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**THIS ACTION IS FUNDED BY THE EUROPEAN UNION**

**ANNEX 1**

to the Commission Implementing Decision on the financing of the Multiannual Action Plan for 2024 part IV and 2025 part I in favour of the Americas and the Caribbean.

**Action Document for the Regional Environmental Sustainability / Climate Change programme for the LAC Region - Euroclima (Global Gateway)**

**MULTIANNUAL PLAN**

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

**1 SYNOPSIS**

**1.1 Action Summary Table**

<b>1. Title CRIS/OPSYS business reference Basic Act</b>	<b>Euroclima (Global Gateway)</b> ACT-62289 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
<b>2. Team Europe Initiative</b>	Yes - Regional TEI for LAC on Green Transition
<b>3. Zone benefiting from the action</b>	Latin America and the Caribbean <sup>1</sup>
<b>4. Programming document</b>	The Americas and the Caribbean Regional Multiannual Indicative Programme 2021-2027
<b>5. Link with relevant MIP(s) objectives / expected results</b>	MIP Priority area 1: Green Transition <ul style="list-style-type: none"> <li>• MIP Specific objective 1: To increase ambition and effectiveness of climate action in Latin America and the Caribbean, in line with commitments under the Paris Agreement.</li> <li>• MIP Specific objective 2: To strengthen protection and conservation of land, forest and marine ecosystems and their biodiversity, including through earth observation and digital data.</li> </ul>
<b>PRIORITY AREAS AND SECTOR INFORMATION</b>	
<b>6. Priority Area(s), sectors</b>	<b>Green Transition</b>

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<sup>1</sup> The action shall be carried out in the Caribbean in the following countries: Antigua and Barbuda, The Bahamas, Barbados, Belize, Cuba, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, and Trinidad and Tobago.  
The action shall be carried out in Latin America in the following countries: Mexico, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama, Venezuela, Colombia, Ecuador, Peru, Bolivia, Brazil, Paraguay, Uruguay, Argentina, and Chile.

<b>7. Sustainable Development Goals (SDGs)</b>	Main SDG (1 only): SDG 13: <b>Climate Action</b> Other significant SDGs (up to 9) and where appropriate, targets: SDG 3: Good health and wellbeing 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			
<b>8 a) DAC code(s)</b>	<ul style="list-style-type: none"> <li>• 111 – Education, Level Unspecified (10%)</li> <li>• 410 – General Environmental Protection (50%) <ul style="list-style-type: none"> <li>○ 41010 - Environmental Policy and administrative management (20%)</li> <li>○ 41030 – Biodiversity (10%); 41040 Site preservation (20%)</li> </ul> </li> <li>• 140 – Water Supply and Sanitation (5%) <ul style="list-style-type: none"> <li>○ 14010 Water sector policy and administrative management</li> <li>○ 14015 Water resources conservation (including data collection) (5%)</li> </ul> </li> <li>• 230 – Energy (30%) <ul style="list-style-type: none"> <li>○ 23110 Energy policy and administrative management (10%)</li> <li>○ 232 Energy generation, renewable resources (20%)</li> </ul> </li> <li>• 430 Other Multisector (5%) <ul style="list-style-type: none"> <li>○ 43060 Disaster Risk Reduction (5%)</li> </ul> </li> </ul>			
<b>8 b) Main Delivery Channel</b>	- Main Delivery Channel: 10000 Public Sector Institutions - Detailed Delivery Channel: 13000 3 <sup>rd</sup> Country Government (delegated cooperation)			
<b>9. Targets</b>	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input checked="" type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input type="checkbox"/> Human Rights, Democracy and Governance			
<b>10. Markers (from DAC form)</b>	<b>General policy objective @</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Participation development/good governance	<input 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"/>
	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"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Biological diversity @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Combat desertification @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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"/>
<b>11. Internal markers and tags</b>	<b>Policy objectives</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Digitalisation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Connectivity @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	digital connectivity	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>	/
	energy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	transport	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	education and research	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Migration @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Reduction of Inequalities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Covid-19	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
<b>BUDGET INFORMATION</b>				
<b>12. Amounts concerned</b>	<p>Budget line: 14.020140</p> <p>Total estimated cost: EUR 55,000,000 (incl. EUR 4,000,000 for Argentina + EUR 3,000,000 for Brazil + EUR 2,000,000 for Uruguay)</p> <p>Total amount of EU budget contribution EUR 55,000,000</p> <p>The contribution is EUR 11,000,000 from the general budget of the European Union for 2024 and EUR 44,000,000 from the general budget of the European Union for 2025, subject to the availability of appropriations for the respective financial year following the adoption of the relevant annual budget, or as provided for in the system of provisional twelfths.</p> <p>This action is co-financed in joint co-financing by:</p> <ul style="list-style-type: none"> <li>• Member States' agencies TBD for an amount of TBD</li> <li>• International organisations TBD for an amount of TBD</li> </ul>			
<b>MANAGEMENT AND IMPLEMENTATION</b>				
<b>13. Type of financing</b>	<p><b>Direct management</b> through procurement</p> <p><b>Indirect management</b> with the entities to be selected in accordance with the criteria set out in section 4.</p>			

## 1.2 Summary of the Action

Addressing the [triple planetary crisis](#)<sup>2</sup> will require Latin America and the Caribbean (LAC) to mobilise and increase access to available financial resources. The EU Global Gateway Strategy is a response to this need.

<sup>2</sup> Climate change, pollution and biodiversity loss

The [EU-LAC Global Gateway Investment Agenda \(GGIA\)](#) aims to address investment gaps in line with the common priorities of the EU and Latin America and the Caribbean, with the goal of mobilising both private capital and public funding for sustainable development, including digital transformation, education, health infrastructures, energy production, environment perspectives, raw materials and local value chains.

At the EU-CELAC Summit in 2023, the EU and CELAC agreed to renew and further strengthen their longstanding bi-regional partnership, which is founded on shared values and interests and strong economic, social, and cultural ties. The [Summit Declaration](#) highlights needs and opportunities for collaboration, including strengthening the multilateral system, fighting climate change and biodiversity loss, protecting human rights, a transformational shift towards a sustainable and circular economy.

The GGIA showcases concrete projects with potential for EU investments in climate-relevant sectors such as renewable energy and energy efficiency, renewable hydrogen, climate-smart agrifood systems, water management, decarbonising transportation, methane emissions reduction and sustainable forest management. In addition to hard infrastructure investments, the EU Global Gateway approach incorporates “flanking measures” such as regulatory enhancements and investments in human capital development.

Euroclima+, the Regional Environmental Sustainability / Climate Change programme for Latin America, has been in operation since 2017, with a total budget of EUR 144 million between 2016 and 2019. Since 2021, Caribbean countries also participate. An allocation of EUR 70 million for a new Euroclima LAC programme was approved in 2021.<sup>3</sup>

The objective is now to support LAC countries in achieving a green and just transition, to help them adapt to and mitigate climate change, with a particular focus on the implementation of their Nationally Determined Contributions (NDCs) and the development and implementation of their national biodiversity strategy and action plans (NBSAPs). Euroclima Global Gateway (GG) will do this, *inter alia*, by improving enabling conditions and facilitating the mobilisation of public and private investments.

Euroclima GG will build on the programme’s established structures, partners, networks, country dialogues, and regional initiatives, and provide the resources and support required to amplify climate and biodiversity ambition and contribute to the implementation of the GGIA in climate-relevant sectors. Financed as the key EU initiative under chapter 1 (“Green Transition”) of the regional Multiannual Indicative Programme for the Americas (2021-2027), Euroclima will foster dialogue and cooperation between the European Union’s “Team Europe” and Latin America and the Caribbean and facilitate the identification of cooperative priorities and strategic areas at national and regional levels. This will be accomplished combining:

1. A **Bilateral Approach** (country dialogues) led by EU Delegations in close cooperation with the countries’ authorities will identify actions to enhance institutional capacities and enabling conditions and attract public and private investment to achieve a green and just transition, including to prepare and/or support the implementation of projects of the EU-LAC Global Gateway Investment Agenda (using a Team Europe approach where feasible).
2. A **Regional, Sectoral Approach** will address common (multi-country and/or cross-border) challenges in specific areas, aligning with the priorities of the GGIA and the EU in the region, as well as with the regional priorities and challenges as defined by the Forum of Ministers of the Environment of Latin America and the Caribbean and other relevant regional meetings.

## 2 RATIONALE

### 2.1 Context

The United Nations Secretary General’s report, “[Our Common Agenda](#)”, highlights the urgent need to revitalise the multilateral system to address the profound social, economic, and environmental crises threatening our planet. These crises, namely *climate change, biodiversity loss, and pollution*, have far-

<sup>3</sup> To be noted that of the EUR 70 million approved in 2021 a sizeable share - EUR 26 million – was earmarked to support countries without bilateral cooperation budget.

reaching consequences for global wellbeing, poverty reduction, and quality of life. While there is still a limited opportunity to reverse these crises and limit global warming to 1.5°C, Latin America and the Caribbean face the dual challenge of responding to the COVID-19 pandemic's social and economic impacts while advancing the 2030 Agenda for Sustainable Development, the Paris Agreement, and the Kunming Global Biodiversity Framework.

