
The Americas and the Caribbean
Regional Multiannual Indicative Programme 2021-2027

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1. Overall lines of EU international cooperation in the Americas and the Caribbean

1.1. Basis for programming

The partnership with the Americas and the Caribbean is central to the EU's ambition to ensure a stronger Europe in the world. This diverse geographic space includes 35 countries, four of the EU's strategic partners (United States, Canada, Mexico and Brazil) and five G20 members¹. It represents 33% of global GDP² and more than 20% of its population. The association of the EU with this likeminded group of countries is of geostrategic relevance. Representing around a third of the UN membership, Europe and the Americas and the Caribbean can have a decisive influence in shaping the post-COVID world order.

The regional Multi-Annual Indicative Programme (MIP) for the Americas and the Caribbean for the period 2021-2027 will contribute to the EU's overall strategic objectives for its external action, as laid out by the European Commission (2019-2024)³ and the Global Strategy for the EU's Foreign and Security Policy. In a global and regional context marked by recovery from the COVID-19 pandemic, the MIP will be part of the EU's global efforts to build back better, contributing to advancing a green, digital and sustainable international economic recovery, as well as the Union's resilience and strategic autonomy. It will seek to reduce inequalities, building more prosperous, inclusive and sustainable societies, particularly for women and young people, and promoting human rights, democracy, peace, and security. In line with the 2021 Joint Communication on Multilateralism⁴, the MIP will promote multilateralism notably by supporting multilateral reforms and addressing global challenges, such as health, biodiversity loss and climate change. Public diplomacy will support the EU's engagement with the Americas and the Caribbean, tackling disinformation, while building trust and understanding among partners for the pursuit of EU policy priorities.

The regional MIP will also advance the external dimension of the European Commission's policy priorities, notably the Green Deal, digital transformation, sustainable growth and decent jobs, security and better management of migration. EU cooperation with the Latin America and the Caribbean (LAC) will be guided by the 2030 Agenda and its Sustainable Development Goals (SDGs), particularly in its SDGs contributing to human development and education (1 "poverty eradication", 2 "zero hunger", 3 "health", 4 "education", 7 "access to energy" and 10 "reducing inequalities"), the Paris Agreement, the Convention on Biological Diversity and other multilateral environmental agreements, the Addis Ababa Action Agenda and the new European Consensus on Development, as well as the Action Plan on Gender Equality and Women's Empowerment in External Action 2021–2025 (GAP III) and the EU Action Plan on Human Rights and Democracy 2020-2024.

¹ This document makes a distinction between "Americas and the Caribbean", which includes all 35 countries in the hemisphere, including US and Canada, and "Latin America and the Caribbean", which refers to the 33 countries of this region.

² <http://wdi.worldbank.org/table/4.2>. The US and Canada alone represent 26.7 % of global GDP (2020).

³ https://ec.europa.eu/info/strategy/priorities-2019-2024_en

⁴ Joint Communication on strengthening the EU's contribution to rules-based multilateralism (2021).

While remaining consistent with such global policy aims, the regional MIP will focus on moving forward the EU's specific policy objectives and strategic interests vis-à-vis the Americas and the Caribbean, and on building partnerships on areas of shared interest with regional groups and countries throughout the hemisphere. In particular it will support the EU's Global Gateway broader connectivity strategy.

Building on country partnerships, the regional programme will be a central vehicle for a stronger and more strategic engagement with LAC. It will put into action the shared ambition between the EU and LAC governments to work together towards a sustainable recovery from the COVID-19 pandemic. It will also support LAC countries that do not benefit from a full country MIP⁵.

Equally, the regional MIP should advance the implementation of the EU's many trade and association agreements with LAC⁶, as mutually beneficial instruments to boost economic recovery. The EU is the leading investor in the region and its third external trade partner, following the US and China. Such agreements are central for the EU's drive towards open strategic autonomy, facilitating market access while enabling bi-regional and global value chains, stimulating sustainable production processes and countering protectionist tendencies.⁷ The agreements at sub-regional level constitute also an important basis for the regional MIP.

The regional MIP will contribute to the EU's efforts to reinvigorate the EU-US strategic partnership, in line with the EU-US Summit Statement of 15 June 2021. It will also further deepen the EU's cooperation with Canada, in line with the declaration adopted at the EU-Canada summit in July 2019 and the Joint Statement endorsed at the EU-Canada summit in June 2021.

Following the above, the basis for programming is a set of regional, sub-regional and country strategies⁸, as follows:

- Regional strategies: 2019 Joint Communication “European Union, Latin America and the Caribbean: joining forces for a common future”, and the corresponding May 2019 Council Conclusions; the joint declaration following the informal EU-LAC ministerial meeting held in Berlin on 14 December 2020;
- Sub-regional and country strategies: the EU-OACPS⁹ agreement; the concluded association agreements, and in particular the EU-Caribbean Economic Partnership Agreement (EPA), the EU-Central America Association Agreement, the EU-Chile Association Agreement and the EU-Mexico Global Agreement and the EU-Mercosur Association Agreement¹⁰; the 2020 joint communication “EU-US agenda for global

⁵ Namely: Antigua y Barbuda, Argentina, Barbados, Brazil, Chile, Dominica, Grenada, Mexico, Panama, Saint Kitts & Nevis, Saint Lucia, Saint Vincent and the Grenadines, The Bahamas, Trinidad and Tobago, Uruguay, Venezuela (all countries without MIP) and Costa Rica (limited MIP), and the US and Canada.

⁶ The EU has negotiated association, trade or political & cooperation agreements with 27 of the 33 countries (31 when EU-Mercosur Agreement is ratified), making LAC the region with the closest formal ties to the EU.

⁷ Communication (2021) “Trade Policy Review – an Open, Sustainable and Assertive Trade Policy”.

⁸ See footnote 5

⁹ OACPS= Organisation of Africa, Caribbean and Pacific States

¹⁰ Signature of the Mercosur Agreement was still pending in 2021.

change; the EU-Canada Strategic Partnership Agreement (SPA); the EU-Canada Comprehensive Economic and Trade Agreement (CETA); and the EU-Cuba Political Dialogue and Cooperation Agreement.

1.2. Priority areas

The regional MIP will support mainly the green transition¹¹, digital transformation, sustainable and inclusive economy, democratic governance, security and migration, as well as social cohesion and addressing inequalities. Human development and education will figure prominently in these main areas.

The regional MIP will include two windows: one Pan-American, covering all countries in the hemisphere, and one for the Caribbean, given the specific nature of the EU's relationship with this sub-region. NDICI-Global Europe creates the possibility of LAC-wide regional and sub-regional initiatives to engage with all countries regardless of their level of income.

Based on the principle of subsidiarity, the regional MIP should be complementary and avoid duplication with country programmes. It should address regional and transboundary issues, support alliances or coalitions and pilot new approaches and initiatives. It will include priorities that are more efficiently addressed at sub-regional, regional, multi-country or continental level¹², and provide additional support to foster regional integration. Such actions should focus on delivery on the ground, ensure the effective participation and local steer of EU Delegations and guarantee in-country visibility.

To maximise impact, coherence will be ensured with the EU's different policy areas and financial instruments.

The regional MIP will also support bilateral and multi-country cooperation with countries, which do not benefit from a full country MIP, in accordance with regional priorities and with priorities defined at national level for these countries.

Pan American window

Actions supported under this window should contribute to the following inter-related priorities:

1. Green transition;
2. Digital transformation;
3. Sustainable and inclusive economy;
4. Democratic governance, security and migration;
5. Social cohesion and addressing inequalities

¹¹ A transition towards a climate-neutral, efficient, circular and inclusive economy, including a just and clean energy transition.

