

ANNEX I

of the Commission Implementing Decision on the financing of the annual action plan - part 2 - in favour of the Latin America and Caribbean region for 2021

Action Document for Latin America and Caribbean Green Transition Initiative (Euroclima 2.0)

ANNUAL PLAN

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation, and action plans/measures in the sense of Article 23 of NDICI-Global Europe Regulation.

1. SYNOPSIS

.1. Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	Latin America and Caribbean Green Transition Initiative (Euroclima 2.0) CRIS number: NDICI LA/2021/043-581 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
2. Team Europe Initiative	Yes - Regional TEI for LAC on Green Transition
3. Zone benefiting from the action	Latin America and the Caribbean
4. Programming document	Regional MIP for Americas and the Caribbean 2021-2027
5. Link with relevant MIP(s) objectives/expected results	MIP Priority area 1: Green Transition <ul style="list-style-type: none"> - <u>MIP Specific objective 1</u>: To increase ambition and effectiveness of climate action in Latin America and the Caribbean, in line with commitments under the Paris Agreement. - <u>MIP Specific objective 2</u>: To strengthen protection and conservation of land land/forest and marine ecosystems and their biodiversity, including through earth observation and digital data.
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	Green Transition
7. Sustainable Development Goals (SDGs)	Main SDG : SDG 13: Climate Action Other significant SDGs: SDG 3: Good health and well-being SDG 6: Clean water and sanitation 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 SDGs 14 and 15: Life below water & life on land SDG 17: Partnership for the goals

8 a) DAC code(s)	41010 – Environmental policy and administrative management 41030 – Biodiversity			
8 b) Main Delivery Channel @	- Main Delivery Channel: 10000 Public Sector Institutions - Detailed Delivery Channel: 13000 3 rd Country Government (delegated co-operation)			
9. Targets	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input 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 checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<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 type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Combat desertification @	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Climate change adaptation @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11. Internal markers and Tags:	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation @ Tags: digital connectivity digital governance digital entrepreneurship job creation digital skills/literacy digital services	<input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	Connectivity @ Tags: transport people2people	<input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

	energy digital connectivity		<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
	Migration @ (methodology for tagging under development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities (methodology for marker and tagging under development)	<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): BGUE-B2021-14.020140-C1-INTPA Total estimated cost: EUR 70 000 000 Total amount of EU budget contribution EUR 70 000 000 This action may be co-financed by other donors: France, Germany, Spain (and possibly others, to be confirmed) may provide support to this action as a Team Europe Initiative. ¹			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing²	Direct management: grants – direct award Direct management through procurement (service contract). Indirect management with entities to be selected in accordance with the criteria set out in section 4.4.4.			

.2. Summary of the Action

The overall objective of this action is to contribute to the LAC region's Green Transition, through climate mitigation and adaptation efforts and through the protection and conservation of biological diversity, towards achieving SDGs 3, 6-12, 13, 14, 15 and 17.

The specific objective is to strengthen the policies of the Latin America and Caribbean region and their implementation, supporting LAC institutions to improve their transformative approaches towards decarbonisation, climate resilience and the protection of biodiversity. This will be done with a view to delivering on LAC countries' increasingly ambitious commitments under the Paris Agreement, the United Nations Framework Convention on Climate Change (UNFCCC), and the United Nations Convention on Biological Diversity (UNCBD). In particular, this action intends to support the development, implementation and monitoring of each LAC countries' Nationally Determined Contributions (NDCs) Long-Term Strategies and commitments to the post-2020 global biodiversity framework, and will promote synergies, knowledge sharing, collaboration and common approaches in the region.

Through this action the EU seeks to strengthen the enabling environment, enhance knowledge supporting the science-policy interface, foster participation and transparency in policy implementation, and strengthen human capacities to design strategies, plans, programmes, projects and financial instruments that directly contribute to climate adaptation and mitigation and the conservation of biological diversity.

This action will be managed by DG INTPA.B2, in close coordination with relevant EU Delegations, to ensure alignment with EU political, policy and technical dialogues, priorities, actions and visibility in partner countries and in line with the overall bi-regional dialogue process. It will mostly be implemented under indirect management by a

¹ The commitment of the EU's contribution to the *Team Europe Initiatives* foreseen under this annual action plan will be complemented by other contributions from Team Europe partners. It is subject to the formal confirmation of each respective partners' 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. It is worth noting that preliminary talks were held with EU MS in April and June 2021, and several EU MS confirmed their interest in principle to collaborate on this TEI without, however, being able to make a commitment.

² Art. 27 NDICI

selection of EU Member State agencies and UN agencies, and coordinated by a joint, technical secretariat under a service contract (direct management). Under the country windows (e.g. Argentina) grants may be used.

The action represents an evolution of the Euroclima programme, underway since 2010, with an additional footprint in the Caribbean and a thematic expansion beyond climate action to include biodiversity, recognising the deep interconnectedness of these. The action will ensure synergies with two other multi-country Team Europe climate/biodiversity initiatives in the Amazon and the Caribbean.

The action includes financing “windows” for “green” Team Europe Initiatives in countries with a limited or no Multiannual Indicative Programme, i.e., Argentina, Brazil, Chile, Costa Rica, Mexico, Panama, and Uruguay.

2. RATIONALE

2.1. Context

Climate Change

According to the Intergovernmental Panel on Climate Change (IPCC)’s Sixth Assessment Report (August 2021, <https://www.ipcc.ch/report/ar6/wg1/#SPM>),

It is unequivocal that human influence has warmed the atmosphere, ocean and land. Widespread and rapid changes in the atmosphere, ocean, cryosphere and biosphere have occurred... [and] global surface temperature will continue to increase until at least the mid-century under all emissions scenarios considered.

For the United Nations Framework Convention on Climate Change (UNFCCC, <https://unfccc.int/news/un-climate-change-welcomes-ipcc-s-summary-for-policy-makers-on-the-physical-science-basis-of-climate>),

this means that there is no going back from some changes that are already affecting the climate system. Recent changes in the climate are widespread, rapid and intensifying and impacts are affecting every region on Earth, including the oceans. . . Unless there are rapid, sustained and large-scale reductions of climate change-causing greenhouse gas emissions, including CO₂, methane and others, the goal of limiting global warming to 1.5C compared to pre-industrial levels, as enshrined in the Paris Agreement, will be beyond reach.

The only way to reach this emissions-reduction goal is through the rapid implementation of more ambitious NDCs, which countries have been submitting in the run-up to CP26 in November 2021. These will continue on the path set out by the Paris Agreement, by “increasing the ability to adapt to the adverse impacts of climate change and foster climate resilience and low greenhouse gas emissions development, in a manner that does not threaten food production”; and “making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development”.

Biodiversity

Biodiversity is the basis for food security and health, air, soil and water quality, vast carbon sinks, climate, water and soil equilibrium and supply, natural recycling, crop pollination and fertilisation, and much more. Biodiversity is essential to human life and socio-economic development, for developing countries and the most vulnerable population groups, including in cities, which all depend on ecosystems for a variety of essential services to populations. LAC countries’ economies depend significantly on natural capital, and LAC cultures – especially those of indigenous peoples – are deeply rooted in nature and biodiversity.

Ecosystems and biodiversity underpin sustainable development. They are central to SDGs 2 (zero hunger), 3 (health and wellbeing), 6 (clean water and sanitation), 13 (climate action), 14 (life below water) and 15 (life on land) and play a key role in several other SDGs, including 1 (no poverty), 8 (decent work and economic growth), 12 (responsible consumption and production) and 16 (peace, justice and strong institutions). Over half of the world’s Gross Domestic Product (GDP) depends on nature and the services ecosystems provide but economic growth and natural resources overexploitation have yet to be decoupled. Ecosystems in LAC are degrading fast: the continent has the highest proportion of threatened species (25%) in the world and 98% of these species are endemic. Vertebrate populations have declined by more than 80% over the past 40-50 years (the highest recorded rate of decline globally). The Intergovernmental Platform on Biodiversity and Ecosystem Services (IPBES) estimates that 65% of assets provided by nature to people in the Americas are declining, while 21% are declining sharply, due to biodiversity loss and ecosystem degradation. Although fresh water is abundant at the regional level, areas affected by water shortages are growing, with more than 50% of the regional population affected by water insecurity. In addition, the Intergovernmental Panel on Climate Change (IPCC) estimates that glaciers in the tropical Andes, a major water

source, will lose more than 80% of their current ice mass by 2100 (medium confidence scenario). Furthermore, land degradation, which reduces productivity and hence ecosystem services, currently affects 26% of the region's land.