### **Climate Change**

According to the Intergovernmental Panel on Climate Change's (IPCC), [AR6 Synthesis Report: Climate Change 2023 - IPCC](#) "Continued greenhouse gas emissions will lead to increasing global warming, with the best estimate of reaching 1.5°C in the near term in considered scenarios and modelled pathways. Every increment of global warming will intensify multiple and concurrent hazards".

The World Meteorological Organization's (WMO) report on the State of the Climate in Latin America and the Caribbean (LAC), raises concern about the far-reaching repercussions for ecosystems, food and water security, human health, and poverty. The [WMO](#) states that "Increasing sea-level rise and ocean warming are expected to continue to affect coastal livelihoods, tourism, health, food, energy, and water security, particularly in small islands and Central American countries". For cities located in the Andean region, the loss of a significant source of freshwater currently used for domestic use, irrigation, and hydroelectric power is the consequence of melting glaciers. In addition, for South American countries, the continued degradation of the Amazon rainforest is still a major concern for the region but also for the global climate.

The LAC region, particularly Small Island Developing States (SIDS) therein, is disproportionately affected by the consequences of climate change: 13 of the 50 globally most affected countries are in the LAC region. Warming temperatures, extreme precipitation events leading to floods, landslides and droughts, sea level rise, coastal erosion, ocean, and lake acidification resulting in coral bleaching, and storm surges are expected to increase in frequency and severity, with adverse socio-economic consequences on populations (IPCC, 2022).<sup>4</sup>

LAC's share in total GHG emissions (8.1%) is proportional to its share in total world population (8.4%), slightly higher than its share in global GDP (6.4%) but lower than the per capita emissions of other regions with similar development levels. These emission levels, together with the high costs of inaction, highlight the benefits of urgently adopting adaptation and mitigation policies.<sup>[2]</sup> LAC countries have pledged to significantly reduce greenhouse gas (GHG) emissions by 2030 and become net zero by 2050.

The energy sector, including electricity generation, transportation, and the use of fuel in industrial processes, accounts for 43% of total CO<sub>2</sub>-eq emissions. Importantly, the *Agriculture, Forestry and Other Land Use (AFOLU) sector* accounts for 40% of the region's total emissions, almost double the global average. The main contributors to AFOLU emissions are deforestation and land-use change (UNDP 2022).

The region is endowed with high potential renewable energy resources; at present, they represent 33% of total energy supply compared to 13% globally. Significant variations exist across the region, however. While Brazil generates 84% of its electric power from renewables, Jamaica relies on imported oil derivatives for 87% of its electricity generation. A more sustainable and diversified energy matrix will support LAC in reducing emissions, harnessing the potential of its vast renewable energy resources, and driving universal access to energy.

Food production is a significant driver of both climate change and biodiversity loss. It relies upon ever-increasing quantities of synthetic fertilisers, pesticides, fossil fuels, fresh water, and other finite resources. These are a source of pollution and damage to ecosystems and human health in Latin-America, contributing the to 40% CO<sub>2</sub> emissions from Agriculture and Forestry in the region.

Under the Paris Agreement, countries agreed to limit the increase of average global temperatures to "well below" 2 degrees Celsius. However, with the existing climate pledges, these would put the world on track for a significantly more hazardous 2.5 degrees Celsius. To keep global warming at the safe level, countries require to reduce their emissions drastically.

The Forum of Ministers of Environment of Latin America and the Caribbean (the Forum) is the region's longest standing and most important space for political dialogue and collaboration on environmental matters.

<sup>4</sup> Latin America Economic Outlook (2022) 'Towards a green and just transition'.

During the latest meeting of the Forum, held in October 2023, ministers decided “to enhance the exchange of ideas on climate action in the region” and urged “compliance with resource provision and mobilisation commitments by developed countries including the goal of mobilising 100 billion annually in climate finance.” Ministers also called for an intensified “search for adequate support for the region for mitigation, adaptation and loss and damage [...]” and for “prioritising the use of grant-based public resources to avoid increased debt from developing countries.”<sup>5</sup>

Furthermore, during the EU-CELAC Summit in 2023, countries discussed a broad range of issues to bolster the partnership, including enhanced cooperation in multilateral fora global peace and security trade and investment efforts to combat climate change among others, and adopted a declaration that cover a broad range of issues including reaffirming their commitment to protect our planet and jointly fighting climate change. The shared commitment to implementation of the Paris Agreement is also stated in the association and trade agreements that link the EU and many LAC countries.

Addressing the above-mentioned interconnected challenges and associated impacts require that Latin American and the Caribbean countries develop and improve their enabling conditions, whether technical, regulatory, economic, etc., to achieve a low emission, climate resilient and inclusive development.

### **Biodiversity**

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 reefs.<sup>6</sup> The LAC region contains six of the world’s 36 biodiversity hotspots and six of the 17 “megadiverse” countries which include Brazil, Colombia, Ecuador, Mexico, Peru, and Venezuela. LAC is also home to the world’s most biodiverse habitat, the Amazon rainforest. 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 fisheries.<sup>10</sup> The economic value of terrestrial nature’s contributions to people is estimated to be at least USD 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, massive deforestation, illicit crops, overexploitation of timber and other biological resources (including for illegal trafficking), a growth in (illegal) extractive industries, pollution of water, air and soil, 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 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.<sup>7</sup>

Indigenous peoples are especially affected by the loss and degradation of biodiversity and often at risk of being criminalised or even killed when their communities resist and defend their territories from to illegal logging, land grabbing, expanding cattle ranching and agriculture, mining, illicit crops, and infrastructure construction.<sup>8</sup> It is therefore important to safeguard indigenous peoples’ rights when supporting infrastructure or large-scale investment projects.

The **Kunming-Montreal Global Biodiversity Framework** (GBF) represents the most ambitious global agreement on biodiversity in the history of environmental governance and will serve as the world’s framework for actions taken at all levels to safeguard and restore biodiversity (UN, 2023). This Framework adopted at CBD COP 15 is a historic and transformational package, the necessary complement to the Paris

<sup>5</sup> See also the co-chairs summary of the LAC and EU Ministerial Meeting on Environment and Climate Change of 5 May 2023 at <https://www.unep.org/environmentassembly/lac-eu-ministerial-meeting-environment-and-climate-change>

<sup>6</sup> [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](#)

<sup>7</sup> [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](#)

<sup>8</sup> <https://news.mongabay.com/2021/04/empowering-indigenous-peoples-crucial-to-climate-biodiversity-crises-study/>

Agreement. Jointly, they represent a clear global roadmap towards a truly sustainable economy and truly sustainable development, which is also essential for LAC countries.

In addition, the EU has stepped up action to tackle global biodiversity loss with the adoption the EU Deforestation Regulation to help fight climate change and biodiversity loss linked to global deforestation by addressing the role of EU consumption. The Commission has reaffirmed its commitment to double international biodiversity finance compared to the 2014-2020 MFF. Alignment to this new regulation is a crucial step towards securing the protection of biodiversity in the LAC region.

LAC countries are working closely to advance joint efforts to address biodiversity challenges. For example, on 5 May 2023, the EU-LAC Ministerial Meeting on Environment and Climate Change took place in San José, Costa Rica, both the EU and LAC shared strong common interests to tackle the triple planetary crisis of climate change, biodiversity loss and pollution and agreed that action was urgently needed as foundation to achieve the sustainable development goals. Most recently, during the EU-CELAC Summit on 17-18 July in Brussels, countries raised the need to jointly address biodiversity issues.

In August 2023, eight South American Nations met in Belem, Brazil in the summit of the Amazon Cooperation Treaty Organization (ACTO) to agree on a unified approach for regional cooperation and protection of the Amazon rainforest through the creation of an alliance for combatting forest destruction.

### **Circular Economy**

The circular economy is also key to fighting biodiversity loss, in line with the goals of the Biodiversity Strategy<sup>9</sup> and of the international agreements and targets due to its key role in reducing waste and pollution, providing solutions to restore biodiversity and in reducing our need for resources. Currently, over 90 % of biodiversity loss is due to the extraction and processing of natural resources.

The EU and LAC are working together on Circular Economy at global level. Most LAC countries are members of the **Global Alliance on Circular Economy and Resource Efficiency** (GACERE) and the Latin American Regional Coalition on Circular Economy. LAC countries have been supportive in the Intergovernmental Negotiating Committee (INC) negotiations on Plastic Pollution. The regional submission from the Group of Latin America and the Caribbean (GRULAC) focused extensively on financing issues.

Unless countries undergo a profound transformation in our approach to using resources to meet our needs, we will fall short of achieving multiple critical goals, including the Sustainable Development Goals (SDGs), the targets outlined in the Paris Agreement, and the objectives set forth in the Montreal Kunming Global Biodiversity Framework.

Governments in LAC countries are increasingly recognising the imperative of transitioning to a circular economy to address the escalating waste crisis in the region. Several LAC nations have already developed comprehensive Circular Economy (CE) policies and roadmaps, with Costa Rica leading the way in March 2018. Subsequently, Uruguay has followed suit, and other countries such as Chile, Peru, Mexico, Colombia, Ecuador, and Uruguay have implemented legislation related to single-use plastics and introduced various policies focused on achieving “zero waste” or advancing the concept of a “circular economy.” The European Union’s Circular Economy Action Plan highlights its international objectives, which include identifying gaps governance related to advancing a global circular economy, strengthening cooperation to promote a worldwide circular economy.