¹² For the purposes of this document, "continental programmes" refers to actions open to all countries in Latin America and the Caribbean, "sub-regional" to actions involving Central America, Caribbean or other sub-regional groups of countries (e.g. Mercosur), "multi-country" to actions involving a selected number of countries.

In order to foster cross-regional and triangular cooperation, as well as to share knowledge and good practices, Caribbean countries will be eligible to benefit from programmes supported under this window. Regional integration and cooperation with like-minded regional groups and multi-country initiatives to promote shared goals will be addressed under all priority areas. This includes cross-regional mechanisms and organisations such as the Organisation of American States (OAS), the Community of Latin American and Caribbean States (CELAC) and the UN's Economic Commission for Latin America and Caribbean (ECLAC/CEPAL in Spanish), bi-regional entities such as the EU-LAC Foundation, sub-regional efforts like Mercosur, Pacific Alliance, the Latin American Energy Organization (OLADE), and the Andean Community (CAN), as well as multi-country initiatives addressing shared priorities.¹³

This window will include support to those countries in Latin America without a specific MIP, namely Argentina, Brazil, Chile, Costa Rica, Mexico, Panama, Uruguay and Venezuela. It will also contribute to the EU's engagement with the US and Canada, including public diplomacy, people-to-people contacts and policy outreach.

Central American sub-window

The EU will also continue its support to the established regional integration process in Central America, including the Central American Integration System and the Secretariat for Central American Economic Integration (SICA and SIECA in Spanish), the implementation of the EU-Central America Association Agreement, and regional cooperation to address shared challenges such as migration, climate change and inclusive and peaceful development.

Caribbean window

The cooperation with the Caribbean will seek to reinforce the Caribbean-EU partnership in three priority areas:

1. Partnership for a Green Deal
2. Partnership for economic resilience and trade
3. Partnership for governance, security and human development

Driven by a “policy first” approach, the partnerships encompass bilateral, multi-country and regional financial support, with a link to the political and policy dialogue with the region and the countries. Under these partnerships, national efforts are complemented by a Caribbean regional and multi-country approach that consolidates and supports regional integration. The role of regional organisations and their agencies are key to coordinating and getting traction on regional political priorities. Multi-country initiatives will build on national priorities and joint interests, such as the binational cooperation between Haiti and Dominican Republic. For Small Island Developing States (SIDS) without a MIP, namely Barbados, the Organisation of Eastern Caribbean States (OECS) countries, Trinidad and Tobago and The Bahamas, national efforts will be supported mainly through multi-country actions, ensuring economies of scale.

¹³ Examples include the OTCA, the Leticia Pact on the Amazon, the Quito Process on Venezuelan refugees, the Cartagena Convention for the protection of the Caribbean Sea, the Escazu Convention of access to public information, participation and access to justice in environmental matters.

Commission services will discuss the implementing modalities and specific interventions to be used in the implementation of priorities, pursuant to Regulation (EU) 2021/947 NDICI-Global Europe¹⁴ on EFSD+ (Article 33), Overseas Association Decision (OAD, Articles 72(c) and 82(4)) and ETC¹⁵ (Article 55), which will be reflected as appropriate in the relevant Annual Action Plans/measures and within the interregional programme(s).

Cross-cutting issues

A human rights-based approach will be applied throughout EU cooperation and will advance the goals set out in the EU's Action Plan on Human Rights and Democracy 2020-2024, with particular attention to tackling inequalities, furthering women and girls' empowerment, as well as promoting the rights of vulnerable groups, including children, refugees, displaced people and migrants, and indigenous people. The EU's cooperation will promote fundamental freedoms and advance the protection of the rights of journalists and human rights defenders.

Engagement with civil society organisations, including women's and youth organisations, will be key to ensure the sustainability and ownership of EU actions. Specific attention will be given to vulnerable and fragile areas prone to natural disasters, climate change impact, insecurity and political instability.

Engaging youth and enhancing their skills, employability and political participation will be cross-cutting elements in the regional MIP's overall goal to contribute to more sustainable, digital and inclusive societies.

The regional MIP will support public diplomacy at the regional level, as well as in countries without MIP. The EU's ambitious agenda for the region will require sustained public diplomacy engagement to build trust, enhance the understanding of the EU and its policy priorities, and ultimately facilitate future cooperation in all policy areas.

1.3. Justification and context

The chosen priorities seek to strengthen the EU's engagement with the Latin America and the Caribbean in a context of recovery from the COVID-19 pandemic. The region has been particularly hard-hit by the sanitary crisis and is facing its worst recession on record. The pandemic has aggravated existing structural challenges, including inequality, informal employment, gender-based violence, and insecurity. The social unrest and political instability that have marked the regional context in recent years could worsen as economic hardship is set to continue, notably for women, thus undermining social cohesion, democracy, the respect for human rights and the attainment of the SDGs. It is in the EU's interest to support the economic recovery of LAC countries, working towards a renewed socio-economic model, based on a climate-neutral, efficient, circular and inclusive economic transition, including a just and clean energy transition, digital transformation, social fairness and increased regional integration, also

¹⁴ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32021R0947&qid=1624445882608>

¹⁵ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2018%3A374%3AFIN>

with the EU outermost regions¹⁶, which will contribute to long-term prosperity and stability. For the Caribbean, the EU-OACPS future Agreement sets out the Caribbean-EU partnership objectives, addressing the specificity of the region and the intrinsic vulnerability of its small economies to regular external shocks. These objectives include improving environmental sustainability and climate resilience on land and at sea, transitioning to a sustainable and diversified economy that supports decent jobs and growth and promotes trade and investment, enhancing good governance and building inclusive and secure societies where institutions are accountable, and no one is left behind. Regional integration is an important means to achieve these goals along with crosscutting priorities such as digital transformation. With the impact of the COVID-19 pandemic, this transformative vision has become even more essential to steer investments in the region.

Moreover, the regional MIP will support the new, ambitious and coherent post-2020 strategic framework, the “Global Approach to Research and Innovation”, to boost research and innovation. In particular, synergies between bilateral programmes and regional, thematic, blending, and the new Horizon Europe research programme, should all be maximised for focused efforts and increased impact.

The MIP will contribute to shared multilateral commitments, including the 2030 Agenda and its 17 SDGs, the Paris Climate Change Agreement and the Convention on Biological Diversity, as well as other multilateral environmental agreements. The regional MIP will allow the EU to pursue its strategic interests in areas such as security, trade and investment, to advance the external dimension of relevant EU policies as well as support efforts to effectively implement international labour conventions and efforts to eradicate child labour and tackle informality.

In line with the NDICI-Global Europe Regulation, at least 85% of all new actions will have gender equality and women’s empowerment as a principal or significant objective, and at least 5% of these actions will have gender equality as the main objective. The regional MIP for the Americas and the Caribbean will significantly contribute to spending targets on climate change, human development, and social inclusion, while also contributing to the spending target on migration. It will also contribute to the overall ambition of the European Commission’s Multi-Annual Financial Framework 2021-2027 (MFF) to provide 7.5% of annual spending under the MFF to biodiversity objectives in the year 2024 and 10% of annual spending under the MFF to biodiversity objectives in 2026 and 2027. Considering the multi-dimensional nature of development, the NDICI allows for cooperation with all countries, regardless of their level of income, while respecting the EU’s commitment to countries most in need with an Official Development Assistance (ODA) target of at least 93%.