Biodiversity loss reduces ecosystem services to humanity and generates socio-economic and physical insecurity, while increasing the risk of zoonotic epidemics such as COVID-19 (increased exposure to and transmission of pathogens). The climate and biodiversity crises are intrinsically linked.

LAC Region

The Latin America and the Caribbean (LAC) region is central to achieving the EU's ambitions to ensure a stronger Europe in the world in today's challenging global context. With traditionally important historic, cultural and economic ties, the EU and LAC have developed one of the most integrated partnerships, having concluded 27 association, trade or political and cooperation agreements. The partnership is of geostrategic relevance, with EU and LAC countries accounting for a more than a third of the UN membership and together approximately 22% of Global GDP and 14% of world population. The EU is also the largest investor in LAC and its third trade partner whereas the region's stock of investments in EU is growing at an impressive rate (+ 266% in 2017). The LAC region is characterised by high degrees of inequality, with the poorer segments of the population (including women) particularly strongly affected by climate change (hereafter, CC) as well as natural and human-induced hazards. Moreover, the region is highly affected by the COVID-19 pandemic.

The EU's interventions in LAC will be framed by the principles and objectives of the 2019 Joint Communication to the European Parliament and the Council "European Union, Latin America and the Caribbean: joining forces for a common future"³.

Many countries in the LAC region are like-minded with the EU's ambitious environmental and climate policies and are important partners in international fora.⁷ At the same time, LAC countries require and expect technological and know-how support from the EU, and it is in the EU's interest to assist countries in their endeavours to make their policies more ambitious, and to help implement them. We propose to maintain a policy-first approach and build on the achievements of the Euroclima+ programme implemented under the regional MIP 2014-2020. Euroclima+ supports 18 participating Latin American countries in the implementation of their NDCs under the Paris Agreement.

Considerations for implementation

This action is informed by lessons learnt from Euroclima+ in terms of strategy, implementation, governance, and stakeholder engagement. This action intends to strengthen climate dialogue with partner countries, broaden the current Euroclima+ thematic areas to also cover biodiversity, conservation and DRR/DRM, and extend the geographical scope to the Caribbean countries.

In terms of the implementation of actions, the Commission has separate budget lines for LAC and the Caribbean. As a consequence, a separate action entitled "Euroclima Caribbean" is envisioned and is under preparation. This action will closely align with "Euroclima LAC" through a shared governance mechanism, secretariat and implementing modalities.

The two Euroclima actions will seek synergies with the Latin American Investment Facility (LAIF), the Caribbean Investment Facility (CIF), and their new, merged identity, the Latin America and Caribbean Investment Facility (LACIF). Country dialogues will identify support actions with maximum impact, both nationally and regionally, using the best of EU public sector experience. These can range from technical assistance via the exchange of best practices to specific projects. Environmental education, gender considerations and access to finance play key roles.

This action is part of the Pan-American window, Priority area 1 (Green Transition) under the Regional Multi-Annual Indicative Programme (MIP) for the Americas and the Caribbean. The action will build on a successful tradition of EU-LAC bi-regional cooperation on environment and climate change, as well as the close coordination with EU Member States, promoting synergies and complementarities both with other EU programs and with interventions by Member States.

³ <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52019JC0006>

2.2. Problem Analysis

1. Climate change – adaptation and mitigation

The Latin America and Caribbean (LAC) region contributes to around 8-9% of global greenhouse gas (GG) emissions, yet it is significantly affected by climate change, as its economy is highly reliant on natural resources, and it has high levels of social and economic inequality. Poorer and vulnerable populations such as indigenous people are disproportionately more at risks from climate change and related hazards such as natural extreme events. These can lead to competition for land use, food production and food security, as well as human displacement and further impoverishment. Women and girls are more exposed than men and boys to the effects of climate change, particularly in rural areas. Persons with disabilities are also impacted, recent research by OHCHR highlights the negative impact climate change has on the human rights of persons with disabilities⁴.

Surveys show that the population of Latin America ranks climate change as a top threat.¹³ The economic costs of climate change for the region are estimated at between 1.5% and 5% of the region's GDP.¹⁵

The XXII Forum of Ministers of the Environment of Latin America and the Caribbean, held in February 2021, acknowledged that *the LAC region is in a climate emergency*. The Forum asked countries to integrate ambitious Paris-compliant climate responses into post-COVID-19 pandemic recovery plans, addressing social and economic challenges, enabling the creation of green and decent jobs, and developing innovative mechanisms to foster the sustainable use of natural resources and support local livelihoods.

In November 2021, the VII Regional Platform for Disaster Risk Reduction (DRR) in the Americas and the Caribbean will be hosted by Jamaica. Outcomes will include an updated regional action plan for the implementation of the Sendai Framework for DRR, with a focus on reducing climate risks and building resilient economies.

In this context, the EU's Green Deal opens the opportunity of a new era of collaboration with Latin America and the Caribbean where climate action/adaptation and sustainability can become the new drivers of resilient and green development and growth. Indeed, most LAC countries fully expect policy collaboration and the exchange of know-how and good practices to continue with the EU, especially considering that many LAC countries are important allies of the EU in climate change negotiations and key in the strengthening of multilateral fora such as the UNFCCC and the Convention on Biodiversity.¹⁴

2. Biodiversity in LAC

LAC covers 15% of the Earth's surface, but holds more than 50% of its biodiversity, including half the world's tropical forests and 30% of freshwater reserves, as well as vast expanses of arable land. The Caribbean is home to 12% of the world's mangroves and 10% of its coral reefs⁵. The LAC region contains six of the world's 36 biodiversity hotspots and six of the 17 "megadiverse" countries. The wide diversity of ecosystems in the LAC region provides critical services to support economic development and ensure a good quality of life.

The region benefits massively from ecosystem-related services, such as climate regulation, supply of food and fresh water, tourism, and fisheries¹⁰. The economic value of terrestrial nature's contributions to people is estimated to be at least \$24.3 trillion per year, equivalent to the LAC region's gross domestic product.

However, the region currently has the highest proportion of threatened species (83 %) and most of its forests are vulnerable, endangered, or critically endangered according to the IUCN Red List. Over the last 30 years, the main causes of environmental degradation have been conversion of land for agriculture, overexploitation of timber and other biological resources (including for illegal trafficking), a growth in (illegal) extractive industries and fragmentation of habitats due to urban expansion and the development of infrastructure. These causes, linked to demographic and economic growth, are compounded by an increasing global demand for food and raw materials from

⁴ OHCHR (2020). *Analytical study on the promotion and protection of the rights of persons with disabilities in the context of climate change*. Geneva; IPCC. (2014). Kett, M. et al. (2018). *Disability and Climate Resilience Research Project. Climate Change 2013: The Physical Science Basis*. Cambridge University Press; Kett, M. et al. (2018). *Disability and Climate Resilience Research Project*. DFID, UK.