## **2.2 Problem Analysis**

The climate emergency represents an existential challenge for humanity. The EU and LAC can make a major contribution to global cooperative efforts to meet this challenge. There is significant potential for cooperation towards climate neutral, clean, and nature-positive economies. Both regions are committed to protecting biodiversity, halting deforestation, promoting sustainable agriculture and agrifood systems and more circular economies, improving waste and water management, increasing resource productivity, tackling pollution, and investing in climate resilience.

<sup>9</sup> See, Circular Economy and Biodiversity, ETC CE Report 2023/7, available at <https://www.ecologic.eu/19319>

The LAC region has unique potential in terms of biodiversity, natural resources, sustainable renewable energies, agricultural production, and strategic critical raw materials. It contains 50% of the planet's biodiversity that is vital for its ecological balance, notably in the Amazon. The region is key to achieving global climate and environmental objectives, including the implementation of the Paris Agreement, the Kunming-Montreal Global Biodiversity Framework, the High Seas Treaty on Marine Biodiversity Beyond National Jurisdiction (BBNJ) and the resolution for a Global Agreement on Plastic Pollution.

LAC countries require large-scale investments for **reducing emissions** and **to adapt to the adverse effects of climate change**. According to the Inter-American Development Bank (IDB), meeting climate goals in the region will require substantial investment, ranging from 7% to 19% of GDP by 2030 (equivalent to USD 470 billion to USD 1,300 billion). **Public finance** will not be sufficient to address the problem. **Mobilising private sector** finance will be also required.

Financing the transition requires countries to access available financial support and to deploy environmentally sustainable fiscal policies and strategies to mobilise resources from both public and private sectors. The LAC region faces the challenge of financing the green transition under a tight fiscal space. A 2.5°C global warming scenario could cost the region between 1.5% and 5.0% of its GDP by 2050. Since the private sector will account for most of the investment needed to undertake the transition, the public sector will have to create the necessary incentives to redirect these investments toward sustainable projects. Thus, it will be necessary to improve and expand sustainable finance frameworks to ensure that the right regulatory tools are in place (e.g., sustainability standards and green, sustainable, or transition taxonomies). Given the fact that several LAC countries are highly vulnerable to climate change, the EU will continue to support effective national climate change adaptation strategies and support at bi-regional level communities against damages caused by natural hazards, building on existing initiatives, and with special emphasis on the protection of indigenous communities and rural populations. The EU remains committed to continue supporting disaster preparedness programmes, as well as to step up the overall cooperation around disaster risk management and the exchange of best practices.

Furthermore, the LAC region is currently facing a considerable loss of habitats. Habitat loss due to agriculture and pasture for livestock is the most important **threat to biodiversity** in the region (UNEP-WCMC). The LAC region is also facing a rising trend in all major pressures on biodiversity: land degradation and land use change; climate change; land-based pollution; unsustainable use of natural resources and invasive alien species. Urgent measures need to be made. by conserving, restoring and sustainably using biodiversity, the LAC region can promote viable solutions to present and future challenges, including climate change, water scarcity, food security, sustainable development, and peace and security.

**The EU Global Gateway Strategy is a response to the need to mobilise private sector finance.** The EU-LAC Global Gateway Investment Agenda (GGIA) aims to address investment gaps in line with the common priorities of the EU and Latin America and the Caribbean, with the goal of mobilising both private capital and public funding for sustainable development. The [Joint Declaration](#) adopted at the EU-CELAC Summit 2023 recognises “the potential contribution of the EU-LAC Global Gateway Investment Agenda” (GGIA). The [GGIA](#) aims to address investment gaps in line with the common priorities of the EU and Latin America and the Caribbean, with the goal of mobilising both private capital and public funding for sustainable development, including digital transformation, education, health infrastructures, energy production, environmental perspectives, raw materials and local value chains.

Furthermore, to address the climate and the biodiversity crisis, the Paris Agreement (UNFCCC) and the new Global Biodiversity Framework (CBD) are seeking an alignment of the respective goals and targets on a national level (NDCs and NBSAPs). Such effort would help to maximise synergies, while minimising potential negative effects of the corresponding activities. Euroclima can play an essential role supporting partner countries in their alignment efforts through adoption and improvement of policy instruments at country level.

With the critical understanding that humanity has already transgressed six of the nine vital planetary boundaries governing Earth's stability and resilience, LAC countries recognise the urgency of shifting towards low-emission circular economies. By promoting the efficient use and reuse of resources through a circular economy approach, LAC countries will help reduce the pressure on biodiversity as it minimises the

need for extracting critical raw materials and habitats, preserving ecosystems and species. Additionally, circular economy supports climate change mitigation and climate adaptation targets.

The new phase of Euroclima will build on the programme's established structures, partners, networks, country dialogues, and regional initiatives, and provide the resources and support required to amplify climate and biodiversity ambition and contribute to the implementation of the GGIA in climate-relevant sectors.

Euroclima plays a pivotal role in helping partner countries address the triple crisis through policy dialogue and technical support, drawing on its extensive experience of working on the ground. Euroclima has gained the trust of its partners, making it a reliable and effective ally in tackling the complex challenges of climate change, environmental degradation, and socio-economic disparities, forging a powerful alliance between regions to confront these pressing challenges.

Euroclima is committed to mainstreaming the Circular Economy throughout its initiatives, ensuring that sustainability and resource efficiency principles are embedded in climate action strategies, policies, and projects across partner countries. This integration will enable a holistic and interdisciplinary approach to addressing both climate change and biodiversity conservation.

Euroclima provides crucial expertise, technical assistance, and policy dialogue to partner countries, facilitating the integration of sustainability measures and advancing the GGIA's mission of creating a more resilient and sustainable global future. This support includes sectoral approaches and mobilisation of private capital, particularly emphasising areas like sustainable energy solutions (including renewable hydrogen), sustainable transport as well as climate smart agriculture and sustainable agri-food systems (and others), in line with the GGAI's objectives. As one main investment area under the GGIA, water related investments, public and private, will be supported as a major enabler for adaptation, inclusive social development, and economic growth. Through its work, Euroclima helps bridge capacity and funding gaps, playing a vital role in achieving the GGA's ambitious targets. In this context, Euroclima could, for example, support investments in areas such as regenerative food production with an aim to reduce greenhouse gas emissions from food production by reducing reliance on synthetic inputs and by building healthy soils with high levels of organic matter and richer microbial biodiversity.

Euroclima will contribute to ensuring that this new Global Gateway development approach contributes to mitigating socio-economic inequalities and minimises possible negative impacts or externalities on groups in vulnerable situation. If measures to address climate change do not include women in the processes of developing and implementing these measures, they will be less effective, but may even unintentionally contribute to widening gender gaps.

Furthermore, women are underrepresented in climate discussion, negotiation and policy-making spaces and are a minority among economic decision-makers, policy makers and implementers, and participants in dialogue spaces at all levels from community to international. Indigenous and tribal people are agents of change and key actors in the search for solutions to mitigate it.

Euroclima will become a valuable platform to facilitate the implementation the EU's Global Gateway strategy in the LAC region, enhancing the enabling condition for a strengthened EU-LAC "green partnership". Specifically, the programme will:

1. **Provide policy related technical advice, institutional capacity building and support to partner countries** on key thematic and regional topics.
2. Support the facilitation or the preparation of **the implementation of** transformative or priority **projects** aligned with the Global Gateway Investment Agenda, and
3. Foster and strengthen the EU-LAC **bi-regional dialogue for a green and just transition**, in line with the agreement adopted at the EU-CELAC summit in the areas of environment, biodiversity and climate change.

All three areas of intervention will complement one another, will be mutually beneficial and consider social inclusion aspects.

## Key Stakeholders

Addressing climate change and biodiversity loss requires 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. The following main duty bearers and rights holders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) were identified as concerned by the action:

- Ministries of Environment and Climate Change
- National Disaster Management Agencies, National Meteorological and Hydrological Services
- Ministries / 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
- Ministries/ Mechanisms for the Advancement of Women
- Regulators, notably for the energy, transport, and water sectors
- Local authorities and public service operators
- 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., the Critical Ecosystems Partnership Fund
- NGOs like CI, WCS, WWF, women rights' organisations, 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 organisations, important partners in biodiversity conservation, as their territories, can be considered as "Other Effective Conservation Measures" (OEMC)

Indirect rights holders:

- Population in vulnerable situation: working at the root causes of climate change and biodiversity loss, which disproportionately impact populations living in vulnerable situation, Euroclima will be supporting the resilience to of communities in vulnerable situation.

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 support LAC countries in achieving a green and just transition towards sustainable, low-emission, and climate resilient development and the protection and conservation of

biological diversity, with a particular focus on the implementation of their Nationally Determined Contributions (NDCs) and the development and implementation of their national biodiversity strategy and action plans (NBSAPs), inter alia by improving enabling conditions and facilitating the mobilisation of public and private investments, including the opportunities provided by the Global Gateway Strategy.

The **Specific Objectives** of the action are defined as the following outcomes:

- Outcome 1: Strengthened enabling environment and attract public and private investment to support the green and just transition in LAC countries through actions identified in bilateral country dialogues.
- Outcome 2: Enhanced (bi-)regional and multi-country collaboration and partnerships between EU and LAC for transformative initiatives in priority areas and supporting access to and mobilisation of sustainable and climate finance.