The regional MIP will provide support for the EU’s engagement with the Americas and the Caribbean. Actions supported under priority areas will complement and add value to

¹⁶ Four of the EU outermost regions (French Guiana, Martinique, Guadeloupe and Saint-Martin) are located in South America and in the Caribbean sea. Facing challenges similar to those of LAC countries, they provide valuable experience and can contribute to strengthened cooperation between the EU and the LAC countries.

cooperation taken forward at the national level, as established under the different LAC country MIPs¹⁷. Coherence will be ensured with actions supported under the thematic and rapid response pillars of the NDICI-Global Europe Regulation, including the thematic programmes on civil society, human rights and democracy, peace, stability and conflict prevention, and global challenges, as well as quick response actions on crisis management and emerging foreign policy needs and priorities. It will ensure consistency with EU humanitarian actions across the region, promoting links with long-term development actions.¹⁸ Other EU tools and flagship programmes, such as Erasmus+, Horizon Europe, Copernicus and Galileo will also be an integrated as part of the EU's response to the region and the TEIs.

The priority areas have been defined taking into account the experience of regional cooperation under the MFF 2014-2020. An independent evaluation of LAC regional programmes¹⁹ emphasised the strong EU added value and innovative approach of regional cooperation programmes and highlighted contributions in areas such as environment and climate change (EUROCLIMA+), support to policy reforms fostering social equality (EUROsociAL+), inclusive growth and SMEs (AL-Invest 5.0 and ELAN) and security (EL PAcCTO, COPOLAD and others). Following up on recommendations made in the evaluation, the regional MIP will promote gender equality and a rights-based approach and aim to strengthen internal EU coordination, including with EU Delegations and Member States. It will enhance the role of EU Delegations and their ownership in the implementation of regional programmes and promote a joined-up approach among EU services.

Coordination with EU Member States will be central to achieving the priorities of the regional MIP, pooling resources to achieve a greater impact, better leveraging the comparative advantages of different European actors (EU, EU Member States, European Investment Bank (EIB), European development financing institutions) and ensuring a stronger EU presence in the region. Taking forward this approach, the regional MIP will support TEIs on high priority areas, such as the green transition, digital transformation and social cohesion and addressing inequalities, at the regional and country levels for countries that have no bilateral MIP. The MIP will make use of the EU's collective expertise, mobilising the European public sector through technical cooperation and other modalities. This may include the upscaling of successful Member States initiatives.

The regional MIP will also build on the experience of the Partnership Instrument (PI) under the previous MFF. The PI provided a relevant tool to further the EU's strategic interests and strengthen partnerships with strategic and like-minded partners in the Americas; the regional MIP will ensure the continuation of relevant expertise, logic and modalities.

¹⁷ The following countries in LAC have a MIP under the Multi-Annual Financial Framework 2021-2027: Bolivia, Belize, Colombia, Costa Rica (limited MIP), Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Nicaragua, Paraguay, Peru and Suriname.

¹⁸ As outlined in the 2021 Communication on the EU's humanitarian action "new challenges, same principles".

¹⁹ https://ec.europa.eu/international-partnerships/evaluation-eus-regional-development-cooperation-latin-america-2009-2017_en

1.4 Duration of the MIP and option for synchronisation

The regional MIP for the Americas and the Caribbean will have a duration of 7 years (2021-2027), with a mid-term review foreseen for 2024.

2. EU support per priority area and proposals of Team Europe Initiatives

2.1. Pan-American window

The Pan-American window covers the 35 countries of the Americas and the Caribbean. However, the priority areas below (section 2.1.) refer only to the 33 LAC countries, whereas specific country priorities for the US, Canada, Argentina, Brazil, Mexico are laid out in section 2.3. The Caribbean will be supported through the Caribbean window, while Caribbean countries will be eligible for regional actions that cover both Latin America and the Caribbean.

2.1.1. Priority area 1: Green Transition

LAC countries are key partners in the EU's push for a global transition towards a climate-neutral, efficient, circular and inclusive development path. LAC's combined greenhouse gas emissions amount to around 9% of global emissions (similar to the EU) and the region is home to around 50% of global biodiversity (notably in the Amazon, the Caribbean Sea coral reef and the Mesoamerican biological corridor). LAC is a region with tremendous potential for renewable energies, as well as natural resources on land and in the ocean, such as lithium, which are at the centre of the shift to cleaner energy. Many LAC countries are leading voices for more ambitious commitments in the global multilateral framework on climate and the environment, such as the Paris Climate Change Agreement, the Convention on Biological Diversity and other multilateral environmental agreements.

The region is highly vulnerable to the negative impacts of climate change, particularly Central America and the Caribbean, affected by natural disasters and the rise of sea levels. In Central America, recurrent droughts exacerbate food insecurity and migration: 7.3 million people representing 15% of the population are considered food insecure.²⁰

Under the Pan-American window, the EU will support LAC countries to i) take action against climate change; ii) address biodiversity loss, and iii) advance the transition to a clean, resource-efficient circular economy. Actions will build on a successful tradition of EU-LAC bi-regional cooperation on environment, climate change and research, as well as the close coordination with EU Member States.

- i. EU-LAC cooperation on **climate action** will take place against the backdrop of countries' Nationally Determined Contributions (NDCs) under the Paris Agreement and the long-term strategies for climate neutrality, including a socially just transition, increased climate resilience and comprehensive risk management, including disaster

²⁰ The Central American Integration System (SICA), made a report on the Integrated Food Security Phase Classification (CIF), covering November 2020-March 2021. According to the publication, in El Salvador, Guatemala and Honduras, about 7.3 million people are in a food insecurity crisis or emergency. This situation was mostly affected by the COVID-19 pandemic and aggravated by storms Eta and Iota (https://www.sica.int/noticias/sica-7-3-millones-depersonas-en-crisis-o-emergencia-de-inseguridad-alimentaria-aguda-en-la-regioncentroamericana_1_126338.html).

risk reduction). The cooperation will contribute regional efforts towards the integration and sustainable, efficient and secure development of the energy sector, based on renewable energy sources and energy efficiency. In addition to nationally led efforts, this action will support activities at sub-national and municipal levels.

- ii. Bi-regional cooperation on **biodiversity, marine and forest conservation** will focus on halting biodiversity loss through the conservation, restoration, and sustainable management and use of terrestrial and marine ecosystems. It will prioritise halting deforestation and forest degradation, the promotion of ecosystem-based approaches, nature-based solutions and integrated landscape and seascape approaches, including for the management of transboundary ecosystems (river basins, forests, coastal and marine ecosystems), as well as the promotion of transparent and sustainable, deforestation-free supply chains.
- iii. Cooperation will **tackle pollution and support the transition to a clean, resource-efficient and circular economy**. Towards this aim, the EU will support regional efforts to promote sustainable consumption and production, such as the Latin America and the Caribbean Circular Economy Coalition, and a transformation and diversification of LAC productive sectors, creating green jobs and businesses, while also tackling pollution of air, oceans, water and soil.

This priority area will be at the centre of the EU's support to regional efforts to 'build forward better'. Important horizontal commonalities across the specific objectives include: contributing to good governance of natural resources, robust public policy and strengthened capacities in key institutions (including at sub-national level)²¹; harnessing the full potential of digitalisation/connectivity; enhanced public awareness and ownership of the green transition agenda, including environmental education; greening the financial system through innovative financial products and better access; and fomenting public and private partnership and investment projects. Social inclusion, gender equality and the rights of indigenous groups will be cross-cutting priorities, with special attention to those on whom the green transition is likely to have a bigger impact. The MIP will support partner countries in implementing key international commitments under the Paris Climate Change Agreement, the Convention on Biological Diversity and other multilateral environmental agreements.