⁵ Larger than jaguars: Inputs for a strategic approach to biodiversity conservation in Latin America and the Caribbean : synthesis report, Directorate-General for International Partnerships (European Commission), 2021-03-02

the region, in a context of weak environmental governance. In addition, the effects of climate change are increasingly evident, particularly on coastal ecosystems, Andean environments, and wetlands.⁶

Indigenous peoples are especially affected by the loss and degradation of biodiversity and often at risk of being criminalized or even killed when their communities resist and defend their territories from illegal logging, land grabbing, expanding cattle ranching and agriculture, mining, illicit crops, and infrastructure construction.⁷ Research has also shown that men and women are impacted differently by biodiversity loss and climate change. Exposing and understanding gender-differentiated biodiversity practices and knowledge of women and men enhances biodiversity conservation.⁸

3. Enabling environment, knowledge, science-policy interface and policy design capacity

The LAC region exhibits significant heterogeneity with respect to policy and institutional capacities for climate and biodiversity action, as well as data and information resources to underpin scientific knowledge as a basis for policymaking. For example:

- Few countries have defined their path to decarbonization: Only 15 countries met the December 2020 deadline to present updated NDCs to the UNFCCC, and as of September 2021, only Colombia, Costa Rica, Argentina, Chile, Mexico, Panama, Uruguay and Cuba have drafted long-term strategies (LTSs) on climate change with a view to 2050 emissions reductions targets. Only Mexico has submitted (in 2016) its long-term low-emissions development strategy to the UNFCCC.
- Regulatory frameworks to include financial institutions as climate actors are uneven across the region and need updating so as to be able to harness resources for climate finance.
- Information and knowledge management tools and processes need to be strengthened in order to elaborate climate scenarios, to estimate possible future climate features. Only 4 LA countries have institutional mechanisms to facilitate the support of scientific knowledge for the design and monitoring of climate and biodiversity policies
- Intersectoral and multilevel integration is an ongoing challenge. Managing climate change and promoting a “sustainable, resilient and inclusive recovery” requires adequate intersectoral, multi-level and multi-stakeholder articulation, which includes all levels of government, civil society, the academic world, and the private sector. The processes of design, updating, and implementation of the NDCs demand the coordinated work of all these actors, which, at present is only partially resolved in most of LA countries. Although 16 LA countries have a sectorial and actor coordination system in place, in very few of them this system is fully operational.
- People’s participation is limited. Although most countries have developed public policy frameworks to promote their Action for Climate Empowerment (ACE) as part of the response to climate challenges, the incorporation of specific ACE measures in the NDCs is a pending task for most of them, as only two of them have accomplished it.

Women and vulnerable groups (especially indigenous people persons with disabilities) remain at the margins. To date only 6 LA countries have mainstreamed the gender perspective in climate policies, and vulnerable groups’ needs and considerations such as for persons with disabilities are often left out of the design, implementation and monitoring of policies, programmes and projects.⁹

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

Climate change is a multisector/multidimensional Agenda. Almost all political, economic and social actors are involved in addressing its causes and effects and a wide range of actors must collaborate to formulate the respective policies and engage in their implementation. Main stakeholders include:

- Ministries of Environment and Climate Change
- National Disaster Management Agencies, National Meteorological and Hydrological Services

⁶ Larger than jaguars: Inputs for a strategic approach to biodiversity conservation in Latin America and the Caribbean : synthesis report, Directorate-General for International Partnerships (European Commission), 2021-03-02

⁷ <https://news.mongabay.com/2021/04/empowering-indigenous-peoples-crucial-to-climate-biodiversity-crises-study/>

⁸ <https://www.cbd.int/gender/>

⁹ IDS (2008), “A Right to Adaptation: Securing the Participation of Marginalised Groups”, IDS Bulletin Volume 39 Number 4 September 2008, Institute of Development Studies, UK.

- Ministries or agencies for energy, transport, agriculture, forestry, fisheries, natural resources, water, etc.
- Ministries of Foreign Affairs
- Ministries of Finance, given the strategic importance of climate finance
- Multisector and multi-level coordination instruments (e.g. National Climate Change Systems)
- Regional bodies such as OTCA, CCAD (from SICA), Caribbean Biological Corridors, CDEMA, CEPREDENAC, ECLAC, CDB, etc.
- Civil society at sub-national, national and regional levels, e.g. Critical Ecosystems Partnership Fund (CEPF), CI, WCS, WWF and others
- Private sector actors
- Development Banks and International Financial Institutions
- Academia and scientific communities and institutions such as REDPARQUES, the ZICOSUR environmental commission, etc.
- Indigenous peoples and respective organizations, important partners in biodiversity conservation, as their territories, can be considered as “Other Effective Conservation Measures” (OECM).

The participation of these stakeholders is critical in information and knowledge-gathering, decision-making and management to ensure effective implementation and impact of climate change, biodiversity, DRR and related policies.

3. DESCRIPTION OF THE ACTION

3.1. Objectives and Expected Outputs

The **Overall Objective** of this action is to contribute to the LAC region’s Green Transition, through climate mitigation and adaptation efforts and through the protection and conservation of biological diversity.

The **Specific Objective** is to strengthen the policies of the Latin American and Caribbean region and their implementation, supporting LAC institutions to improve their transformative approaches towards decarbonization, climate resilience and the protection of biodiversity.

The **Outputs** to be delivered by this action contributing to the specific objectives are:

1. Strengthened enabling environment for a green transition (integrated policies, legal frameworks, sectoral plans and financial instruments) in line with climate and biodiversity goals, as well as strengthened institutions and human capacity to manage and coordinate these
2. Strengthened knowledge, science-policy interface and transparency in climate and biodiversity policy implementation
3. Transformative approaches in key areas for the green transition are developed, demonstrated and scaled-up through the mobilization and leveraging of public and private finance

3.2. Indicative Activities

The activities will be agreed using the **Country Dialogue methodology**, developed by the **Euroclima + program**.

Main activities under **output 1, strengthened enabling environments**, may include:

1. Support in the preparation or revision of Nationally Determined Contributions (NDCs), Long-Term climate Strategies (LTSs), National Adaptation Plans (NAPs) and the Disaster Risk Reduction of Climate Change impacts, Kigali Hydrofluorocarbons (HFC) implementation plans, policy instruments and regulations, both national and sub-national, as well as their implementation, monitoring, and synergies between them;
2. Strengthening of capacities and institutional instruments for the implementation of climate policies and strategies, including energy, and for the protection of biodiversity;
3. Support in the elaboration or revision of climate financing strategies, design of economic and financial instruments for the development of climate and biodiversity protection strategies;
4. Strengthening institutional capacities for climate finance, and in particular the alignment of financial flows to the objectives of climate neutrality;

5. Strengthening structures and mechanisms for inter-sectoral, multi-level and multi-actor articulation to facilitate the coordination of government actors (involved ministries, sub-national levels), private sector, academic sector and civil society;
6. Providing technical assistance to facilitate the availability of climate-friendly technologies and nature-based solutions and related competences;
7. Strengthening of national strategies for Climate Empowerment through education, training, awareness, participation and access to information;
8. Support for the creation or revision of policies, legislation and measures (national and subnational) and of instruments that allow the integration of the gender dimension in climate policies;
9. Capacity development and support for initiatives or measures to promote the participation of groups in situations of vulnerability, women's inclusion, persons with disabilities and their representative organisation and indigenous groups in instances of climate change governance, for example to the implementation of protocols on Free, Prior and Informed Consent,

Under **output 2**, strengthened knowledge, science-policy interface, participation and transparency in climate and biodiversity policy implementation, activities may include:

1. Fostering scientific knowledge as a basis for policymaking, including the application of state-of-the-art climate science (e.g., Copernicus);
2. Strengthen the region's capacities to value local scientific knowledge sources (including indigenous traditional knowledge sources) for the design of climate and biodiversity policies and services;
3. Strengthening regional networks of scientists, intermediaries and decision-makers by stimulating bilateral and multilateral initiatives that promote evidence-based climate and biodiversity policies;
4. Promoting regional south-south cooperation on climate change science-policy initiatives bridging climate science and climate policy to become regional role models;
5. Strengthening of climate and biodiversity policy M&E systems to facilitate accountability and transparency of climate and biodiversity action;
6. Strengthening capacities to collect, generate and analyse climate digital data for the adoption, monitoring, implementation, and evaluation of policies related to NDCs, including Copernicus data;
7. Strengthening of climate information systems with regionalized climate change projections according to the IPCC;
8. Elaborating comparative studies on mechanisms and impacts of climate and biodiversity policies;
9. Fostering public participation, due diligence and the inclusion of vulnerable groups (e.g. women, indigenous groups and persons with disabilities) in policy design, implementation and monitoring, to, a.i. ensure the prevention of unintended social and environmental impacts on these groups.

