projects to strengthen the quality and social and environmental sustainability aspects of projects.
Political risks	Lack of interest on the part of the Government to work with the private sector	M	H	<ul style="list-style-type: none"> Constructive public-private dialogue will be encouraged through the Facility. Work with all key implementing public and private stakeholders from the early stages.
Economic risks	Debt sustainability and limited fiscal space can negatively impact the feasibility of certain blending operations.	M	M	It is important to identify those projects that are politically strategic and can be financed within the current budgetary framework or, alternatively, through public-private partnerships with IFIs and European companies. The action can support the building of such financing structures.
Environmental risks	Increased strength and frequency of natural hazards,	M	M	Promote EU actions and investments related to prevention and risk management measures,
Environmental risks	Financial, economic, social, or political	M	H	Establish linkages with other funding sources, engage in policy

	crisis affecting investment in climate change and environment policies			dialogue, and increase stakeholder engagement to minimise the impact of these crises.
Gender Equality	Lack of political will among partners to prioritise gender mainstreaming and women's empowerment in their policies and actions.	M	M	<ul style="list-style-type: none"> • Knowledge and tools of gender mainstreaming are available. • Raising awareness of the benefits of applying HRBA, including gender equality. • Gender-sensitive monitoring, use of sex-disaggregated data, and gender-sensitive indicators. • Gender mainstreaming is applied in all phases of the support services.
Operational risk	A pipeline of European IFIs not aligned with the EU strategy	M	M	A strong and structured dialogue with EU IFIs will be needed to address these issues at headquarters and national level.
Operational risk	Coordination to ensure smooth formulation of initiatives between ministries and other government agencies is weak.	M	H	<ul style="list-style-type: none"> • Strengthening the role of the Ministry of Trade and Industry as the designated ministry for inter-ministerial coordination. • Use international dialogue to align multisectoral agendas (i.e., Technical Roundtables and committees)
Operational risk	High turnover rate of officials in the Colombian Government	H	M	<ul style="list-style-type: none"> • Encourage medium and long-term commitments, engage technical teams, and facilitate decision-making. • Use of international instruments to set medium-term commitments (i.e., Memorandums of Understanding)

Lessons Learnt:

The action is based on lessons learned from the implementation of the Global Gateway Agenda in Colombia. The main lessons learned are:

- Strengthening the EU agenda on trade and investment, fostering constructive public-private dialogue, and early engagement with key stakeholders to enhance project quality and sustainability.
- Stress that EU development banks' financing of the projects should be leveraged as an opportunity to affirm the EU's added value in sustainable investments, in line with the principles of Global Gateway of transparency, good governance, and high technical standards (environmental and safety).
- To mitigate concerns about debt sustainability and limited fiscal space, it is vital to identify politically strategic projects that align with budgetary frameworks.
- To work towards ensuring a level playing field for EU companies and promoting competition that takes into account the quality, sustainability, and innovation of the proposals.
- Close follow-up with European Banks on the procurement process should be ensured from the beginning.
- Close collaboration with Government and business through technical assistance is key to building trust and confidence and developing greater opportunities.
- Daily work with companies and other stakeholders is key to identifying bottlenecks, priorities, and technical needs.

INTPA engagement can help create a more level playing field for European companies. However, most large infrastructure projects with important political and legal aspects require high-level engagement and specialised legal advice. For the moment, we can do our best within the limits of our financial regulations. High-level leadership and bold decisions are crucial and essential in these cases.

3.5 The Intervention Logic

A mutual agreement was reached at the EU-CELAC Summit 2023 to refresh and augment the long-standing bi-regional partnership between the EU and LAC regions. This bond is grounded in shared values and interests, along with robust economic, social, and cultural connections. The [Summit Declaration](#) recognised the potential of the EU-LAC Global Gateway Investment Agenda to contribute to the goal of addressing investment gaps and to mobilise funding for sustainable development and a just green and digital transitions.

To tackle the country's sustainable development challenges, Colombia needs to mobilise and increase accessibility to financial resources. The EU Global Gateway Strategy is a strategy designed to meet this need. The [Colombia Gateway Investment Agenda \(GGIA\)](#) aims to bridge investment gaps in alignment with the shared priorities of the EU and Colombia. This strategy aims to channel both private capital and public funding towards the digital, green, and fair transition of Colombia.

Given the context and shared objectives between the EU and Colombia, the underlying logic for this action is two-fold. Firstly, to attract public and private investment around flagship initiatives and to act to amplify partnerships between EU and Colombian institutions and stakeholders for transformative initiatives in priority areas ([outcome 1](#)) and fortify the enabling environment for public and private investment at the country level ([outcome 2](#)). This dual-action approach would support Colombia in implementing increasingly ambitious, transformative, and equitable green and just transition strategies ([impact](#)).