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

#### **Contributing to Outcome 1:**

- Output 1.1: Enhanced climate and nature-related **policy, regulatory and institutional frameworks** to facilitate and incentivise green investments, circular economy, biodiversity protection and restoration and a green and just transition.
- Output 1.2: Enhanced **institutional capacities** in LAC to support the green and just transition, including – where appropriate – the fight against illegal activities in indigenous territories.
- Output 1.3: Developed transformative climate and biodiversity **bankable projects** to increase access to finance and attract public and private sector investments.
- Output 1.4: Established **partnerships between EU and LAC public and private sector entities** for the implementation of project investment opportunities.

#### **Contributing to Outcome 2:**

- Output 2.1: **Climate diplomacy: Established platforms for trust-based bi-regional dialogue** between the EU and LAC to facilitate public and private investments for climate and biodiversity action,
- Output 2.2: Established **peer-to-peer technical exchange platforms** on technology, knowledge, information sharing, and regulation (e.g. EU Deforestation Regulation, EU Carbon Border Adjustment Mechanism) between EU and LAC for key prioritised areas under the [EU GGIA for LAC](#).
- Output 2.3: Provided **policy and technical support to kick-start pilot catalytic actions** in partner countries in key priority areas, such as sustainable energy, renewable hydrogen, sustainable transport, water management, biodiversity, and sargassum based solutions, among others.

## **3.2 Indicative Activities**

The activities delivering the outputs contributing to Outcome 1 will be defined using the well-established **Country Dialogue methodology** currently in use in the Euroclima programme. An indicative list of activities of the outputs contributing to Outcome 1 is:

- Output 1.1: Enhanced climate and nature-related **policy, regulatory and institutional frameworks** to facilitate a green and just transition and incentivise green investments, circular economy, biodiversity protection, conservation and restoration.
  - Supporting LAC countries in aligning policy instruments with new EU legislation, particularly the Deforestation Regulation and the Sustainable Finance Framework (including the Corporate Sustainability Reporting Directive).

- Strengthening green and social taxonomies, access to and mobilisation of climate finance, project readiness, and risk disclosure frameworks.
- Strengthening the policy, regulatory and institutional frameworks for climate mitigation in key sectors such as renewable energy including renewable hydrogen<sup>10</sup>, energy efficiency, sustainable mobility, climate smart agriculture, water and waste management, housing, carbon pricing and forest conservation.
- Strengthening the policy, regulatory and institutional frameworks for climate change adaptation and disaster risk financing, including in key sectors such as water management, bioeconomy, and sustainable food production.
- Developing and/or strengthening national biodiversity strategies in line with the Kunming-Montreal Global Biodiversity Framework, including their financing strategies
- Promoting the use of Copernicus to improve the land-use change (particularly deforestation and forest degradation) monitoring capacity of LAC countries.
- Strengthening the policy, regulatory and institutional frameworks for promoting bioeconomy and a circular economy approach in climate and development strategies, including solutions to address sargassum.
- Strengthening water governance in transboundary basins, coastal protection and decentralisation of water management.
- Supporting the design (e.g., feasibility studies, mitigation potential analysis) and structuring (including regulatory framework) of financial instruments to support the protection and conservation of forests, wetlands, and oceans.
- Output 1.2: Enhanced **institutional capacities** in LAC to support the green and just transition.
  - Carrying out capacity needs assessments to identify key capacity and institutional gaps in LAC countries in designing and managing green financial and policy instruments.
  - Strengthen the capacity of public and private stakeholders, including financial institutions, in designing and managing green financial and policy instruments.
  - Strengthen the science-policy interface in LAC countries on key prioritised areas.
  - Strengthen the capacity of LAC stakeholders in developing regulations for the production of renewable hydrogen in LAC.
  - Strengthen the capacity of LAC stakeholders in developing and formulating proposals to enable effective access to available climate and sustainable finance from the public and private sector.
  - Strengthen the capacity of LAC stakeholders in using tools and information systems, such as Copernicus for decision making processes.
  - Support participative and inclusive processes for developing on new regulations and land use and/or spatial planning, protection, restoration and valorisation of ecosystem services, and payment for ecosystem services, nature-based solutions, etc.
  - Fostering marine and coastal areas protection and development through regional approach (restoration of marine and coastal ecosystems in prevention of extreme climatic events, blue economy, sustainable mangrove management, etc.)
  - Strengthening holistic approach (beyond carbon) for the valuation of ecosystem services.
  - Support biodiversity monitoring through the use of satellite technologies to monitor ecosystems evolutions or through DNA technologies to list species.

<sup>10</sup> As far as renewable hydrogen is concerned, Euroclima has already been supporting the platform [www.h2lac.org](http://www.h2lac.org).

- Support structuring sustainable value chains and bioeconomy/biotrade (production, transformation and trade), capacity building for local actors, including indigenous and traditional communities and private sector.
- Strengthening climate-smart and digital agriculture systems (micro weather stations for instance).
- Promoting the use and adoption of mechanisms for payment for ecosystem services and related mechanisms, such as Positive Conservation Partnerships.
- Strengthening the capacity of LAC stakeholders in adapting and complying with new EU legislation, such as the Deforestation Regulation and the Corporate Sustainability Reporting Directive.
- Output 1.3: Developed transformative **bankable projects** to increase access to and mobilisation of finance and attract public and private sector investments.
  - Providing fit-for-purpose bankable project development and formulation support to access climate and sustainable finance from public and private sources for project proposals in a current state of development (concept note or similar) with capacity for scalability and replicability.
  - Supporting the identification and matchmaking between governments and EU private sector’s investment opportunities.
  - Support the development of climate finance readiness studies.
- Output 1.4: Established **partnerships between EU and LAC private sector entities** for the implementation of project investment opportunities
  - Providing technical assistance in establishing Public-Private Partnerships (PPPs) to facilitate investments in a sustainable, decarbonised, resilient, and resource-efficient economy.

The activities delivering the outputs contributing to Outcome 2 will be defined using a **regional and/or sectoral approach** to address common (multi-country and/or cross-border) challenges in specific areas, including priorities covered by the [EU GGIA for LAC](#). An indicative list of activities of the outputs contributing to Outcome 2 is:

- Output 2.1: **Climate diplomacy: Established platforms for trust-based bi-regional dialogue** between the EU and LAC to facilitate public and private investments for climate and biodiversity action.
  - Engaging bi-regional political stakeholders to identify policy areas requiring alignment to support the implementation of the EU GGIA.
  - Facilitating bi-regional / sectoral convenings related to climate finance, green investment, adaptation finance, nature-based solutions, circular economy and disaster risk management, among others.
  - Strengthening Euroclima’s technical and policy role in EU-LAC dialogues.
  - Supporting the implementation of the conclusion of the agreements of the July 2023 EU-CELAC summit in the areas of environment<sup>11</sup>, biodiversity and climate change.
  - Supporting an enabling environment for the circular economy ecosystem at the regional level, through the work of the Circular Economy Coalition for Latin America and the Caribbean (CEC LAC).

<sup>11</sup> Such as the EU-Brazil and the EU-Colombia High-Level Dialogues on the Environment.

- Output 2.2: Established **peer-to-peer technical exchange platforms** on technology, knowledge, information, and regulation (e.g., EU Deforestation Regulation, EU Carbon Border Adjustment Mechanism) between EU and LAC for key prioritised areas under the EU GGIA for LAC.
  - Building Communities of Practice between EU and LAC practitioners for peer-to-peer knowledge sharing and exchanges in key priorities areas such as sustainable transport, sustainable energy, renewable hydrogen, climate smart agriculture, sustainable food production, water management, sustainable forest management, and circular economy.
  - Supporting different sectoral platforms operating in the region to generate exchange spaces, share technical content and other linking actions to facilitate joint learning and synergies with other initiatives.
  - Facilitating peer-to-peer (bi-)regional knowledge sharing and exchanges for the development of successful bankable projects, business models and financing mechanisms that have been applied in the region to support a green and just transition.
  - Fostering regional dialogues, participation and consultations that actively involve diverse stakeholders, including indigenous communities, women, youth, and civil society, with the objective to ensure that the green transition considers the perspectives and needs of all groups and promotes social equity.
  - Facilitating knowledge sharing and transfer from international organisations and private sector with expertise in key areas such as sustainable energy, renewable hydrogen, sustainable transport, climate smart agriculture, sustainable food production, water management, biodiversity, circular economy and solutions against sargassum.
  - Teaming up with other EU initiatives, such as the Global Green Bond Initiative, to pave the way for building a consolidated regional hub for Green Finance.
  - Developing a regional/multi-country initiative to support the strengthening of technical capacities, the generation of new knowledge, and the development of models and tools to facilitate decision-making in the financial system (central banks, private banks and the institutions responsible for their supervision) to address climate change and reduce the risks of the system itself.
- Output 2.3: Provided **policy and technical support to kick-start pilot catalytic actions** in partner countries in key priority sectors, such as sustainable energy, renewable hydrogen, sustainable transport, biodiversity, and sargassum.
  - Providing advisory support to enhance private sector engagement while identifying potential EU private sector interests and barriers faced by this sector to invest in low-emission climate-resilient solutions in the LAC region.
  - Supporting the establishment of regional training centres and programmes for developing bankable climate and biodiversity projects.
  - Supporting the development of a Regional Observatory on Power-to-X (PtX) production in the LAC region.
  - Supporting the establishment of regional incubators to develop innovative solutions to channel investments that support the green and just transition.
  - Mainstream circular economy approaches to address the sargassum problem in the Caribbean Region, by developing economic solutions.
  - Supporting the identification and kick-starting of pilot actions and innovative start-ups in priority areas, such as sustainable energy, renewable hydrogen, sustainable transport, water management, biodiversity, bioeconomy, and solutions against sargassum.