Under **output 3**, developed transformative approaches in key areas for the green transition, activities may include:

1. Supporting the transformative approach in key areas such the transition to a low carbon economy in Brazil; promoting green hydrogen in Chile; safeguarding biodiversity and scaling up nature solutions in Costa Rica; green urban management-based measures in Mexico; local watershed resource planning and management in Panama; and sustainable livestock production in Uruguay;
2. Supporting the identification and formulation of bankable climate and biodiversity projects;
3. Supporting the sourcing, mobilisation and leveraging of public and private finances, for example through blending and EFSD+ guarantees;
4. In justified cases, implementing strategically relevant and potentially scalable pilot projects.

The scope for the above activities is broad: at regional, sub-regional, national and subnational levels, in sectors deemed strategic under the governance of this action. Detailed workplans will be elaborated at contract level.

Windows for countries with no / limited MIP:

In 2021-27, the EU will have bilateral Multiannual Indicative Programmes (MIPs) with 17 out of 33 countries in the LAC region. All 33, however, are eligible for support under the regional MIP for the Americas and the Caribbean. The 16 “non-MIP” countries are “upper-middle” or “high” income and support to some of these countries may not be considered as “official development assistance” (ODA) in the definition by the OECD.¹⁰ This said, as the external

¹⁰ <https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/officialdevelopmentassistancedefinitionandcoverage.htm>

dimension of the EU Green Deal advocates cooperation with all 33 LAC countries, regional programmes will include “non-MIP” countries including those that are not classified as ODA recipients.

Team Europe Initiatives (TEIs): EU Delegations in most “non-MIP” countries have identified potential TEIs in the area of climate change and biodiversity, some of which can be financed under Euroclima LAC. Up to € 26 M is foreseen for TEIs that are prioritised by INTPA and align with the priorities of this action, through “country windows” in Argentina, Brazil, Chile, Costa Rica, Mexico, Panama and Uruguay. Titles and objectives are indicated below. They are described in detail in Appendix A. TEI implementation in these countries will seek synergies and simplification through pooled/joint contractual arrangements. EU Delegations will be actively involved in the management and execution of contracts and related dialogues.

1. Argentina – Biodiversity Protection and Conservation in the Gran Chaco and in Marine Ecosystems. EUR 10 M

Objectives:

- To promote a **biodiversity protection** through integrated development plans in regions under pressure from agro-industry and livestock farming in the Gran Chaco
- To contribute to **reversing biodiversity loss in marine ecosystems**.

2. Brazil – Policies and Investments for the Transition to a Low-Carbon Economy, EUR 2 M

Objective: To enhance green and inclusive economic policies and sustainable investments in Brazil supporting the transition to a low-carbon economy.

3. Chile – Green Hydrogen (GH2), EUR 4 M

Objective: To support the development of GH2 in Chile through strengthened enabling conditions, GH2 production, applied research and development, and pilot projects.

4. Costa Rica – Safeguarding Biodiversity and Scaling up Nature-Based Solutions, EUR 2 M

Objective: To Safeguard biodiversity and promote scaling up of nature-based solutions and sustainable practices.

5. Mexico – Green Urban Management, Ecosystem & Biodiversity-based measures, EUR 3 M

Objectives:

- To promote a **sustainable, smart, resilient and green urban management**, with a focus on urban mobility
- To strengthen **ecosystem-based climate** change mitigation and adaptation measures, with a focus on **biodiversity** (ocean and forest protection, restoration and conservation)

6. Panama – Local Watershed Resource Planning and Management, EUR 2 M

Objective: To increase resilience of vulnerable watersheds and their biodiversity through enhanced water resource planning and management at local level. Implementation through UNEP.

7. Uruguay – Sustainable Livestock Production, EUR 3 M

Objective: To improve the sustainability of livestock production.

3.3. Mainstreaming

Environmental Protection & Climate Change

The two main objectives of this action in the LAC region are combating human induced climate change and biodiversity loss and degradation, which are strongly interlinked. Measures to be taken under this action will be jointly determined with partner countries and the European Commission.

The action will carry out day-to-day implementation activities with a reduced carbon footprint. This includes opting for virtual meetings where possible, and avoiding air transportation where feasible. Where air transportation cannot be avoided, implementing partners and service contractors will be asked to commit to carbon offsetting.

Outcomes of the SEA screening (relevant for budget support and strategic-level interventions)

The Strategic Environmental Assessment (SEA) screening concluded that no further action was required.

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). However, based on the type of grant support provided for pilot projects or other activities, EIA will be undertaken based on the type of investments to be carried out.

Outcome of the CRA (Climate Risk Assessment) screening, including according to provisions set in Article 29 of the NDICI Regulation (relevant for projects and/or specific interventions within a project)

The Climate Risk Assessment (CRA) screening concluded that this action is no or low risk (no need for further assessment). However, based on the type of grant support provided for pilot projects or other activities, climate risk will be addressed as part of an EIA.

Gender equality and empowerment of women and girls

As per OECD Gender DAC codes identified in section 1.1, this action is labelled as G1 implying that gender equality is a significant objective. Climate change has profound implications for social justice and gender equality as women are often impacted disproportionately by the effects of climate change and natural hazards compared to men in areas as various as agriculture, biodiversity, energy, forest, health, migration, transport, waste, water, etc. While women can be powerful agents of change in the adoption of climate change adaptation and mitigation strategies, they face limitations when it comes to benefiting from and participating in climate policy and responses. Activities financed under this action will:

- **Continue to strengthen** Euroclima's approach to gender mainstreaming², to comply with both the European regulations for international cooperation, including the recently adopted Gender Equality and Women's Empowerment framework or GAPIII³, and the commitments by governments to enhance gender equality under the UNFCCC and the UNCBD.
- Gender considerations will be mainstreamed in country dialogues, the design and implementation of activities, as well as monitoring, evaluation and lessons learned processes.
- Draw up a Gender Action Plan aimed at strengthening gender mainstreaming in Euroclima actions where feasible. This Gender Action Plan will be based on the European Commission's GAP III document

Human Rights

Climate change and biodiversity loss threaten 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.¹¹

The harmful impacts of climate change include sudden-onset events that pose a direct threat to human lives and safety, as well as more gradual forms of environmental degradation that will undermine access to clean water, sanitation, food, and other key resources that support human life. "Environmental refugees" and "climate migrants" (amongst other terms) are increasing both in numbers and in international recognition. Environmental Rights Defenders risk their lives in the LAC region, one of the most dangerous places in the world to defend the environment¹². Combatting climate change and environmental degradation can sometimes affect the livelihood of peoples working with activities that contribute to high emissions. The principle of just transition is important to support those that may be negatively affected by measures taken to prevent climate change a biodiversity loss.

This Action will finance activities that fully consider human rights, through:

- Integration of consultations (and when applicable free, prior and informed consent protocols) with vulnerable and minority groups into the development and preparation of activities
- Conducting human rights impact analyses in activities such as developing institutional capacities, action plans and practical tools, to ensure the consideration and participation of vulnerable groups (such as indigenous peoples, minorities and the poor)
- Encouraging LAC countries to sign, ratify and respect the Escazú Agreement¹³

¹¹ OHCHR (2020). *Analytical study on the promotion and protection of the rights of persons with disabilities in the context of climate change*. Geneva; IPCC. (2014). Kett, M. et al. (2018). *Disability and Climate Resilience Research Project. Climate Change 2013: The Physical Science Basis*. Cambridge University Press; Kett, M. et al. (2018). *Disability and Climate Resilience Research Project*. DFID, UK.

¹² <https://hir.harvard.edu/protecting-latin-americas-environmental-defenders-the-fight-for-the-escazu-agreement/>

¹³ <https://www.cepal.org/en/escazuagreement>

- Encourage a just transition analysis to measures and initiatives supported by this action, including mitigating risks

Disability

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

Democracy

Democratic participation in the formulation and development of climate change and biodiversity policies, plans and projects are key to ensure all stakeholders' needs are considered. This action will:

- Promote and encourage inclusiveness and broad participation in the design and monitoring of activities, and
- Prioritise countries and processes not only with ambitious climate change and biodiversity policies but also those that take into consideration democratic principles and human rights.