Collaboration under this priority area will focus on SDGs 7, 11-15 but contribute to almost all **SDGs**, including SDGs 2, 3, 6, 7, 8, 9 and 10. Integrated approaches that can deliver benefits across the three specific objectives for this priority area will be promoted.²²

The priority area will contribute to the following DAC sectors: 230 "Energy", 310 "Agriculture, Forestry and Fishing" and 410 "General Environment Protection", with a particular emphasis on 23110 – Energy policy and administrative management, as well as on 41010 – Environmental policy and administrative management and 41030 – Biodiversity.

²¹ Including capacity to generate and use digital data to plan and implement NDCs, and consolidated Monitoring, reporting and verification (MRV) capacities, including satellite data and information services as offered e.g. by Copernicus.

²² Other chapters of this MIP will also contribute to promoting green deal priorities.

Possible **major risks** could lie in the inadequacy of ambitious policies and limited fiscal space. Mitigating measures could include active EU political engagement and public diplomacy to reinforce the message that economic recovery and green transition are mutually reinforcing goals rather than competing priorities. Moving forward with countries that are willing to act swiftly could also create a positive momentum in the region as well as cooperating with multi-country or regional organisations to reduce risks of blockages.

Involvement of **Local and Regional Governments (LRGs)**, including cities and their networks, is essential and can have positive effects at regional level. LRGs are often proactive on climate and environmental action²³ in a context of rapid urbanisation and the decentralised structure of many LAC countries. In addition, **civil society participation, especially of young people**, will be essential to increase ownership, awareness and advocacy, as well as of indigenous groups and environmental defenders.²⁴

Close collaboration with regional partners and organisations, such as the Latin American Energy Organization (OLADE), could assist in creating the conditions for regional integration, to develop regulatory frameworks and public policies and building scientific, technological, and innovation capacities that can support the just and clean energy transition of the continent.

The EFSD+ provides the opportunity to implement green actions both through blending and through guarantees (both sovereign and sub-sovereign, as well as private). Areas with strong potential include renewable energy, urban mobility, water and sanitation, climate action, circular economy and conservation of natural capital.

Specific objectives related to the priority area

Specific Objective 1: To increase the ambition and effectiveness of climate action, including a just and clean energy transition, in Latin America and the Caribbean, in line with the commitments under the Paris Agreement.

Specific Objective 2: To strengthen the understanding, protection and conservation of land, land/forest and marine ecosystems and their biodiversity, including through earth observation and digital data (conservation of biodiversity, halt deforestation and forest degradation and advance the sustainable management of forests and other biomes, freshwater and oceans, including by promoting landscape and seascape approaches and transparent and sustainable deforestation-free supply chains).

Specific Objective 3: To tackle pollution and accelerate the transition to a circular economy.

²³ See as an example La Red Argentina de Municipios ante el Cambio Climático (RAMCC) that involved hundreds of LRGs to adopt Action Plans for Climate actions and promoted partnerships with neighbouring countries.

²⁴ Including for example the ratification and implementation of the Escazú Agreement.

Expected results per specific objective

S.O.1: To increase the ambition and effectiveness of climate action, including a just and clean energy transition, in Latin America and the Caribbean, in line with the commitments under the Paris Agreement.

Expected results:

- R1: More ambitious and effective climate policies by countries in the region, building on countries' NDCs, National Adaptation Plans (NAPs) and Climate Plans already existing at local level, and the monitoring of their implementation;
- R2: Nature-based solutions as part of comprehensive climate change adaptation and comprehensive risk management strategies are deployed and scaled up;
- R3: Improvements are promoted in key sectors, such smart, secure and sustainable mobility and transport, disaster risk and water management, sustainable food production, to contribute to climate change adaptation and mitigation in LAC countries²⁵;
- R4: The share of renewable energy and energy efficiency are increased and the regional integration of energy systems is improved;
- R5: Monitoring of implementation (compliance) and efficiency of climate policies are strengthened, including through the use of earth observation and digital data.

S.O.2: To strengthen the understanding, protection and conservation of land, land/forest and marine ecosystems and their biodiversity, including through earth observation and digital data

Expected results:

- R1: Policies for the protection, conservation and sustainable management and use of natural resources and for biodiversity and ecosystems on land and in the ocean, are enhanced;
- R2: Strategies for effective conservation, enforcement of forest protection legislation and sustainable local economic development strategies are developed around key transboundary and protected ecosystems (e.g. forest, coastal, marine, river basins);
- R3: Forest governance capacities, landscape approaches, sustainable land use and investment in sustainable bioeconomy are enhanced, and deforestation-free supply chains promoted;
- R4: Knowledge of biodiversity and ecosystem services, monitoring capacities (incl. through remote sensing), sharing of information and best practices are improved for a stronger science-policy interface, including remote sensing and earth observation data and technologies. Data sharing for evidence-based policies is strengthened.

²⁵ Water management is understood to include flood and drought management, as well as water supply and sanitation.

S.O.3: To tackle pollution and accelerate the transition to a circular economy.

Expected results:

- R1: Strengthened dialogue at regional and sub-regional levels;
- R2: The investment climate and access to finance for circular economy approaches is enhanced, facilitating an enabling business environment adapted to integrate circular and green business models;
- R3: Coordination of regional value chains and trade facilitation for “circular” and “sustainable raw materials” products are improved, including setting of standards with private sector (including blue economy);
- R4: Use of digital data, including those provided by Copernicus and systems such as Galileo and EGNOS to improve traceability and sustainable production, are increased.

Indicators matrix for each result is presented in Annex 1.

2.1.2 Priority area 2: Digital transformation and innovation

The COVID-19 pandemic has put new technologies and the transition towards a digital society at the centre stage, while highlighting related challenges. Digital transformation can support sustainable recovery in the LAC region, address development traps and increase competitiveness, accelerate the shift to sustainable production and consumption patterns, and improve knowledge and surveillance of the natural resource base, including critical raw materials. At the same time, the pandemic can risk deepening the digital divide and exacerbate inequalities, while posing challenges relating to security, privacy and personal data protection.

The ongoing digital transformation in LAC creates demand for increased digital cooperation and the EU and LAC are well placed to strengthen their partnership on digital matters. The EU’s value-based and human-centric approach to digitalisation sets it apart from other models and is gaining ground in the region, fitting with the values of LAC societies and the EU-LAC partnership. At a moment when many LAC countries are setting out ambitious policies to accelerate digitalisation and regional digital integration²⁶, the EU can offer its regulatory expertise, global standard setting power and market-leading technology. The EU’s unique experience in consolidating its Digital Single Market provides an example of how digital transformation can benefit citizens while supporting business through increased market integration.

The EU will step up its digital engagement with LAC through a Digital Alliance, a comprehensive cooperation framework that will combine both regions’ interests, strengths and capacities, to jointly address the digital divide and achieve inclusive digital transformation. Digital cooperation will consider the transversal and cross-sectoral nature of the digital transformation. This priority area is largely embedded in the EU’s Global Gateway connectivity strategy.

²⁶ The eLAC2022 Digital Agenda, coordinated by UN regional economic commission ECLAC, sets the region’s digital priorities, aiming to be the catalyst for regional cooperation on digital matters.

Policy cooperation and dialogue, strategic and high impact investment, connectivity infrastructure, digital innovation and competitiveness will be at the core of the EU-LAC Digital Alliance. The cooperation will follow a digital ecosystem approach, from research to market uptake and address broader regional socio-economic aspects through innovative digital solutions. Close involvement of civil society and the private sector will be sought in all the components of the Alliance. The rationale and focus of the EU intervention in support of the Alliance are detailed hereunder.