**Windows for Argentina, Brazil and Uruguay sustainable and clean energy including renewable hydrogen.**

In 2021-27, the EU has 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. Some of these 16 “non-MIP” countries are “upper-middle” or “even “high income” countries, and therefore not “DACable”.<sup>12</sup> This said, as the external dimension of the EU Green Deal advocates cooperation with all 33 LAC countries, regional programmes will include “non-MIP” countries. Three of these countries, Argentina, Brazil and Uruguay, are seeking specific support in the context of the implementation of their renewable hydrogen strategies, which is fully in line with the EU LAC GGIA. The following specific actions are indicatively foreseen:

**1. ARGENTINA: To contribute to the strengthening of EU-Argentina dialogue, trade and investment in renewable hydrogen. EUR 4 million**

Expected Outcomes:

- Argentina’s renewable hydrogen regulatory framework is enhanced in line with international standards that encourage demand, create a renewable hydrogen market and accelerate the deployment of hydrogen-necessary sustainable and resource efficient infrastructure.
- EU-Argentina investment relations in the area of renewable hydrogen are enhanced, and where relevant, with certified exports to the EU (in the context of carbon leakage).
- EU-Argentina scientific and research cooperation in renewable hydrogen
- Follow up of the Memorandum of Understanding signed between EU and Argentina during the EU-CELAC Summit in Brussels (17-18 July 2023).

**2. BRAZIL: Fostering EU-Brazil cooperation and coordination on sustainable energy including renewable hydrogen and derivatives. EUR 3 million**

Expected Outcomes:

- Regulatory framework and certification schemes are enhanced and aligned.
- Partnerships between and among EU and Brazilian public and private sector entities are promoted.
- Bankable projects for sustainable energy deployment & renewable hydrogen are identified and catalysed.
- EU investments related to renewable energy including renewable hydrogen and derivatives are promoted, both for energy for Brazil’s internal market and the European export market.

**3. URUGUAY: Support in the implementation of Uruguay’s renewable hydrogen and derivatives roadmap. EUR 2 million**

Expected Outcomes:

- Uruguay’s renewable hydrogen regulatory framework is enhanced in line with international standards that encourage demand, create a renewable hydrogen market and accelerate the deployment of hydrogen-necessary sustainable and resource efficient infrastructure.
- Capacity building and citizen participation promoted.
- Sustainable and resource efficient infrastructure development supported.
- Follow up of the MoU signed between EU and Uruguay during the EU-CELAC Summit (17-18 July 2023).

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<sup>12</sup> Argentina and Uruguay are not DACable.

The commitment of the EU's contribution to the Team Europe Initiatives foreseen under this Action 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. If the TEIs and/or these contributions do not materialise the EU action may continue outside a TEI framework."

### 3.3 Mainstreaming

#### **Environmental Protection & Climate Change**

The final right holders of the Action will be a wide range of stakeholders, from farmers, SMEs, to citizens who will benefit from improved income opportunities, social protection, social security. Specifically, the action will aim at improving women's participation in diversity of solutions to be supported to address climate change, biodiversity loss with a circular economy approach. These efforts can be further integrated into the results of the proposed Action to capture data disaggregated by sex. The digitalisation will be among the cross-cutting issues in all the dimensions of the action for the development of innovative services and solutions to economic actors and populations.

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

The Strategic Environmental Assessment (SEA) screening concluded that key environmental and climate-related aspects need be addressed during design of the initiatives to be carried out at regional and national level.

#### **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, case by case financed intervention under the different outcomes, and especially outcome 1 may require of an EIA.

#### **Outcome of the CRA (Climate Risk Assessment) screening** (relevant for projects and/or specific interventions within a project)

The Climate Risk Assessment (CRA) screening concluded that this action is no or low risk (no need for further assessment). However, case by case financed intervention under the different outcomes, and especially outcome 1 may require of a CRA or a CRA as part of an EIA.

#### **Gender equality and empowerment of women and girls**

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, especially indigenous girls and women. Euroclima is committed to support the formulation of climate policies with a gender, intersectionality, intercultural and intergenerational approach. The programme also emphasises equal opportunities for women to access jobs in the field of energy transition, given the relevance of women's participation in economic and energy sectors prioritised in the region with the Global Gateway strategy.

Gender equality is a central issue for the European Union, and a fundamental pillar in the relations with Latin America and the Caribbean. Euroclima has incorporated the provision of technical support to mainstream the gender perspective in projects and actions in which it has been structured. Adhering to European regulations including the Action Plan for Gender Equality and Women's Empowerment in External Action<sup>13</sup> (GAP III), Euroclima aligns with the EU's commitments, like ensuring that 85% of new actions in its external relations contribute to gender equality and women's empowerment by 2025.

The COP 16 report emphasises that 'gender equality and the effective participation of women and indigenous peoples are important for effective action on all aspects of climate change'. A Just Transition agenda recognises the vulnerability and interdependence of people and planet and places importance on caring for both.

<sup>13</sup> JOIN(2020) 17 final of 25.11.2020: [https://ec.europa.eu/commission/presscorner/detail/en/IP\\_20\\_2184](https://ec.europa.eu/commission/presscorner/detail/en/IP_20_2184)

Euroclima adopted a gender strategy in 2022 that promotes gender equality in Latin America through the integration of Gender perspective/dimension in policies, plans and other process-related measures agreed under the UNFCCC as well as the guiding principles on gender equality and social inclusion of the Paris Agreement, the mandate of GAP III and its future iterations, and other agreements at the regional level in Latin America. Euroclima is deeply committed to strengthen its own capacities to integrate the gender perspective, with special emphasis in the rights of indigenous girls and women, into actions and measures on climate change that it promotes with its counterparts in Latin America.

Activities financed under this action will:

- Continue to strengthen Euroclima’s approach to gender mainstreaming to comply with both the European regulations for international cooperation, including the recently adopted Gender Equality and Women’s Empowerment framework or GAPIII, 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.

### **Human Rights**

Climate change and biodiversity loss threaten the attainment and realization of human rights, posing a serious risk to the fundamental rights to life, health, food, and an adequate standard of living of individuals and communities. Groups living in vulnerable situation 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.<sup>14</sup>

Climate change also affects disproportionately indigenous peoples, due to their dependence upon, and close relationship, with the environment and its resources. According to the UN Permanent Forum on Indigenous Peoples, climate change exacerbates the difficulties already faced by indigenous communities including political and economic marginalisation, loss of land and resources, human rights violations, discrimination and unemployment.

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 environment<sup>15</sup> Combatting climate change and environmental degradation can sometimes affect the livelihood of people working with activities that contribute to high emissions. Thus, it is critical to support those that may be negatively affected by measures taken to prevent climate change and biodiversity loss.

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

- Integration of public consultation and participation processes (and when applicable free, prior, and informed consent protocols) with indigenous, groups in vulnerable situation and minority groups into the development, preparation, and implementation of activities.
- Plan and implement activities, complying with national and international human rights legislation.
- Elaborate social impact analyses in activities such as developing institutional capacities, action plans and practical tools, to ensure protection of human rights for groups in vulnerable situation (such as indigenous peoples, minorities, and the poor).

<sup>14</sup> 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.

<sup>15</sup> <https://hir.harvard.edu/protecting-latin-americas-environmental-defenders-the-fight-for-the-escazu-agreement/>

- Encouraging LAC countries to sign, ratify and respect the Escazú Agreement<sup>16</sup> as well as other legal instruments that may be relevant for the respect and protection of human rights.
- 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. The Action will ensure that rights of persons with disabilities will be respected, and the planned activities are disability inclusive. The Action will encourage partners and program participants to take the initiatives to involve persons with disabilities and invite organisations representing people with disabilities. The Action will be in line with the EU Strategy for the Rights of Persons with Disabilities 2021-2030, and the EU Guidance Note Disability inclusion in EU external action.<sup>17</sup>

### **Reduction of inequalities**

Global climate crisis has generated and expanded inequalities both within and between countries, undermining social cohesion. In this context of rising inequalities, Euroclima is designed to collaborate with development partner countries, spearheaded today by the Global Gateway initiative and the Team Europe approach to make progress in their “triple transition” – just, green, digital, and social transitions. Inequality reduction is a significant objective of the programme as the climate change agendas and priorities are connected within a wider international context in which a series of unexpected and more cyclical crisis are happening, challenging the convergence process between countries, and further increasing poverty, inequalities, and socio-political instability. There is thus a pressing need to devise new and stronger responses to face these challenges leaving no one behind.

Climate change and biodiversity loss, which disproportionately impact populations in vulnerable situation, will be addressed by Euroclima as it works towards reducing inequalities at their root causes.