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 the management of transboundary ecosystems, whether this be within or across national boundaries, as well as the management of protected areas and indigenous territories, and the impact of illicit economies, illegal logging, etc.
- Regional, national, and sub-regional dialogues will promote exchanges on how to best manage natural resources, promote peace and deter conflict and violence, as well as 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, security-related risks through the regular assessment of these factors in the identification, formulation, and implementation of activities. While LAC countries are exposed to varying levels of risk (societal, political, economic, environmental, security-related), individual analyses will be made on a case-by-case (national) basis. These will be addressed through a risk analysis and the identification of relevant mitigating measures before and during the implementation of any action.

In terms of climate related disaster risk specifically, the LAC region is highly vulnerable to the effects of climate change, biodiversity loss and disasters. This action is precisely targeting the resilience and ability of LAC countries to mitigate, respond and adapt to climate change and biodiversity loss and degradation, including climate disasters.

3.4. Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
1.1.1 Macro-environment	Extreme climate events in LAC may affect the implementation process	L	H	All interventions at territorial level will include disaster risk management and protection measures.
1.1.2 Macro-environment	Exacerbation of social and political tensions and/or conflicts and violence in LAC	L	H	All interventions (both regional and national) level will include a political and social risk analysis with relevant mitigating measures and recommendation for conflict-sensitive approaches.
	Unforeseen natural or man-made disasters (e.g. forest fires, floods, earthquakes, etc.) Lack of inclusion and participation due to the	H	H	

	pandemic or lack of political willingness			
1.1.3 Macro-environment	Environmental sustainability and climate change lose their priority status in the relations between Latin America and the EU	L	M	EU will use diplomacy and political dialogue to support continuous high-level commitments such as those taken by meetings of LAC Foreign Ministers in December 2020 and Forum of LAC Environment Ministers in early 2021. . . EU will consider aligning with “ambitious” countries and regional organisations to maintain momentum and encourage “laggards”.
1.1.4 Macro-environment	Environmental and climate change measures are not being implemented due to limited fiscal space in the post-pandemic phase	M-H	M-H	Few mitigating measures are available. EU must use all available means (diplomacy, political and policy dialogue, cooperation) to support decisions in favour of a green recovery in all countries in the LAC region
1.2.1. Political decisions and priorities outside the Commission	Environmental sustainability & climate change lose their priority status in LAC domestic politics	L-M	M-H	EU policy and operational priorities will remain focused on environmental sustainability for the foreseeable future, and will use its means (diplomacy, political and policy dialogue, cooperation) to support this in the LAC region
1.2.2. Political decisions and priorities outside the Commission	The priorities of environmental sustainability and climate change are in competition with the urgency of a rapid economic recovery and the need to create jobs, especially for young people.	M-H	M	It is necessary to promote a green recovery strategy that aligns the priorities of environmental and climate sustainability with strategies for an economic recovery and the creation of jobs
1.3. External partners	Potential service delays, unclear arrangements, lack of collaboration amongst implementing partners etc	L	H	Strengthen the ownership of the Program by the executing agencies. Strengthen the role of the UPM (Program Secretariat Unit) and the coordination mechanisms of the Program.
2.1. Strategy, Planning and Policy	Delayed planning and preparation, unclear strategy	L	M	Improve the planning tools for the Program's actions and improve control over their quality
2.2. Operational processes	Complex working arrangements between implementing partners can generate delays	M	M	Improve the coordination of the actors involved (Implementing Agencies, Delegations, national counterparts) through the established governance spaces.
2.4. IT and support systems	Common coordination platform and tools not sufficiently robust or used by partners	M	M	Improve the use and operation of Euclides as a monitoring platform for the project. Improve the use of tools such as Teams to facilitate the coordination of actors
3.1. Human Resources	Rapid turnover of staff from programme and counterparts	M	H	Establish an effective system for the transfer of functions and information for the processes of replacing personnel in the institutions and in the Program. Strengthen work processes beyond the people who occupy the positions

Lessons Learnt:

- This Action is based on the lessons learnt from the EU's Euroclima programme¹⁸, under implementation since 2010, and in its current Euroclima+ format since 2017. It is also informed by the external strategic evaluation of EU regional programmes in Latin America, which was completed in early 2019. Main findings of the regional strategic evaluation include: Regional programmes have strengthened joint EU-LAC responses to key development challenges, leading to improved policy and institutional frameworks in environment and climate change
- A comprehensive strategic partnership has been built on the basis of strong historic links and common interests in the face of global challenges
- Intra-regional and triangular cooperation has been highly developed, consolidating models for peer exchanges between Latin American countries belonging to different income groups

- Regional cooperation has been a powerful tool for achieving results, with EU institutions the most credible partner to promote it

Areas for improvement include:

- Regional programmes lacked a systematic approach to gender equality and the rights of marginalised groups, although gender-related improvements were observed in Euroclima
- Consultation with national stakeholders was not optimal
- Limited capacity of regional programmes to monitor and evaluate the implementation of sectoral policy support
- Limited capacity of regional programmes to coordinate and develop synergies between regional, sub-regional, thematic and national / bilateral cooperation programmes managed by EUDs.
- Coordination with EU member states was limited, and synergies were scarce.
- The results of programme implementation were not fully fed into regional policy and institutional learning, due to weak monitoring mandates and systems, and to poor links between programmes and intra-or bi-regional policy dialogue structures

Since 2017, Euroclima+ has strengthened its capacities in the following areas:

- Mainstreaming the gender dimension
- Developing a more robust knowledge management and knowledge sharing system
- Engaging in a country-driven dialogue process, with partner countries and EUDs taking a leading role
- Promoting the regional dimension of climate and environment actions, through peer learning, triangular cooperation, and ensuring that regional analyses are both fed by and feed into national dialogues and programmes
- Promoting collaborative tools, instruments, and behaviours in all activities to ensure effective cross-agency, cross-cultural, and cross-institutional collaboration at all points in the chain of activities, from dialogue to identification of activities, to design, to implementation.
- A robust country dialogue methodology and process has been established to ensure transparency, predictability and collaboration amongst EU and LAC partners. Beyond better results on the ground, this approach has strengthened the EU-LAC bi-regional partnership on climate and biodiversity issues, thereby also strengthening multilateralism and the EU's role in the world.

Additional lessons include:

- Existing sub-regional bodies must be considered as intermediate interlocutors and vehicles for regional cooperation, as they already represent geographic homogeneous groups of countries.
- The Euroclima network of national focal points (NFP), as leading advocates for ambitious climate policies in their respective countries, has been a powerful platform both for institutional change nationally, and for a stronger voice for Latin America on the global climate negotiation stage. The NFP network is evolving toward a stable regional technical network, capable to support and operationalize existing political platforms like the Forum of LAC Environment Ministers.
- The evolving *Team Europe* approach has had its growing pains. Yet it is bearing fruit as the EC, EU and UN implementing partners increasingly speak with a common voice and work in a collaborative spirit, facilitating the interface with LAC partners, aligning the programme to EU Green Deal priorities and maximising the value of EU expertise. Further efforts to harmonise operations, avoid fragmentation and duplication and ensure a common steer are needed.
- Knowledge production on climate related issues has grown significantly at national and regional levels, however, efforts remain to strengthen the science-policy interface and for climate action to be fully mainstreamed across all levels of government.
- Human capacities for climate and biodiversity action remain limited, especially in terms of mobilising sufficient financial resources for countries to meet Paris commitments and to increase their ambition.

3.5. The Intervention Logic

Past experiences in EU support to LAC climate and biodiversity protection policies have demonstrated tangible results in strengthening the enabling environment, the science-policy interface, and policy implementation. The present action foresees the continuation of current cooperation efforts, by intensifying and expanding their scope.

The underlying intervention logic for this action is that it is necessary to intervene in both overall policy/general enabling conditions (output1) as well as in the area of knowledge management/evidence-based decision-making (output 2) and on specific sector strategies (output 3), in order to contribute to the expected outcome of filling the existing regulatory and operational gaps which prevent LAC countries from achieving their climate mitigation and adaptation targets, as well as their biodiversity goals such as significantly reducing deforestation and improving biodiversity protection.

This broad, flexible approach will maximise the impact of the EU contribution to increased capacity and ambition of the LAC region to address climate change and biodiversity challenges and commitments (outcome). This will contribute achieving global climate change mitigation/adaptation as well as biodiversity conservation goals (impact).