To contribute to [outcome 1](#), the action will be guided by the transformative initiatives in priority areas identified in the Global Gateway Investment Agenda for Colombia. The plan includes

strengthening stakeholder networks around transformative initiatives ([Output 1.1](#)), identifying and developing transformative bankable projects, and improving tendering processes in terms of quality and sustainability ([Output 1.2](#)).

Regarding [outcome 2](#), the action will take a sectoral approach to address challenges to strengthen the enabling environment, including priorities covered by the EU Colombia GGIA. The plan includes establishing platforms for a trust-based dialogue between the EU and Colombia on public and private investment ([Output 2.1](#)), improving the policy, regulatory, and institutional framework to facilitate and incentivise investment ([Output 2.2](#)), and strengthening institutional capacity in Colombia to support the EU GGIA for Colombia ([Output 2.3](#)).

A number of principles are key to the implementation of this Facility:

- Offer flexible and demand-driven solutions that respond to needs and priorities in the light of changing dynamics.
- Addressing and supporting first and foremost the EU's interests as outlined in the Global Gateway in the priority areas of energy transition, sustainable mobility, sustainable finance, and digital transformation, in coherence with Colombia's development strategies.

Local ownership, in line with European interests, will always be taken into account when establishing annual work plans in coordination with Colombian institutions. Visibility of activities in coordination with the Delegation's communication team. Special events to position the Global Gateway agenda will also be considered strategic activities.

3.6 Logical Framework Matrix

Given the nature of this Action, a Logical Framework Matrix is not required at the Action Level.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

To implement this action, it is not envisaged to conclude a financing agreement.

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 54 months from the date of adoption by the Commission of this Financing Decision.

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's appropriate 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.¹¹

4.3.1 Direct Management (Procurement)

The procurement will contribute to achieve SO1 and SO2.

¹¹ www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

4.3.2 Changes from direct to indirect management mode due to exceptional circumstances (one alternative second option)

If the implementation modality initially foreseen under direct management cannot be implemented due to circumstances beyond the control of the Commission, this action may be implemented under indirect management with a pillar-assessed entity selected by the Commission services on the basis of the following criteria: presence in Colombia, knowledge of the Colombian private sector, expertise in public-private dialogue, expertise in supporting sustainable investment, proven human resources capacity, expertise in managing delegated funds.

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 provisions:

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of 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

	EU contribution (amount in EUR)
Direct management <i>Alternative – Indirect management</i>	4 000 000
Visibility	n.a.
Total	4 000 000

4.6 Organisational Set-up and Responsibilities

The EU Delegation will lead the project's implementation in Colombia. No Steering Committee is foreseen. The EU Delegation will exchange information on the project's implementation with the Colombian Cooperation Agency, the Ministry of Trade and Industry, and the line Ministries as and when relevant.

Other government counterparts, civil society, and MS will be consulted and involved according to the nature and objective of the activities.

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 coordinated between the PSU and the implementing agencies. Suitable monitoring/evaluation processes and tools will be used to keep organised and harmonised information about all programme activities, including their results.

The implementing partners will be responsible for providing detailed information about the activities and results of their specific interventions. At the same time, the PSU will produce consolidated periodic reports, which will be presented to the Programme Steering Committee for comments and related decisions. The implementation reports shall be laid out in such a way as to allow monitoring

of the means envisaged and employed and of the budget details for the Programme. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits through its own staff and 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).

All monitoring and reporting shall assess how well the action promotes the principle of gender equality which lies at the heart of this programme and takes a human rights-based approach and enables the rights of persons with disabilities including through strengthening inclusion and diversity. Data collected, where appropriate and possible, will be disaggregated by sex and age, and by disability if tenable.

5.2 Evaluation

Having regard to the nature of the action, a mid-term could be carried out for this action or its components via independent consultants contracted by the Commission. It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that several agencies were cooperating in implementing the programme.

The Commission shall inform the implementing partner at least two months in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts and, inter alia, provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner countries and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner countries, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the program.

In addition, all evaluations shall assess to what extent the Action is taking into account human rights-based approaches as well as whether and how the Action contributes to gender equality and women's empowerment and disability inclusion. The evaluation process will include expertise on human rights, disability and gender equality assessment.

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for implementing this action, the Commission may, based on 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.

While action documents for specific sector programmes are no longer required to include a provision for strategic communication and visibility actions promoting the programmes concerned, this action foresees budgets for knowledge management and day-to-day communication in various contracts.

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 type="checkbox"/>	Single action	Present action: all contracts in the present action
Group of actions level (i.e., top-up cases, different phases of a single programme)		
<input type="checkbox"/>	Group of actions	Actions reference (CRIS#/OPSYS#):
Contract level		
<input checked="" type="checkbox"/>	Single Contract 1	Procurement PC 40190
<input checked="" type="checkbox"/>	Single Contract 2	Procurement PC 40191
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	