### **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.

<sup>16</sup> <https://www.cepal.org/en/escazuagreement>

<sup>17</sup> Strategy for the rights of persons with disabilities 2021-2030 <https://op.europa.eu/en/publication-detail/-/publication/3e1e2228-7c97-11eb-9ac9-01aa75ed71a1/language-en>

- 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 targeting the resilience and ability of LAC countries to mitigate, respond and adapt to climate change and biodiversity loss and degradation, including climate disaster, by strengthening the capacities of Governments in risk management.<sup>18</sup>

### Other considerations if relevant

None

## 3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/Medium/Low)	Impact (High/Medium/Low)	Mitigating measures
Risks related to the external environment	Increased strength and frequency of hurricanes and other natural hazards, especially in the Caribbean	H	M	Implement prevention and risk management measures, prioritise funding for urgent interventions, and communicate long-term impact.
	Financial, economic, social, or political crisis affecting investment in climate change and environment policies	M	H	Establish linkages with other funding sources, engage in policy dialogue, and increase stakeholder engagement to minimise the impact of these crises.
Risks related to planning, processes and systems	Shifting priorities or funding drying up for the Programme	L	H	Raise awareness of the positive effects of the programme, promote synergies with other agencies, and encourage intra-LAC cooperation.
	Political changes jeopardising interest in climate change and environment	M	H	Engage in policy dialogue, advocacy work, and highlight the role of the Programme in supporting national strategies.

<sup>18</sup> Important in this context is also the “Memorandum of Understanding on Cooperation in Disaster Preparedness and Risk Management (DRM) with Intergovernmental Organizations (IGO) from Latin America and the Caribbean” that was signed during the “Disaster Preparedness saves lives” event, with EU and UNDRR in the context of the EU-Latin America and Caribbean Forum in July 2023.

	The Programme's interventions by LAC governments exclude CSOs and communities in vulnerable situation, leading to their lack of benefits. This exclusion could result in unfair resource distribution and ineffective outcomes.	M	M	Engage CSOs and communities in vulnerable situation in all Programme's phases, from planning to evaluation. Foster this engagement through consultations and capacity-building efforts. Ensure their benefit by implementing specific strategies, including targeted actions and monitoring for inclusivity and impact.
	Communities most affected by climate change, climate-related disasters and environmental degradation in certain countries are indigenous and require an ethnically sensitive approaches	M	M	Ensure that when Programme interventions involve indigenous communities, an analysis of the cultural and anthropological implications is carried out and ethnically sensitive approaches are defined.
Risks related to people and the organisation	Excessive complexity of the Programme leading to underperformance	M	H	Reduce red tape and administrative procedures, improve platforms and management systems, and plan carefully.
	Insufficient progress on adaptation due to insufficient allocation of resources	L	M	Involve additional financial institutions and private funding sources.
	High turnover rate of officials in LAC Governments	H	M	Encourage medium and long-term commitments, engage technical teams, and facilitate decision making.
	Deliverables being impacted by unforeseen events or a lack of sufficient expertise.	L	H	Monitor performance, make adjustments, and implement corrective measures.
	Insufficient or inadequate gender mainstreaming could reinforce gender inequalities and the non-realisation of human rights in the sector and hinder the efficiency and sustainability of the action.	L	M	Euroclima+ Gender Strategy, knowledge and tools of gender mainstreaming are available. Gender-sensitive monitoring, use of sex-disaggregated data, and gender-sensitive indicators. Gender mainstreaming is applied

				in all phases of the project cycle.
Risks related to communication and information	Disparities in access to technology, human capital, finance, and information among LAC countries pose challenges to climate action and social equity. These imbalances, including those related to natural resources, technology transfer, and technical skills, hinder the implementation of climate change adaptation and mitigation measures.	H	H	Mitigate knowledge and information access gaps, promote face-to-face actions and distribution of materials, increase stakeholder engagement, build capacity, and incorporate a rights-based approach to inclusive policies.

**Lessons Learnt:**

The action builds upon lessons learned and recommendations from the programmer’s implementation, as well as from a mid-term evaluation carried out in 2020/2021. Key observations from that evaluation concerning the programme and its relevance include:

- Significant contribution to partner countries’ NDC-focused plans and policy implementation.
- Strong alignment with national and regional climate policies, particularly addressing NDC priorities.
- Reinforced EU-LAC strategic alliance, emphasising regulatory frameworks and climate policies.
- Promotion of bi-regional, intra-regional, and triangular cooperation through knowledge sharing.
- Effective cross-cutting approach for tackling climate challenges, notably in policy development.
- Promising sustainability achieved through alignment with country dialogues and regional priorities.
- Enhanced credibility attributed to the programme’s dual operation at national and regional levels.
- Robust country dialogue processes ensuring transparency, predictability, and collaboration.

**Key recommendations for improvement:**

- Policy Development: Elevate policy dialogue to higher levels and formulate more comprehensive and ambitious long-term climate strategies.
- Gender Mainstreaming: Strengthen efforts to address the gender deficit, focusing on the rights of groups in vulnerable situation such as local and indigenous communities, women, youth, boys, and girls.
- Consultation: Enhance consultation with national focal points and expand engagement within ministries of energy, planning, and finance.
- Monitoring and Evaluation: Build capacity for monitoring and evaluating the implementation of sector support policies in collaboration with agencies.
- Sub-National Impact: Develop strategies to extend the impact of projects beyond local scales for broader systemic influence.
- Coordination with EU Member States: Enhance synergy among EU Member States involved in the programme.

- **Regional Coordination:** Build capacity within regional programmes to facilitate coordination between various climate change cooperation programmes.
- **Financial Mobilisation:** Explore funding sources and strengthen relationships with European climate finance partners to address limited financial capacity.
- **Team Europe approach:** Continue efforts to harmonise actions, prevent fragmentation, and maintain a unified direction when collaborating with LAC partners.

### 3.5 The Intervention Logic

At the EU-CELAC Summit 2023, a mutual agreement was reached to refresh and augment the long-standing bi-regional partnership between the EU and LAC regions. This bond is grounded in shared values and interests, along with robust economic, social, and cultural connections. The [Summit Declaration](#) accentuates the need and opportunities for collaboration on numerous fronts, including the strengthening of the multilateral system, battling climate change and biodiversity loss, defending human rights, and conducting a substantial shift towards a sustainable economy.

To tackle the triple threat of climate change, pollution, and biodiversity loss, the LAC region needs to mobilise and increase accessibility to financial resources. The EU Global Gateway Strategy is a strategy designed to meet this need. The [EU-LAC Global Gateway Investment Agenda \(GGIA\)](#) has a goal to bridge investment gaps in alignment with the shared priorities of the EU and Latin America and the Caribbean. This strategy aims to channel both private capital and public funding towards the digital, green, and fair transition of the LAC region.

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

To contribute to [outcome 1](#) (a strengthened enabling environment and increased public and private sector investment at the country level), the action will be guided by the priorities identified through Country Dialogues (assumed to be often in line with those covered by the [EU GGIA for LAC](#)). The plan includes enhancing climate and nature-related policy, regulatory, and institutional frameworks ([output 1.1](#)), strengthening institutional capacities ([output 1.2](#)), creating transformative climate and biodiversity bankable projects ([output 1.3](#)), and establishing partnerships between EU and LAC private sector entities for project investment opportunities ([output 1.4](#)).

As for [outcome 2](#) (enhanced (bi-)regional and multi-country collaboration and partnerships between the EU and LAC), the action will employ a regional and sectorial approach to address common challenges in specific areas, including priorities covered by the [EU GGIA for LAC](#). The aim is to support the bi-regional climate diplomacy by establishing regional/multi-country/sectorial dialogue platforms on public and private investments for climate and biodiversity action ([output 2.1](#)), establish regional/multi-country/sectorial peer-to-peer technical exchange platforms on technology, knowledge, information, and regulation ([output 2.2](#)), and assist in kick-starting pilot catalytic actions in partner countries in key priority areas ([output 2.3](#)).

### 3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g., including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

PROJECT MODALITY (3 levels of results / indicators / Source of Data / Assumptions - no activities)

Results	Results chain (@): Main expected results (maximum 10)	Indicators (@): (at least one indicator per expected result)	Baselines (Values and years)	Targets (Values and years)	Sources of data	Assumptions
<b>Impact</b>	LAC countries advance in achieving a green and just transition towards sustainable, low-emission and climate-resilient development and the protection and conservation of soil forest and biological diversity	Number of LAC countries that increase their ambition in their NDC submissions	0 (2023)	TBC	Climate Action Tracker <sup>19</sup> (for those countries already analysed) complemented by analysis from Climate Analytics (for those LAC countries currently not analysed)	<i>Not applicable</i>

<sup>19</sup> <https://climateactiontracker.org/climate-target-update-tracker-2022/>.