In particular for Output 1: although LAC countries have advanced significantly in developing the respective enabling conditions for more effective climate action and natural resources conservation, by adapting their legal and regulatory frameworks, there is still much to be done, especially in terms of operationalising the planned aspirations. Most LAC countries have insufficient capacity to limit global heating to 1.5-degrees, or to halt biodiversity loss. The countries must increase their ambition and act consequently. This action plans to continue and intensify support to LAC countries with more effective, comprehensive and convincing enabling conditions (output 1). By the end of this action (2027) it is expected that at least 50% of the LAC countries will have a robust and mature legislative, regulatory and institutional framework permitting to tackle the 2030 and 2050 climate change and biodiversity goals in line with the respective conventions' aspirations, and contribute at the same time to the Sendai and SDG targets achievement.

Output 2 is borne from the premise that climate change and biodiversity challenges and commitments cannot be addressed only by adopting reasonably conceived policies. Rather, these policies must be linked to a deep knowledge base, data handling capacity as well as wide participation of actors in taking decisions and measuring/evaluating effects. This action will contribute to a stronger science-policy interface and more transparent data circulation and participatory/informed decision processes (output 2). It is expected that by 2027 the action will have helped at least 50% of the LAC countries to have adopted efficiently informed planning and monitoring systems.

Output 3 is based on the notion that good policies can only deliver results through efficient intervention. Experience so far has shown that climate change or biodiversity action is hindered by too many conflicting interests and that solutions are not just technical but political and have tremendous economic and financial implications. Action cannot just be the responsibility of one sector. Holistic strategies are needed. Best practices must inform decisions and actions, and in this sense, Europe's focus on global solutions can be a strong added value when converting strategies into action. It is expected that by 2027 this action will have contributed to develop specific strategies in a considerable number of LAC countries in several EU Green Deal inspired areas like sustainable ecosystems, sustainable food production, sustainable and smart mobility /transport, and clean, affordable, and secure energy.

3.6. Logical Framework Matrix

The present Logical Framework table establishes the intervention logic of the action for the entire Latin American and Caribbean region. However, the indicators included in the matrix only refer to the Latin American countries that have participated in the previous phases of the Euroclima+ Programme¹⁴. Information on the Caribbean countries will be incorporated later.

Results	Results chain (@):	Indicators (@):	Baselines	Targets	Sources of data	Assumptions			
	Main expected results (maximum 10)	(at least one indicator per expected result)	(values and years)	(values and years)					
Impact	To contribute to the LAC region's Green Transition	1. LA cumulative emissions track aggregated progress; country-level emerging trends that link directly to NDCs			UNFCCC, UNDRR and IUCN reports	Not applicable			
		2.Number of people directly affected by disasters, disaggregated by sex, age, disability and indigenous status							
		3.Direct economic losses attributed to Climate Change disasters							
		4.Number of ecosystems protected and managed in a sustainable way							
		<ul style="list-style-type: none">• Number of directly affected people attributed to disasters,• Direct economic losses attributed to Climate Change disasters.• Ecosystem Health Index, number of extinctions prevented by conservation action, number of certified forest areas under sustainable management with verified impacts on biodiversity conservation							
Outcome	LAC countries have improved transformative approaches to	1. Number of countries and cities with climate change and/or disaster risk	9 (50%) at 31/12/2020	16 (88%) at 31/12/2027	LAC countries official reports to UNFCCC and	CC and BD priorities are maintained high in the			

14 Mexico, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama, Cuba, Republica Dominicana, Venezuela, Colombia, Ecuador, Peru, Bolivia, Brasil, Paraguay, Uruguay, Argentina y Chile

	decarbonization, climate resilience and biodiversity protection.	reduction strategies (a) developed with the EU-support (EURF 2.5)			CBD, as per Katowice rulebook and Aichi biodiversity targets	LAC governments' agendas	
		2.Number of countries that have made significant progress in the implementation of their CC adaptation strategy	8 (44%) at 31/12/2020	16 (88%) at 31/12/2027			
		Number of countries that have (improved) policy and regulatory frameworks and actions to significantly reduce deforestation, ecosystem degradation and biodiversity loss.	8 (44%) at 31/12/2020	16 (88%) at 31/12/2027			
Output 1	Strengthened enabling environment for a green transition (integrated policies, legal frameworks, sectoral plans and financial instruments) in line with climate and biodiversity goals, as well as strengthened institutions and human capacity to manage and coordinate these.	1.1 Number of countries that have an established / strengthened climate and biodiversity strategy (eg NDC, NAP, LTS, national and sub-national regulations, action plans, programs)	11 (61%) at 31/12/2020	16 (88%) at 31/12/2027	LAC countries UNFCCC official reports	Political conditions in the respective countries are conducive to more ambitious national commitments	
		1.2 Number of countries that have strengthened their human and institutional capacities for the implementation of Climate and Biodiversity actions	11 (61%) at 31/12/2020	16 (88%) at 31/12/2027	CEPAL regional assessments and studies	International and national financing mechanisms increase participation in climate financing	
		1.3 Number of countries that have drafted climate financing strategies and investment plans on Climate Change and Biodiversity Action	8 (44%) at 31/12/2020	14 (77%) at 31/12/2027	CEPAL regional assessments and studies	International and national financing mechanisms increase participation in climate financing	
		1.4 Number of countries that have strengthened people's empowerment measures for Climate Change and Biodiversity protection, through ACE goals in either national plans or NDCs.	2 (11%) at 31/12/2020	8 (44%) at 31/12/2020	CEPAL regional assessments and studies. LA countries official reports	LA countries governments continue supporting ACE perspective inclusion in their sustainable development and climate policies and action.	
		1.5 Number of countries that have adopted gender mainstreaming in their climate and biodiversity policies	6 (33%) at 31/12/2020	14 (77%) at 31/12/2027	CEPAL regional assessments and studies. LA countries official reports	LA countries governments continue supporting gender and indigenous perspectives in their sustainable development and climate policies and action.	

		1.6 Number of countries that have strengthened mechanisms for intersectoral, multilevel or multi-actor coordination supporting the design and monitoring of climate and biodiversity policies	6 (33%) at 31/12/2020,	16 (88%) at 31/12/2027	CEPAL regional assessments and studies. LA countries official reports LAC countries official reports	LA countries governments continue supporting gender and indigenous perspectives in their sustainable development and climate policies and action. LA countries governments willingness and preparedness to comply with Paris Agreement obligations with respect to transparency is confirmed	
		1.7 Number of countries that have strengthened the protection and sustainable management of ecosystems		TBD			
		2.1 Number of countries that have strengthened mechanisms to facilitate the mobilisation of scientific knowledge to support the design and implementation of climate and biodiversity policies	6 (22%) at 31/12/2020	12 (66%) at 31/12/2020			
Output 2	Strengthened knowledge, science-policy interface, participation and transparency in climate and biodiversity policy implementation	2.2 Number of countries that have strengthened mechanisms to facilitate the mobilization of indigenous knowledge to support the design and implementation of climate and biodiversity policies, under the Free, Prior and Informed Consent (FPIC) Protocols and the ILO Convention 169 when necessary	2 (11%) at 31/12/2020	8 (44%) at 31/12/2020	Cooperation initiatives respective reports	Scientific organizations and policy makers in the respective countries are sensibilized and willing to favour cooperation	
		2.3 Number of countries that have operationalised reporting under the UNFCCC’s Enhanced Transparency Framework	TBD	14 (77%) at 31/12/2027	Cooperation initiatives respective reports LAC countries official reports	Scientific organizations and policy makers in the respective countries are sensibilized and willing to favour cooperation Sustainable development and climate change authorities in LAC countries undertake systematic initiatives to implement NDC at sector and territorial level.	
		3.1 Number of LAC countries in which the territorial and sectoral planning processes for Climate Change and the protection of biodiversity have been promoted and strengthened	12 (66%) at 31/12/2020	16 (88%) at 31/12/2027			
Output 3	Transformative approaches in key areas for the green transition are developed, demonstrated and scaled-up through the mobilization and	3.2 Number of LAC countries that have an operating coordination mechanism in at least 50% of priority economic sectors	TBD	12 (66%)	LAC countries official reports LAC countries official reports	Sustainable development and climate change authorities in LAC countries undertake systematic initiatives to implement NDC at sector and territorial level.	
		3.3 Number of LAC countries that have developed a transformative approach in key areas	0	8 (44%) at 31/12/2020			

	leveraging of public and private finance.	3.4 Number of LA countries that have developed a portfolio of bankable programs and projects on climate change and biodiversity protection, at the level of sectors and territories	-	12(66%)		The enabling environment (policies, institutions) in the LAC countries is favourable to sustainable development and climate change related national and international investment	
		3.5 Number of countries in which public and private resources have been mobilised for the implementation of sectoral and territorial programs and projects on climate and biodiversity	-	8 (44%)	LAC countries official reports and/or respective financial institutions reports	International and national financial institutions continue and increase their will to finance sustainable development or climate change related investment	
		3.6 Number of public-private investment projects in climate and biodiversity developed with the support of the EU-funded intervention	Amount in Mill Euros TBD 31/12/2020	Amount in Mill Euros TBD 31/12/2027	LAC countries official reports and/or respective financial institutions reports	International and national financial institutions continue and increase their will to finance sustainable development or climate change related investment	