Enhancing convergence and alignment of policy and regulatory frameworks will be key for bringing closer together the EU and LAC digital markets and fostering good governance. There is strong potential for cooperation on issues such as digital government, privacy and personal data protection, disinformation, cybersecurity, artificial intelligence, e-services, as well as addressing the digital divide, among others. Information & Communication Technologies (ICT) standardisation will be an important vector for cooperation. The EU can build effective engagement with LAC countries and influence the global debate on such topics.

Secure and high-speed connectivity is a precondition to reach the potential of the digital economy in LAC. Wide inequality gaps persist in terms of costs and access to broadband infrastructure across the region. Secured ways of transferring big data are essential for digital research and innovation among LAC countries and with the EU. The EU-LAC Digital Alliance will contribute to strengthening the backbone connectivity within LAC and the interconnectivity with the EU, building on the “transatlantic digital highway” BELLA (Building Europe Link to Latin America), which is connecting universities and innovation centres of both continents. BELLA is a key enabler for the development of new data intensive services that rely on high-speed transatlantic connection.

The EU-LAC Digital Alliance will enable the EU Space Programme (Copernicus, Galileo, EGNOS components) to take its full dimension in LAC, especially by facilitating data flow through BELLA. Increased cooperation on space will help countries to better cope with natural or human-caused disasters, and to adapt to climate change and protect biodiversity. It will also foster industrial collaboration, increase the use of EU space data and stimulate local businesses to develop space-enabled products and services tailored to LAC needs.

Digitalisation in LAC requires massive investment not only in the public sector, but also for the private services and industry. The EU-LAC Alliance will place a strong focus on facilitating investment and partnerships in the digital transformation, by mobilising EFSD+ support and the private sectors from both regions.

Innovation for users and entrepreneurs will take centre stage, unlocking synergies with the EU industry, start-up ecosystem, (social) innovation and research programmes. Digitally-enabled solutions to joint socio-economic and environmental challenges will be sought, with positive spill-overs on other policy areas. The Alliance will also contribute to the digitalisation of micro, small and medium enterprises (MSMEs) and increase their competitiveness.

The digital transformation is a major vehicle for human development: e-government, e-financing, digitalisation of services, inter-connexion of databases all allow for a more inclusive implementation of public policies. It will allow a greater use of distance education and e-health

while permitting to reach more remote areas. Moreover, digital skills should increase the competitiveness of MSMEs and thus contribute to more decent jobs. The BELLA network will increase education capacity by promoting the use of digital solutions and consolidating LAC higher education systems.

Engagement at regional level will complement the digital cooperation at country level and will be key to ensuring an enabling environment for the digital transformation in LAC. Some priorities (e.g. backbone connectivity) have an evident regional dimension, while addressing others (e.g. private sector collaboration and innovation, regulatory cooperation at regional level) will increase the impact of EU cooperation and reinforce the LAC digital market.

As a key foreign investor in LAC, the EU has the possibility of influencing the agenda in a positive way. Bringing together European capacities and expertise in the digital area in a Team Europe approach will strengthen the EU-LAC Digital Alliance. This will be sought through the active engagement of EU Member States and other relevant stakeholders taking part in the regional Team Europe Initiative.

The Digital Alliance will contribute to various SDGs, in particular: Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation, Goal 10: Reducing inequalities, Goal 11: Sustainable Cities and Communities, Goal 13: Climate action. It will moreover tackle Goal 4: Quality Education, Goal 5: Gender equality, Goal 8: Decent work and economic growth.

The priority area will contribute to the following DAC sectors: 22040 – Information and communication technology (ICT), Computer hardware and software; internet access; IT training; 22010 – Communications policy and administrative management, Communications sector policy, planning and programmes; institution capacity building and advice; 25030 – Business development services.

Different global actors will continue investing significant diplomatic and financial resources to advance their digital interests in the region, challenging the positioning of the EU as a key digital partner. Political engagement, high-level dialogues, public-private dialogues, and public diplomacy actions would render the EU-LAC Digital Alliance more visible and underline its benefits.

Adequately addressing the digital transformation in LAC requires allocating important resources and broad participation. In order to have a meaningful impact, the EU will need to ensure pooling of resources and capabilities from EU Member States, private sector and financial institutions into a common framework. This may prove challenging, as digital is a relatively new area of cooperation for the EU and its Member States. A targeted involvement of EU actors on topics on which they have specific expertise and the use of financial instruments (EFSD+) would help mitigate financing needs and ensure buy-in.

In relation to risks, despite the political interest to integrate digitally, the LAC digital regional market is still in the process of reaching its potential. The slow progress of regional digital integration could hamper maximising the benefits of the digital transformation. Close collaboration with regional partners and organisations (ECLAC, MERCOSUR, SICA, Pacific Alliance, etc.) could assist in creating the conditions to advance the LAC digital market. Digital

cooperation will thus build on national and sub-regional digital agendas, such as the digital agenda of the EU–Central America Association Agreement, which includes the importance of regulatory frameworks and public policies to reduce the digital divide, and developing scientific, technological, and innovation capacities.

The digital transition priority can also contribute to the other priorities of the MIP such as sustainable economy, climate change or democratic governance.

Specific objectives related to the priority area

Specific Objective 1: Strengthen standardisation and regulatory and policy cooperation on issues of common interest;

Specific Objective 2: Develop digital backbone connectivity within the LAC region and with the EU;

Specific Objective 3: Foster private sector collaboration, competitiveness and innovation in the digital area;

Specific Objective 4: Support the development and broad use of digitally-enabled products and e-services where the EU has specific expertise (e.g. supercomputing, space sector / earth observation, green digital services, e-government services).

Expected results per specific objective

S.O.1: Strengthen regulatory, standardisation and policy cooperation on issues of common interest

Expected results:

- R1: More aligned digitalisation-related standardisation, policy and regulation frameworks between the EU and LAC, as well as between the LAC countries based on shared human-centric values enshrining fairness, openness, and inclusiveness;
- R2: Strengthened regulatory environment and e-governance/good public governance, including transparency;
- R3: Increased cybersecurity, privacy and personal data protection, ethical and liability issues on artificial intelligence;
- R4: Strengthened capacities of LAC countries to provide the skills and competencies needed in the digital era, especially to women and those population segments most at risk of exclusion.

S.O.2: Develop backbone digital connectivity within the LAC region and with the EU

Expected results:

- R1: Improved connectivity infrastructure, boosted namely through the BELLA project, allowing for increased business opportunities for digital products and applications, knowledge and data economy and scientific cooperation;
- R2: Increased connection to open, affordable and secure broadband connectivity and digital infrastructure;

- R3: Reduced digital divide.

S.O.3: Foster private sector collaboration and innovation in the digital area

Expected results:

- R1: Increased digital entrepreneurship and digital business transformation, including for women and youth;
- R2: Increased competitiveness of businesses in the digital domain as well as in other sectors profiting from digital input;
- R3: Increased EU-LAC collaboration on research and innovation in the digital domain, strengthened links with the EU private sector;
- R4: Increased access to digital solutions for businesses / digitalisation of businesses;
- R5: More accessible and more transparent access to finance for digital entrepreneurs, MSMEs;
- R6: Increased collaboration with the EU space sector using EU relevant services and networks such as i.e. Copernicus data hubs, the Galileo Information Centres and the Copernicus Relays and Academy networks.

S.O.4: Support the development and broad use of digitally-enabled products and e-services where the EU has specific expertise

Expected results:

- R1: Enhanced development and integration in LAC public and private sectors of EU ICTs/digital technologies, services and applications that build on the use of big data, supercomputing, artificial intelligence;
- R2: Increased market uptake of Galileo, Copernicus and EGNOS enabled products;
- R3: Increased use of Galileo, Copernicus and EGNOS enabled services by the public administrations in LAC, in line with EU models and systems;
- R4: Establishment of a Copernicus centre with a regional geographic scope for disaster preparedness.