		Direct economic loss in relation to global GDP, damage to critical infrastructure and number of disruptions to basic services, attributed to disasters [OSPYS core indicator; GEF 1.4; SDG 11.5.2]	TBC	TBC	<a href="#">Official UN SDG Database and Statistics</a>	
		Number of countries in which Euroclima has worked in the biodiversity and nature-based solutions area that improve their Ecosystem Health Index <sup>20</sup>	0 (2023)		EHI website	
<b>Outcome 1</b>	1 Strengthened enabling environment and attract public and private investment to support the green and just transition in LAC through actions identified in bilateral country dialogues	1.1 Percentage of climate and/or nature-related policies and regulatory frameworks to facilitate and/or incentivise green investments supported by the programme that are <i>adopted</i> <sup>21</sup>	0% (2023)	70% (2028)	Project reporting, Communication with National Focal Points	The facilitation and incentivisation of green investments remain high priorities for LAC country governments; Political stability is maintained in a way that does not affect the adoption of policies and regulations.
		1.2 Percentage of programme trainees who <i>applies</i> <sup>22</sup> the acquired skills and knowledge in their work	0% (2023)	70% (2028)	Project survey conducted after 6 months from the training	A relevant percentage of trainees participate in the survey; Skills and knowledge provided by the programme are relevant to the trainees' job.
		1.3 Percentage of transformative climate and nature-related bankable projects developed/supported by the programme that are <i>approved</i> <sup>23</sup> for investment	0% (2023)	70% (2028)	Project reporting, Communication with National Focal Points	The bankable projects developed/supported by the programme remain high priority for the countries and investors involved; Appropriate due diligence of the investment projects is effective in reducing investor withdrawals.

<sup>20</sup> Number of extinctions prevented by conservation action, number of certified forest areas under sustainable management with verified impacts on biodiversity conservation. See <https://www.bipindicators.net/indicators/ecosystem-health-index>

<sup>21</sup> Adopted = there is an official act (e.g., minutes of the cabinet, steering committee or relevant decisional body) approving the framework submitted at the output level.

<sup>22</sup> Applies = the trainee confirms in a survey or follow-up communication that s/he has used the acquired skills and knowledge in his/her work.

<sup>23</sup> Approved = there is an act from the relevant investor(s) / financial institution(s) earmarking funds to be invested in the bankable project.

		1.4 Percentage of EU-LAC private sector partnerships established/supported by the programme that <i>mobilise</i> <sup>24</sup> investment	0% (2023)	70% (2028)	Project reporting, Communication with National Focal Points	Appropriate due diligence of the investment projects is effective in reducing investor withdrawals; The right partnership conditions (legal, financial etc.) facilitate the mobilisation of funding.
		1.5 Amount of additional <i>public</i> finance (EUR) in green and just transition priority areas <i>leveraged</i> <sup>25</sup> with EU support (disaggregated by priority area <sup>26</sup> )	0 (2023)	TBC (2028)	Focal points for the GGIAs, National Finance Ministries	The support provided by the Programme in strengthening LAC countries' enabling environment is effective and conducive to the mobilisation of additional finance and investment.
		1.6 Amount of additional <i>private</i> finance (EUR) in green and just transition priority areas <i>leveraged</i> <sup>5</sup> with EU support (disaggregated by priority area)	0 (2023)	TBC (2028)	Focal points for the GGIAs, National Finance Ministries	The support provided by the Programme in strengthening LAC countries' enabling environment is effective and conducive to the mobilisation of additional finance and investment.
		1.7 Number of proposed for adoption climate change adaptation and mitigation policies (including nationally determined contributions), and environment protection strategies and plans (including energy policies/ strategies) that include gender equality objectives, in line with the United Nations framework convention on climate change (UNFCCC) gender action plan [OPSYS Core Indicator; GAP III core indicator]	0 (2023)	TBC (2028)	Project reporting, Communication with National Focal Points	UNFCCC parties adhere with the requirements of the UNFCCC gender action plan.

<sup>24</sup> Investment mobilised = Public and/or private funds are made available for green and just transition-related actions, thanks to the private sector partnerships established/supported by the programme.

<sup>25</sup> Public/private finance leveraged = Public/private funds are earmarked (i.e., set aside but not yet disbursed) for green and just transition-related actions in priority areas, thanks to the support received by the programme.

<sup>26</sup> Priority areas of Euroclima Global Gateway = green finance, circular economy, biodiversity and nature-based solutions, sustainable mobility, water management, sustainable energy, renewable hydrogen, bioeconomy and resilient food production, disaster risk reduction and management, and other.

<b>Outcome 2</b>	2 Enhanced (bi-)regional and multi-country collaboration and partnerships between EU and LAC for transformative initiatives in priority areas and supporting access and mobilisation of sustainable and climate finance.	2.1 Percentage of regional/multi-country/sectorial dialogue platforms on public and private investments for climate and biodiversity action established by the programme that <i>are institutionalised outside the programme</i> (i.e., that are not reliant on Euroclima for their ongoing operations)	0% (2023)	50% (2028)	Project reporting, Communication with National Focal Points, Communication with Regional Organisations, Dialogue platforms' websites (if applicable)	There is sufficient and ongoing interest and commitment from the dialogue platforms' members to invest their own time and resources in maintaining the platforms operational in the long-term.
		2.2 Number of <i>knowledge products</i> <sup>27</sup> developed by regional/multi-country/sectorial peer-to-peer technical exchange platforms established by the programme that systematise EU-LAC knowledge, information and/or regulations in key prioritised sectors (disaggregated by priority area)	0 (2023)	TBC (2028)	Project reporting, Communication with National Focal Points, Communication with Regional Organisations, proceedings of the peer-to-peer exchanges	Peer-to-peer sectorial stakeholders in EU and LAC countries are interested in and able to work effectively together to produce joint knowledge products.
		2.3 Percentage of pilot catalytic <sup>28</sup> actions in partner countries in key priority areas developed by the programme that <i>begin implementation</i> <sup>29</sup> (disaggregated by priority area)	0% (2023)	70% (2028)	Project reporting, Communication with National Focal Points, Communication with Regional Organisations	The pilot catalytic actions developed by the programme remain high priority for the countries and stakeholders involved; Appropriate due diligence of the pilot catalytic actions is effective in reducing stakeholder withdrawals; Pilot catalytic actions that begin implementation are then successfully completed.
<b>Output 1 relating to Outcome 1</b>	1.1 Enhanced climate and nature-related policy, regulatory and institutional frameworks	1.1.1 Number of climate and/or nature-related policies, regulatory, and institutional frameworks to facilitate and/or incentivise a green and just	0 (2023)	TBC (2028)	Project reporting, Communication with National Focal Points	The facilitation and incentivisation of green investments remain high priorities for LAC country governments.

<sup>27</sup> Knowledge product = Products that add to the current body of knowledge of a relevant area, for example, studies, reports, research papers, and training material (if applicable beyond a single event/course).

<sup>28</sup> Pilot catalytic action = an action having the ability to boost systemic change, i.e., confronting the root causes of the planetary climate and environmental crisis (e.g., by transforming structures, customs, mindsets, power dynamics, and technical solutions) and/or leading to the solution's scaling-up and/or replication in other locations or sectors.

<sup>29</sup> Begin of implementation = a kick-off meeting or launch has taken place.

	to facilitate and incentivise green investments, circular economy, biodiversity protection and restoration and a green and just transition	transition <i>established</i> <sup>30</sup> through the programme's support (disaggregated by priority area)				
		1.1.2 Number of inclusive green financial schemes <i>established</i> with support of the EU-funded intervention [OPSYS Core Indicator]	0 (2023)	TBC (2028)	Project reporting, Communication with National Focal Points	The facilitation and incentivisation of green investments remain high priorities for LAC country governments.
<b>Output 2 relating to Outcome 1</b>	1.2 Enhanced institutional capacities in LAC to support the green and just transition	1.2.1 Number of <i>people</i> trained (disaggregated by gender, age, ethnicity, and disability whenever possible)	0 (2023)	TBC (2028)	Project reporting, training logs	There is a lack of institutional capacity in the partner countries in technical, regulatory, legal or other types of skills / knowledge to properly support their green and just transition; The programme partners are able to identify the appropriate expertise to deliver effective capacity building activities to address the identified capacity gaps.
		1.2.2 Number of <i>person-days</i> (people x days of training) of training delivered	0 (2023)	TBC (2028)	Project reporting, training logs	
		1.2.3 Number of <i>institutions / organisations</i> with trained people	0 (2023)	TBC (2028)	Project reporting, training logs	
<b>Output 3 relating to Outcome 1</b>	1.3 Developed transformative climate and biodiversity bankable projects <sup>31</sup> to increase access to finance and attract public and private sector investments	1.3.1 Number of transformative climate and nature-related bankable projects <i>developed/supported</i> <sup>32</sup> by the programme (disaggregated by priority area)	0 (2023)	TBC (2028)	Project reporting (bankable project proposals)	The programme partners are able to identify bankable project opportunities in the LAC countries that are technically, economically, legally and financially sound; The programme partners are able to identify the appropriate expertise to support the development of the bankable project opportunities.
		1.3.2 Total amount of EUR <i>budgeted</i> <sup>33</sup> for transformative climate and nature-related bankable projects developed/supported by the programme (disaggregated by priority area)	0 (2023)	TBC (2028)	Project reporting (bankable project proposals)	

<sup>30</sup> Established = The programme supports the creation of new policies, regulatory and institutional frameworks or enhancing existing ones. To be counted when the final draft has been submitted.

<sup>31</sup> Bankable project = A project is bankable, whether from public or private sources, when its risk-return profile meets investors' criteria and can secure financing to implement the project. Key criteria for bankability include the probability of meeting the project's financial, environmental, and social goals, sufficient estimated cash flows to cover costs and produce returns that meet investor expectations, and whether the project will be implemented by a creditworthy entity (source: <https://citiesclimatefinance.org/publications/what-is-bankability/>)

<sup>32</sup> Bankable project developed or supported = The programme will help develop new project proposals as well as improve existing ideas or proposals. To be counted when the proposal is submitted, not when it is approved.