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 region (note that all 33 countries will be eligible to benefit from this initiative).

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 60 months from the date of the adoption of the Commission 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 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.¹⁵

4.3.1. Grant: direct award (direct management)

Argentina: (i) Redes Chaco (EUR 7 million)

(a) Purpose of the grant(s)

The main area of intervention will be to promote biodiversity protection, particularly in regions under significant pressure from important economic sectors, such as agro-business and livestock related activities, notably through the identification and implementation of integrated development plans that seek to promote the concept of protected productive landscapes and sustainable farming.

Actions will focus on replicating in the Gran Chaco, and more generally in the "Norte Grande" of Argentina, the nature conservation successes and forest management model seen in other provinces and establishing frameworks for investment in sustainable economic projects including by EU investors and private sector operators. The preservation of wetlands would also be considered, including actions to support the implementation of a law (currently still a bill) on minimum standards on wetlands. Connections with neighbouring countries will be enhanced in order to promote an international governance and monitoring system. Discussions within the ZICOSUR and MERCOSUR are crucial in this regard.

(b) Justification of a direct grant

Under the responsibility of the authorising officer by delegation, the grant may be awarded without a call for proposals to Redes Chaco. Redes Chaco is a network of networks, primarily composed of civil society organisations, institutions, business organisations and recognised experts of the Great American Chaco (GAC). For over 12 years, Redes Chaco has sought to improve the visibility of the biome in order to ensure its protection and sustainable development. Redes Chaco advocates good governance of the environmentally diverse region that is the Great American Chaco through transparent debate and collective action for effective public policy and socio-economic development of the region. It groups a great number of Civil Society

¹⁵ 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.

organisations dedicated to these matters, including all EU main partners (Proyungas, Fundacion Chaco, Pata Pila, Pronorte) that currently already implement EU projects in the region.

Under the responsibility of the authorising officer by delegation, the recourse to an award of a grant without a call for proposals is justified because Redes Chaco and its networks members can be consider as having a de facto monopoly when it comes to the preservation of natural land resources and sustainable investments in Argentina. Moreover, given its experience, its technical competence, its specialisation, as well as, the fact that it groups – and could leverage - basically all other dedicated organisations and entities, makes them the only possible partner for this action in Argentina.

Argentina: (ii) Foro para la conservación de Mar Patagónico (EUR 3 million)

(a) Objectives of the grant, fields of intervention, priorities of the year and expected results

The main objective under this intervention area is to contribute to the process of reversing biodiversity loss in marine ecosystems. It will aim to increase the resilience of marine ecosystems of both protected areas and coastal areas. With 8% of Argentina's seas categorised as a "Marine Protected Area", efforts will be undertaken to enlarge protected areas, in line with the CBD's Aichi Targets (in particular target 11) as well as enhance monitoring and enforcement capacity to ensure the preservation of endangered species. Increased protection will allow fish stocks to recover and spill into commercial areas and provide an opportunity to support the fishing industry to enhance the lack of transparency of fisheries management, support and where necessary develop conservation strategies and sustainable fishing practices. Activities could also focus on raising awareness and engaging the public on the socioeconomic and environmental benefits of marine protected areas. The action will also support the sustainable management of waste, with a particular focus on the coastal areas involving the tourism and fishing.

(b) Justification of a direct grant

Under the responsibility of the authorising officer by delegation, the grant may be awarded without a call for proposals to the Foro para la conservación de Mar Patagónico. The Foro para la conservación de Mar Patagónico is a Civil Society Network of organisations with four decades of experience promoting the protection of an ecologically healthy and diverse Patagonian Sea. It is highly recognised in Argentina and it groups 23 of the most important ONGs active in marine conservation. In the action, if possible, a strict collaboration with Administración de Parques Nacionales (APN) - a governmental agency linked to the Argentinian Ministry of the Environment and responsible for overseeing the management of all Argentina's marine protected areas – will be sought.

Under the responsibility of the authorising officer by delegation, the recourse to an award of a grant without a call for proposals is justified because Foro para la conservación de Mar Patagónico and its members can be consider as having a de facto monopoly when it comes to the preservation of marine resources in Argentina. Moreover, given its experience, its technical competence, its specialisation, as well as, the fact that it groups – and could leverage - basically all other dedicated organisations and entities, makes them the only possible partner for this action in Argentina.

4.3.2. Direct Management (Procurement)

A service contract tender will soon be launched under a suspensive clause prior to the adoption of this Decision. Amongst others, this is justified to allow an earlier launch of the tender procedure(s) - as well as, of the contractualisation - of the technical assistance foreseen for this programme. This is all the more necessary both in order to ensure the timely start of the implementation and a smooth transition from the currently implemented Euroclima programme to this new programme, as well as, to avoid any potential delay while ensuring the availability of all support resources necessary.

Subject	Indicative type (works, supplies, services)	Indicative trimester of launch of the procedure
Programme coordination, day-to-day communication, logistical support	services	Q4 2021

4.3.3. Indirect Management with pillar assessed Member State Organisations and international organisations

4.3.2.1 Indirect management by EU Member State Agencies (MSAs)

The parts of this action that will not be implemented through direct management will be implemented in indirect management with a number of MSAs, which will be selected by the Commission's services using the following criteria:

- Specific expertise in climate change, biodiversity, policy support, strategic planning, capacity development, knowledge management
- Previous experience in Latin America and the Caribbean
- Robust operational capacity
- Operational capacity to work in as many countries in the region as possible
- Capacity and track record in collaborating with other EU MSAs, UN agencies, EU Delegations and LAC partner governments
- Absence of (potential) conflicts of interest

EU Member State Agencies will cover all 3 outputs, with a focus on national actions.

4.3.2.2 Indirect management by UN Agencies (UNAs)

A part of this action will be implemented in indirect management with two selected international organisations with offices in the LAC region, ECLAC and UNEP ("UNAs"). The UNAs will cover all 3 outputs, with a focus on regional and multi-country actions.

UN Environment Programme (UNEP)

UNEP has been selected according to the following considerations:

UNEP is the leading global environmental authority. Through its Office for Latin America and the Caribbean, UNEP assesses environmental conditions and trends at the global, regional and national levels to develop integrated and appropriate instruments at each level.

UNEP acts as the Secretariat for the Forum of Ministers of Environment of Latin America and the Caribbean, the highest institutional body that establishes the environmental priorities defined by the 33 countries of the region and by the Ministers of the Environment biannually.

Implementation by UNEP, as a strategic partner for the implementation of the EU Green Deal outside the EU borders, will entail the following areas (where UNEP has vast knowledge and expertise):

- Aligning financial flows with the Paris Agreement;
- Promoting ecosystem-based approaches and nature-based solutions;
- A coupled transition to zero-carbon energy and transport;
- Climate governance and transparency.