The **indicators matrix** for each result is presented in Annex 1.

2.1.3 Priority area 3: Sustainable and inclusive economy

The EU has the largest network of trade agreements in LAC and is still the region's foremost investor. However, other actors have increased their economic presence while the full potential of the interdependent EU and LAC economies remains to materialise. At a time when both regions are facing an unprecedented economic crisis, it is of mutual interest to step up cooperation towards a sustainable and inclusive long-term economic recovery.

Following a period of sluggish growth in 2015-2019, the LAC region faced its worst recession on record in 2020, aggravated by the COVID-19-related downturn. The fall in economic

activity is of such a magnitude that GDP per capita in LAC by the end of 2020 was at a level similar to 2010; a setback of 10 years in terms of per capita income. This has exposed the limitations of many LAC countries' predominant economic model, focused on the export of commodities and characterised by low productivity and high levels of informal work. The recovery process is expected to be slow and will require responding to immediate negative economic impacts (e.g. rising inequality) while also taking forward reforms to address longstanding structural weaknesses and to modernise the region's economic matrix. Consequently, in the spirit of building forward better, the EU will support the region's long-term economic recovery and modernisation.

Under the Global Europe framework, the EU will support the full implementation of the existing EU-LAC Association and Trade Agreements – as well as the conclusion of pending ones – contributing to the economic recovery on both sides of the Atlantic and supporting a new economic development model with greater regional economic integration. At the same time, the EU's Green Deal puts the association and trade agreements into a new perspective; beyond their overall positive economic impact, they should also push further EU goals and commitments related to climate neutrality, protection of biodiversity and more sustainable consumption and production patterns. For example, the EU Farm to Fork strategy triggers the need for support to more sustainable value chains and putting into place incentives to engage in the expanding EU market for organic products. Another example is the Action Plan on Critical Raw Materials, which is promoting the development of responsible and sustainable raw materials value chains. This priority area will also ensure the link with the multilateral level, promoting compliance with international rules and standards (EU, UN, WTO, OECD, ILO) while supporting EU-LAC cooperation on the WTO reform.

In pursuing all the above-mentioned priorities, ensuring inclusiveness of economic recovery will be at the centre of cooperation, in complementarity with priority area 5 focused on social cohesion and addressing inequalities. The EU will seek to increase productivity, innovation and potential for creation of decent jobs of LAC's MSMEs, which have been disproportionately affected by the COVID-19 crisis. The EU will also promote the decent work agenda, responsible business conduct, inclusion and economic empowerment of women, younger generations and indigenous peoples and minorities, and will work towards the objective of eliminating child labour.

Consistent with its interests and objectives, the EU and its Member States, citizens, business, investors and consumers will be a key and reliable partner in LAC's road to economic recovery. The ongoing work on the European economic diplomacy and Team Europe approach will also push for further coherence with EU Member States, ensuring mutual interest and a joint action across a multitude of strands of work in the EU. The EU will also support specific actions in the EU interest, such as monitoring of emerging trade barriers in partner countries, internationalisation of EU businesses and enhanced outreach of networks of EU businesses to the LAC region.

Latin America and the Caribbean is of key importance for global supply chains. It also represents a market of strategic importance for EU businesses, an indispensable source of inputs and raw materials for the EU's open strategic autonomy and a provider of products and

services, which are attractive for EU consumers. The EU is a long-standing leading investor in the region and its investment has evolved towards sectors with high potential for LAC's sustainable transformation, including renewable energy and telecommunications, often involving research and development. Through policy dialogue and creating conditions conducive for scaling up bi-regional sustainable investments, the EU will contribute to LAC's diversification into higher value-added sectors and more sustainable engines of growth, seizing in particular the potential of emerging green, blue, digital and orange economies.

Cooperation under this priority area will support existing, and will create new, platforms of dialogue with civil society including for the implementation of trade and association agreements, notably the Trade and Sustainable Development (TSD) chapters, facilitated by the use of new technologies. Cooperation programmes will be implemented in close cooperation with the private sector, business organisations including European Chambers of Commerce, social partners and stakeholders. The participation of European stakeholders in the region will be encouraged to promote and foster business partnerships. Existing networks of EU businesses²⁷ and initiatives such as the European Cluster Collaboration Platform (ECCP) and the Low Carbon Business Action in the Americas play a key role in this regard. This priority area targets mainly SDG 8, 9 and 12, but also contributes to SDG 5, 10, 14 and 15. The following DAC sectors/areas will be targeted: trade facilitation and trade policies (DAC Code 330); sustainable and socially responsible economic practices (DAC Code 320: Industry, Mining, Construction; 32161: Agro-industries; 32162: Forest Industries; 16070; Labour Rights; 16020: Employment creation); private sector development, including access to financing (DAC code: 32130 - Small and medium-sized enterprises (SME) development; 250 - Business & Other Service).

In terms of risks, the impact of the COVID-19 crisis and the multidimensional security challenges might affect the process of economic recovery and the modernisation agenda going forward. This ambitious agenda, including the green transition, requires a strong commitment from governments and cooperation requires active high-level engagement and policy dialogue.

The new EFSD+ provides a unique opportunity to expand access to finance for MSMEs in the region through blending and potentially other instruments, such as guarantees. It will allow for reinforced engagement with IFIs and the private sector to achieve the objectives of this priority area.

Specific objectives related to the priority area

Specific Objective 1: Strengthen EU-LAC trade, investment and economic relations as enablers for sustainable and inclusive economic recovery.

Specific Objective 2: Support LAC's transition to innovative and sustainable economic practices and value chains.

Specific Objective 3: Support the inclusiveness of LAC's economic recovery.

²⁷ i.e. European business organisations World Wide Network (EBO WWN), the Enterprise Europe Network (EEN), EU Member States Trade Promotion Organisations, which are members of ETPOA (European TPO Association)

Expected results per specific objective

S.O.1: Strengthen EU-LAC trade, investment and economic relations as enablers for sustainable and inclusive economic recovery.

Expected results:

- R1: Implementation of EU-LAC association and trade agreements is strengthened;
- R2: LAC sub-regional and regional integration processes are enhanced;
- R3: Investment climate and cooperation platforms enabling scaling up of EU-LAC sustainable and socially inclusive investments are improved;
- R4: EU-LAC business-to-business links, including enabling environment and cooperation on industrial clusters, are strengthened;
- R5: EU-LAC cooperation on rules and technical standards, in particular at multilateral and regional level, is enhanced.

S.O.2: Support LAC's transition to innovative and sustainable economic practices and value chains.

Expected results:

- R1: Sustainable agriculture practices are promoted and schemes for sustainable agricultural/livestock/fisheries value chains are developed in partnerships with EU businesses;
- R2: EU-LAC partnerships on responsible and sustainable raw materials value chains;
- R3: Sustainable business models in emerging green, blue and orange economies are promoted and enabled and related pollution reduced.

S.O.3: Support the inclusiveness of LAC's economic recovery

Expected results:

- R1: Private sector development and entrepreneurship is catalysed, including through improved access to finance, with a focus on MSMEs;
- R2: Empowerment and entrepreneurship opportunities, particularly for women, youth, indigenous people, migrants, refugees and returnees as well as other minorities, are promoted and enabled;
- R3: Public policies related to maximising creation of decent jobs in the process of economic recovery and to compliance with ILO conventions are enhanced;
- R4: Socially and environmentally responsible economic and business practices are promoted, in line with international principles and standards for Corporate Social Responsibility/ responsible business conduct.