<sup>33</sup> Budgeted = Included in the budget of the bankable project proposal. This indicator looks at the potential size of the project portfolio supported by the programme, not the approval of the funding.

<b>Output 4 relating to Outcome 1</b>	1.4 Established partnerships between EU and LAC private sector entities for the implementation of project investment opportunities	1.4.1 Number of EU-LAC private sector partnerships established/supported by the programme that are <i>signed</i> <sup>34</sup>	0 (2023)	TBC (2028)	Project reporting, Communication with National Focal Points	The project partners are able to identify the relevant interested parties for the partnerships; The project partners are able to facilitate the reaching of the right partnership conditions (legal, financial etc.) to allow for the signature of multistakeholder partnerships.
<b>Output 1 relating to Outcome 2</b>	2.1 Climate diplomacy: Established platforms for trust-based bi-regional dialogue between the EU and LAC to facilitate public and private investments for climate and biodiversity action	2.1.1 Number of regional/multi-country/sectorial <i>dialogue platforms</i> on public and private investments for climate and biodiversity action (e.g., regional roundtables, multi-country investment dialogues) <i>established</i> <sup>35</sup> by the programme (disaggregated by priority area)	0 (2023)	TBC (2028)	Project reporting, Communication with National Focal Points, Communication with Regional Organisations	The political appetite by the EU, LAC governments, regional organisations, and investors to identify common investment conditions and opportunities remains high.
<b>Output 2 relating to Outcome 2</b>	2.2 Established peer-to-peer technical exchange platforms on technology, knowledge, information, and regulation between EU and LAC for key prioritised areas under the EU GGIA for LAC	2.2.1 Number of regional/multi-country/sectorial <i>peer-to-peer technical exchange platforms</i> (e.g., regional communities of practice, regional sectorial platforms, regional working groups) <i>established</i> <sup>13</sup> by the programme (disaggregated by priority area)	0 (2023)	TBC (2028)	Project reporting, Communication with National Focal Points, Communication with Regional Organisations	EU and LAC stakeholders are interested in mutual/peer-to-peer learning on the enabling conditions for green investments in key prioritised sectors; The programme partners are able to identify relevant opportunities for peer-to-peer technical exchange in different sectors.
<b>Output 3 relating to Outcome 2</b>	2.3 Provided policy and technical support to kick-start pilot catalytic actions in partner countries in key priority areas, such as sustainable energy, renewable hydrogen, sustainable transport,	2.3.1 Number of pilot catalytic actions in partner countries in key priority sectors <i>developed</i> by the programme (disaggregated by priority area)	0 (2023)	TBC (2028)	Project reporting (pilot project proposals)	The programme partners are able to identify pilot project opportunities in the LAC countries that are technically, economically, legally and financially sound; The programme partners are able to identify the appropriate expertise to support the development of the pilot project opportunities.

<sup>34</sup> Signed = There is an official document between the parties that is signed.

<sup>35</sup> Established = The first meeting or event has taken place.

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## 4 IMPLEMENTATION ARRANGEMENTS

### 4.1 Financing Agreement

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

### 4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of adoption by the Commission of this Financing Decision. Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

### 4.3 Implementation Modalities

The Commission will ensure that the EU 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.<sup>36</sup>

#### 4.3.1 Direct Management (Grants)

Not applicable

#### 4.3.2 Direct Management (Procurement)

There is an allocation for additional services under a service contract signed in 2022, for which no call for tender is foreseen under this decision. This is justified because a small increase in the budget of that contract is required to cover cost of the planned recruitment of a private sector advisor and/or for other short-term expertise as well as cost increases, for example for international travel.

Moreover, for the implementation of the Brazil window both service contract(s) and indirect management are foreseen.

#### 4.3.3 Indirect Management with entrusted entities

Indirect management by EU Member State Agencies (MSAs) and/or United National agencies

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:

1. Specific expertise in climate change, biodiversity, policy support, strategic planning, capacity development, knowledge management
2. Previous experience in Latin America and the Caribbean
3. Robust operational capacity
4. Operational capacity to work in as many countries in the region as possible.

<sup>36</sup> [www.sanctionsmap.eu](http://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.

5. Capacity and track record in collaborating with other EU MSAs, UN agencies, EU Delegations and LAC partner governments
6. Absence of (potential) conflicts of interest

It is to be noted that AECID, Expertise France, FIIAPP, GIZ, ECLAC and UNEP have been implementing partners under Euroclima since 2017, plus UNDP since 2022.

#### 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.

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

#### 4.5 Indicative Budget

	<b>EU contribution (amount in EUR)</b>	<b>Indicative third-party contribution</b>
Indirect Management with MS Agencies and/or UN agencies <ul style="list-style-type: none"> <li>- selection process: Q2-Q4 2024</li> <li>- includes, indicatively, EUR 8 M for country windows:               <ul style="list-style-type: none"> <li>o EUR 4 M for Argentina (from ARG allocation in the RMIP)</li> <li>o EUR 2 M for Brazil (from BRA allocation in the RMIP)<sup>37</sup></li> <li>o EUR 2 M for Uruguay (from allocation for countries without MIP)</li> </ul> </li> </ul>	51 000 000	TBC
Service contracts: <ul style="list-style-type: none"> <li>o technical assistance</li> <li>o services under the Brazil window</li> </ul>	3 000 000 1 000 000 <sup>37</sup>	

<sup>37</sup> For the Brazil window direct management (service contract) and indirect management are foreseen

Evaluation	will be covered by another decision	n.a.
Audit	will be covered by another decision	n.a.
<b>Total</b>	<b>55 000 000</b>	

## 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 the implementation of the GGIA as well as 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.

The PSC will meet once or 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 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)<sup>31</sup>, attended by representatives at a level appropriate to the proposed agenda and the decisions to be taken.

### **Programme Support Unit (Secretariat)**

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

- staff recruited through a long-term service contract<sup>38</sup>, and
- representatives of the Implementing Agencies, as appropriate.

The PSU 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 PSU will establish the draft working plan where the actions to be performed are preliminarily planned, in order to be submitted for approval of the PSC.

<sup>38</sup> The service contract started to enter into operation on 1 February 2023

The PSU 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 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 PSU 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.

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

## **5 PERFORMANCE MEASUREMENT**

### **5.1 Monitoring and Reporting**

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process coordinated between the PSU and the implementing agencies. Suitable monitoring/evaluation processes and tools will be used to keep organised and harmonised information about all programme activities, including their results.

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 related results from the ongoing Euroclima+ and Euroclima LAC programmes (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 PSU 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).

All monitoring and reporting, when possible, shall assess how the action is considering the principle of gender equality, human rights-based approach, and rights of persons with disabilities including inclusion and diversity. Indicators shall be disaggregated at least by sex.

### **5.2 Evaluation**

Having regard to the nature of the action, a mid-term and/or final 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.

All evaluations shall assess, when feasible, to what extent the action is taking into account the human rights-based approach as well as how it contributes to gender equality and women's empowerment and disability inclusion. Expertise on human rights, disability and gender equality will be ensured in the evaluation teams.

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

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

In line with the 2022 "[Communicating and Raising EU Visibility: Guidance for External Actions](#)", it will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant rights holders 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 various contracts, budgets for knowledge management and day-to-day communication.

## Appendix 1 REPORTING IN OPSYS

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

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

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

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

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

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

The intervention level for the present Action identifies as:

<b>Action level (i.e., Budget Support, blending)</b>		
<input type="checkbox"/>	Single action	Present action: all contracts in the present action
<b>Group of actions level (i.e., top-up cases, different phases of a single programme)</b>		
<input type="checkbox"/>	Group of actions	Actions reference (CRIS#/OPSYS#): <Present action>
<b>Contract level</b>		
<input type="checkbox"/>	Single Contract 1	<foreseen individual legal commitment (or contract)>
<input type="checkbox"/>	Single Contract 2	<foreseen individual legal commitment (or contract)>
<b>Group of contracts level (i.e., series of programme estimates, cases in which an Action includes for example four contracts and two of them, a technical assistance contract and a contribution agreement, aim at the same objectives and complement each other)</b>		
<input checked="" type="checkbox"/>	Group of contracts 1	Indicatively and subject to contractual negotiations: <ul style="list-style-type: none"> <li>1. Indirect Management: <b>EUR 51 M</b> <ul style="list-style-type: none"> <li>- selection process: Q3 2024</li> <li>- includes, tentatively, EUR 8 M for country windows: <ul style="list-style-type: none"> <li>o EUR 4 M for Argentina</li> <li>o EUR 2 M for Brazil</li> <li>o EUR 2 M for Uruguay</li> </ul> </li> </ul> </li> <li>2. Direct Management (service contracts): <b>EUR 4 M</b> <ul style="list-style-type: none"> <li>o EUR 3 M for technical assistance service contract(s)</li> <li>o EUR 1 M for services under the Brazil window<sup>39</sup></li> </ul> </li> </ul>

<sup>39</sup> Note that the Brazil window will be implemented both via direct management (service contract) and indirect management.