UN Economic Commission for Latin America and the Caribbean (ECLAC, or CEPAL in Spanish)

ECLAC has been selected according to the following considerations:

ECLAC has more than 70 years of experience working together with the countries of the region on economic, social, and environmental issues;

ECLAC has more than ten subsidiary bodies, composed of government representatives, and intergovernmental meetings, where various public policy issues in the region are examined, cooperation is facilitated and peer-learning is promoted,

ECLAC hosts the annual Forum of the Countries of Latin America and the Caribbean on sustainable development as a regional mechanism to follow up and review the implementation of the 2030 Agenda for Sustainable Development, its Sustainable Development Goals and targets, and its means of implementation;

ECLAC is the secretariat of the Escazú Agreement on access to information, participation and justice on environmental matters which includes higher levels of protection for the defenders of nature, and is the secretariat to MINURVI, the intergovernmental body of ministers of housing and urbanism in LAC.

Implementation by ECLAC entails:

- regional diagnostics, methodologies and comparative studies on key climate action indicators and issues that will give input to decision makers for the formulation of public policies;
- decarbonization scenarios and their economic, social, and environmental implications;
- harmonization and coordination of economic and regulatory sectoral policies;
- policy dialogue with national authorities in the Ministries of Environment, Finance, Economy and Planning (in the LAC region);
- capacity development and exchange of experiences among countries in the LAC region, but also with the European Union.

Both international organisations identified above have undergone an assessment of their systems and procedures. Based on their compliance with the conditions in force at the time, previously other indirect management actions were awarded to the organisations and based on a long-lasting problem-free cooperation, the international organisations can also now implement this action under indirect management, and, where necessary, subject to appropriate supervisory measures in accordance with Article 154(5) of the Financial Regulation.

The two international organisations identified here are currently undergoing an ex-ante assessment of their systems and procedures. This assessment is expected to be finalised by 31 December 2021. In the meantime, contractual clauses will be included in the contribution agreement signed with ECLAC and UNEP. Supervisory measures could also be necessary depending on the results of the ex-ante assessment.

4.3.4. Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

This initiative will be implemented using a combination of direct and indirect management. The budget share between directly and indirectly managed contracts may shift, either for strategic reasons or due to circumstances outside of the Commission's control. It is not expected that such a shift will constitute a major change in the implementation arrangements.

If the implementation modalities originally foreseen under indirect management cannot be implemented due to circumstances outside of the Commission's control, the Commission reserves then the possibility to consider identifying alternative implementation modality in direct management through grant(s), and notably to entities which offer similar technical competences and/or capacities and/or experience those entities originally foreseen for indirect management.

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:

Regarding the cross-border nature of this action, the Commission decides that natural and legal persons from the following countries, territories or regions shall be eligible for participating in procurement and grant award procedures: all EU/EEA countries and countries of the LAC region.

4.5. Indicative Budget

	EU contribution (amount in EUR)	Indicative third party contribution
4.5.1 Indirect Management w. MS Agencies - selection process: Q4 2021/Q1 2022) - includes, tentatively, €14M for country windows: € 2 M for Brazil (from BRA allocation) € 4 M for Chile € 2 M for Costa Rica € 3 M for Mexico (from MEX allocation) € 3 M for Uruguay	49 000 000	TBC
4.5.2 Indirect Management w. internat. Organisations (ECLAC, UN Environment, possibly UNDP) (includes € 2 M for Panama window)	6 000 000	TBC
4.5.3 Service contract – TA	5 000 000	
3.3 – Grants 3.3.1 direct grants for Argentina window	10 000 000	
4.5.6 – Evaluation	will be covered by another decision	N.A.
4.5.7 – Audit	will be covered by another decision	N.A.
4.5.8 – Visibility ³⁰	N.A.	N.A.
Total	70 000 000	

4.6. Organisational Set-up and Responsibilities

This action will be governed based on the lessons learned from the Euroclima Programme and with a view to including additional areas of activity such as a broadened in-country dialogue process that includes both climate and biodiversity actions, at sub-national, national and regional levels.

Programme Steering Committee

The supreme decision-making body of the programme will be the **Programme Steering Committee** (PSC). It is comprised of representatives of:

- the Latin American and Caribbean partner countries eligible to participate in the programme.
- the EU Member States agencies and the two international organisations in charge of the implementation.
- the European Commission, which will co-chair the Steering Committee with one of the LAC countries^[1]

The PSC will meet twice per year to approve overall strategic orientations, annual work plan, attended by representatives at a level appropriate to the proposed agenda and the decisions to be taken. Decisions will be taken by consensus. If consensus cannot be reached, the European Commission may exercise its right to decide.

Management Committee

The Management Committee continues to supervise programme coordination and monitoring. Moreover, it will allocate responsibilities and tasks in order to operationalise work plans. It is comprised of representatives of:

- the European Commission (as chair);
- the EU Member State agencies in charge of programme implementation
- the international organisations in charge of programme implementation

The Management Committee will meet bimonthly (on average)³¹, attended by representatives at a level appropriate to the proposed agenda and the decisions to be taken.

Programme Secretariat

A Programme Secretariat will operate on a permanent basis, with strengthened responsibilities and extensive activity in Latin America. The Secretariat staff will be comprised of:

- staff recruited through a long-term service contract^[2], and
- representatives of the Implementing Agencies, as appropriate.

The Programme Secretariat will be responsible for coordinating, with the implementing agencies, the dialogue with the partner countries and other regional actors about the programme's actions and operationalisation, in line with the guidance by the PSC.

Based on the results of the dialogue with the partner countries and the other LA actors, the Programme Secretariat will establish the draft working plan where the actions to be performed are preliminarily planned, in order to be submitted to approval of the PSC.

The Programme Secretariat will be in charge of the day-to-day programme and notably will be required to perform all essential day-to-day activities necessary to ensure its efficient and coordinated functioning. These activities may include, but are not limited to, its day-to-day monitoring, the execution of its day-to-day communication needs, including in particular the knowledge management, logistics and sharing aspects of the programme. Given the number of countries and stakeholders involved in the programme, most of the above mentioned activities are intrinsic to the programme itself and cannot be dissociated from it without endangering its efficient implementation. The Programme Secretariat also assists in the preparation of meetings, including those of the PSC and the Management Committee.

Implementing Partners

The implementing partners (Member State agencies and international organisations) will take an active role to support the in-country dialogue which informs annual work plans. Their main responsibility will be the implementation of agreed activities as per their contracts and work plans approved by the PSC. The implementing partners will cooperate closely to ensure effective program implementation.

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 Programme Secretariat and the implementing agencies. Suitable monitoring/evaluation processes and tools will be used to keep organized and harmonized information about all programme activities, including their results.

Baseline and target data, as preliminarily presented in the LF Matrix (3.6.), will be refined at the beginning of the implementation of this action, based on progresses of the respective results from current EUROCLIMA+ (for results carried over from current phase) or ad-hoc assessments for new results.

The implementing partners will be responsible for providing detailed information about the activities and results of their specific interventions, while the Secretariat will produce consolidated periodical 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 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, a mid-term and/or ex-post evaluations will 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 the implementation of the programme.

In the case of a Team Europe Initiative, evaluations jointly with other contributing Member States and EDFIs will be the preferred option to provide an overview of the action within the larger impact of the TEI.

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 country 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 country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the programme.

The financing of the evaluation shall be covered by another measure constituting a Financing Decision.

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.

The financing of the audit shall be covered by another measure constituting a financing decision.

6. COMMUNICATION AND VISIBILITY

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

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, in the service contract to be signed, budget for knowledge management and day-to-day communication.

APPENDIX - REPORTING IN OPSYS

An Intervention (also generally called project/programme) is the operational entity associated to a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Interventions are the most effective (hence optimal) entities for the operational follow-up by the Commission of its external development operations. As such, Interventions constitute the base unit for managing operational implementations, assessing performance, monitoring, evaluation, internal and external communication, reporting and aggregation.

Primary Interventions are those contracts or groups of contracts bearing reportable results and respecting the following business rule: ‘a given contract can only contribute to one primary intervention and not more than one’. An individual contract that does not produce direct reportable results and cannot be logically grouped with other result reportable contracts is considered a ‘support entities’. The addition of all primary interventions and support entities is equivalent to the full development portfolio of the Institution.

Option 1: Action level		
<input type="checkbox"/>	Single action	Present action: all contracts in the present action