Indicators (including baseline and targets) per expected result

The indicators matrix for each result is presented in Annex 1. There are strong synergies and interlinkages between the objectives and results set for this priority area the ones of the Green Transition (climate, just and clean energy transition, forest and biodiversity policies, circular economy), the digital transformation and innovation (contributing to diversification and productivity of LAC economies) and social cohesion (empowerment of women, youth and indigenous communities, decent work and social protection policies).

2.1.4 Priority area 4: Democratic Governance, Security and Migration

This priority area focuses on three central challenges to stability and resilience of the LAC region: democratic governance under pressure, insecurity and increasing migration flows. It will also allow supporting governance and partnership through innovative actions.

The LAC region and its like-minded countries broadly share the EU's commitment to human rights and fundamental freedoms. However, the dramatic impact of COVID-19 in the region, exacerbating an already difficult socio-economic and political situation, has brought new challenges to democracy. Already before the pandemic, massive protests rocked governments across LAC revealing a deep mistrust of institutions and widespread frustration over government performance and corruption. Public support for democracy is at an all-time low²⁸ and in some countries, voters have moved away from traditional parties towards anti-establishment leaders. At the same time, the scale of popular mobilisation around democratic governance issues has brought opportunities for reform. The VIII Summit of the Americas in 2018 resulted in the adoption of the Lima Commitments, "Democratic governance against Corruption", which represents an important reference for future cooperation to strengthen transparency, integrity, accountability and the capacity of democratic institutions. Support for reforms in this area should also be based on the recommendations made by the different EU Election Observation missions.

Organised crime is a shared challenge for societies in LAC and the EU, being a key driver of violence and insecurity, deepening inequalities, undermining trust in public institutions while negatively affecting regional growth prospects. The COVID-19 pandemic has worsened the situation, with criminal organisations having increased their grip as governments have grappled to address the crisis. Weak governance of environment and natural resources, lack of transparency and corruption remain major issues, affecting significantly indigenous peoples and local communities. Transnational crime and insecurity remain Central America's biggest threat, which is spilling outside the region's borders, affecting Mexico and North America. Violence, criminality, corruption and impunity plague a large part of the region, especially the Northern Triangle (El Salvador, Guatemala and Honduras).

Organised crime and insecurity in LAC have a direct impact on EU interests. The new EU security package (Security Strategy, Drugs Strategy and Strategy on Organised Crime 2021)

²⁸ The latest survey by Latinobarómetro showed that overall support for democracy fell to 48%, the lowest level in recent years (it was at 70% in 2008), while indifference between a democratic regime and an authoritarian one climbed from 16% to 28%. Dissatisfaction with democracy increased from 51% to 71% between 2009 and 2018.

reaffirms that protecting EU citizens is no longer only about ensuring security within the EU borders, but also about cooperation with third countries to address common challenges related to transnational organised crime and small arms control. Latin American organised crime groups are active in the EU, involved in operations ranging from drugs, firearms and human trafficking, to environmental crimes, cybercrime and money laundering. The biggest impact of these criminal activities on EU security relates to cocaine trafficking. The past decade's surge in environmental crimes and cybercrimes is also negatively affecting the European Green Deal and Digital Agenda objectives. Wildlife trafficking has been recognised as a key factor in the emergence of new pandemics. Combatting human trafficking, which disproportionately affects women and persons from marginalised communities, is a shared objective of the two regions. To effectively fight against organised crime and ensure the security of its citizens, the EU should strengthen its cooperation with LAC partners.

Under the regional MIP, EU-LAC cooperation will reinforce the emerging bi-regional cooperation on transnational organised crime building on successful continental, sub-regional (e.g. Central America-SICA) and multi-country programmes. It will build bridges between security and justice-related institutions in both continents, involving EU Member States, key EU institutions and EU specialised agencies. Future cooperation will also focus on strengthening the rule of law and justice as a precondition to successfully fight crime, leading to increased human security.

Some of the most important global migration / forced displacement crises occur in Latin America, fuelled by political instability, insecurity and violence, climate-induced phenomena, poor social conditions, economic collapse and humanitarian emergencies. In 2020, more than 5.4 million people had left Venezuela, exceeding the neighbouring countries' capacity to absorb such large and sudden human influxes. Forced displacement from and within Central America and Mexico, particularly from the Northern Triangle, has also soared over the last five years. Moreover, tens of thousands of people have fled the social and political crisis in Nicaragua, the vast majority arriving in neighbouring Costa Rica. LAC displacement crises are regional in nature and future cooperation will support regional and sub-regional efforts to address them (e.g. regional initiative to address the Venezuelan refugee and migrant crisis by supporting harmonisation of regional migration policies and practices, as well as by scaling up and coordinating the response along the humanitarian-peace-development nexus). Such initiatives will aim at self-reliance and socio-economic inclusion of refugees and migrants, access to social and basic services, migration management, focusing on the respect of human rights, protection and support for victims with special attention to women, children and minorities. In addition, specific actions to support countries facing significant migration and/or forced displacement challenges as countries of origin or transit.²⁹

In support of the broader governance challenges and to build partnerships, **the regional MIP will promote innovative actions** in its cooperation with the region. These will notably include initiatives sponsored through triangular cooperation and based on experience under the EU

²⁹ The NDICI-Global Europe encourages cooperation on migration relying on a flexible, incentives-based approach. To this effect, the Commission foresees in its Declaration that regional migration support programmes will support comprehensive, balanced and tailor-made partnerships, complementing country programmes.

Regional Facility for Development in Transition. Such cooperation has illustrated the potential of having multiple partners come together to offer tailored responses to development challenges through the exchange of technical expertise and specific know-how, and as well to trigger in country policy dialogue at the highest levels. LAC can be considered as the most proactive region in promoting triangular cooperation, providing visibility gains and leverage to the EU, with projects and initiatives through concrete regional facilities (such as ADELANTE), while mainstreaming its use in country programmes.

Interventions under this priority area will follow a rights-based approach and mainstream gender, youth, environmental defenders and indigenous-related aspects in all sub-areas of cooperation in complementarity with bilateral country MIPs and the thematic programmes under NDICI-Global Europe (Democracy and Human Rights and Civil Society Organisations). Given that good, democratic and inclusive governance is a pre-condition for social stability, actions in this priority area will be carried out in close cooperation with those under priority area 5. They will also support bi-regional platforms of dialogue with civil society covering these policy areas, ensure civil society access to information and consultation on decisions concerning cooperation relating to the environment and protection of environmental defenders.

This priority area will mainly target SDG 16 (Peace, Justice and Strong Institutions), SDG 10 (Inequality, migration-related targets), SDG 5 (Gender equality, SDG 5.1, 5.2 and 5.c) and SDG 17 (Partnership).

The indicative sectors/areas covered under this priority area:

- Governance (DAC code 151: Government & Civil Society-General)
- Rule of law, security and fight against organised crime (DAC code 15210: Security system management and reform; 16063 - Narcotics control)
- Migration and forced displacement (DAC code 15190: Facilitation of orderly, safe, regular and responsible migration and mobility)

In terms of risks, governance-related actions are only successful if accompanied by political buy-in at the highest levels. The COVID-related economic downturn is expected to result in an increase of criminal activities in the region, by deepening some of its root causes, namely inequality, unemployment and informality, affecting especially youth, women and minorities. Enhanced EU-LAC cooperation mechanisms, data-driven solutions and more innovative strategies to fight illicit flows and in particular those from organised crime will be needed to counter this trend, together with actions foreseen under the priority area 3 and 5. Finally, the projected contraction of LAC economies as well as possible changes in US policies under the new administration may also stimulate new movements of people; increased cooperation on migration/forced displacement management in the region is thus becoming urgent, including addressing humanitarian needs.

This priority area will combine different financial instruments and modalities. Some actions could be implemented through blending operations and/or guarantees under the new EFSD+, for example on citizen security, corporate governance and migration.

Specific objectives related to the priority area

Specific Objective 1: Strengthen democratic governance and enhance transparency, integrity, accountability and capacity of LAC institutions.

Specific Objective 2: Enhance the rule of law and the fight against transnational organised crime across the region, with a full respect of international human rights principles.

Specific Objective 3: Improve migration management policies and capacities, including in the areas of forced displacement, migrant protection and fight against trafficking in human beings and migrants smuggling.

Expected results per specific objective

S.O.1: Strengthen democratic governance and enhance transparency, integrity, accountability and capacity of LAC institutions

Expected results:

- R1: Enhanced regulatory frameworks, institutional capacities and bi-regional -and sub-regional dialogue and networks for more effective, accountable and transparent democratic institutions.

S.O.2: Enhance the rule of law and the fight against transnational organised crime across the region, with a full respect of international human rights principles

Expected results:

- R1: Increased effectiveness in the fight against organised crime, with a focus on drugs trafficking, environmental crimes and cybercrimes, and other related criminal offences such as firearms trafficking and money laundering;
- R2: Strengthened rule of law in LAC through enhanced sub-regional, regional and bi-regional law enforcement and justice cooperation networks and promotion of EU standards, including fundamental rights;
- R3: Increased capacity of LAC governments to assess trends and to formulate balanced, evidence-based and innovative strategies to fight against serious organised crime.

S.O.3: Improve migration management policies and capacities, including in the areas of forced displacement, migrant protection and fight against trafficking in human beings and migrants smuggling

Expected results:

- R1: Improved and coordinated migration/forced displacement management policies and capacities at continental, regional, sub-regional, and national levels – including in the areas of migrant protection, trafficking in human beings, migrant smuggling, documentation, border management, as well as temporary and durable solutions to displaced persons.

The **indicators matrix** for each result is presented in Annex 1.

2.1.5 Priority area 5: Social cohesion and addressing inequalities

Despite ambitious public policies and some progress during the past 20 years, levels of inequalities in the region remain among the highest in the world (e.g. Gini Index of 0.5 in Central America). The COVID-19 pandemic has exposed remaining structural social and economic problems and pre-existing vulnerabilities, such as slow economic growth, low productivity, unemployment, high level of informal work, poor social conditions, reduced fiscal space and growing environmental deterioration. The most affected groups by the pandemic are mostly at the bottom of the income distribution, which results in increasing levels of inequality in the region. Unequal societies are characterised by lower levels of human development, leading to lack of cohesion, low trust in public institutions and societal tensions.

Nevertheless, the COVID-19 recovery could be an opportunity to address structural, systemic challenges, through a multi-sector approach, and with special attention to women and vulnerable groups like children, youth, indigenous communities, migrants, or persons with disabilities. Such a strategy makes it essential to strengthen education (especially vocational education and training), health and social protection systems, access to decent jobs, and to rethink care policies in a way that is conducive to achieving the SDGs targets. Close coordination will be ensured with other priority areas and particularly green transition, digital transformation and inclusive economic recovery. The EU can offer a unique example of multi-country collaboration, as well as a diversity of experiences and models from which LAC partners may draw inspiration. The EU's tradition of social dialogue could inspire the conclusion of national social pacts that aim towards a recovery with innovation, job formalisation, universalisation of access to quality services and social protection, and a transition towards more sustainable and inclusive development models. The EU can in turn benefit from policy innovations in a dynamic region such as LAC.

There is a tradition of partnerships between EU and LAC public administrations to support public policies in areas such as education, health, employment social security and social services, and fair and effective taxation systems. At the December 2020 EU-LAC Ministerial meeting, both regions reaffirmed their determination to step up joint efforts to overcome the multidimensional challenges brought on by the COVID-19 pandemic, which risks exacerbating existing structural gaps, inequalities, social, economic and financial exclusion and triggers additional population displacement.

These shared commitments to social cohesion should be translated into a closer dialogue on policy development, promoting social innovation and multicultural dialogue, exchanges of good practices and mutual learning. In line with the EU's Action Plan on Gender Equality and Women's Empowerment in External Action 2021–2025 (GAP III), a strong gender transformative approach is needed to ensure an inclusive and fair recovery. Special attention will be paid to core development areas and in particular to education and health, to guarantee equal access and policy effectiveness, while shaping a modern agenda in priority areas such as the green and digital economy. Inclusive governance will be promoted at all levels, through fiscal policies and actions to strengthen the fragile social contracts, in line with the “collect more – spend better” approach and the Addis Tax Initiative 2025 declaration. Participation of women, youth and vulnerable people in decision-making as drivers of fair transition will be

supported. Engagement with civil society organisations, local governments, private sector and IFIs will be encouraged.

Such a strategy makes it essential to strengthen education, health and social protection systems in a way that is conducive to achieving the SDGs targets. Education systems in particular are vital in preparing the next generation of citizens, leaders, entrepreneurs and human resources. They are a critical building block of human development and a key ingredient underpinning all EU priorities in LAC.

The new NDICI-Global Europe instrument provides the opportunity to broaden the dialogue with Caribbean countries, as well as to strengthen our partnership with the more developed countries of the region. Actions under this priority area will pilot social innovation at regional, sub-regional or multi-country level and the successful experiences could be implemented at country level, while successful country practices could be replicated elsewhere in the region. Adopting a multi-layer approach allows for exchanges of experience between EU and LAC countries with the potential to generate policy changes at the national level. It can provide for fruitful triangular cooperation schemes in a continent with a diversity of aspirations, needs and strategies. Similar approaches in the past have triggered the emergence of reinforced multi-country fora, contributing to regional and sub-regional integration. Given the cross-dimensional nature of inequalities, the actions under these priority areas must be closely related to the other regional priority areas (economic response, digital, green, democratic governance).

Interventions should address the root causes of inequalities in the region. In order to do so, activities under this area will address aspects related to informality, as well as the social dimension of the green and digital transitions.

This priority area will target SDG 10 Inequality and SDG 5 Gender equality. It will address as well a number of other SDGs, such as SDGs 1, 3, 4, 8 and 16.

The indicative DAC sectors/areas primarily covered by this priority area are Education (DAC code 1110 - education policy and management), health (DAC code 12110: health policy and administrative management), government and civil society (including DAC codes 1511 – public finance management, 15112 – decentralisation and support to subnational government, 15114 - domestic revenue mobilisation, 15150 - democratic participation and civil society, 15160 - human rights, 15170 - women's equality organisations and institutions) and social protection (DAC code 1601).

The COVID-19 reduced fiscal space could put many countries of the region at risk of falling into a new debt cycle. The second specific objective will contribute to mitigating this risk, notably through adequate fiscal policies and reforms of the tax administration. Policy dialogue will help target support towards the most strategic policies. Another associated risk is that, in a difficult economic context implying policy choices, partner countries would not give priority to social cohesion, human development and fight against inequalities, but rather rely on economic growth for social development. This risk will be mitigated through dialogue and diplomacy, at regional and sub-regional level, as well as support to in-country coordination mechanisms with a whole of government approach. Encouraging social oversight by civil society will help addressing this risk too.

Actions under this priority area will seek to make use of expertise and know-how of EU institutions and Member States, as well private sectors and civil society partners, including women's and youth organisations, while also explore the deployment of financial instruments such as guarantees and blending under the EFSD+ to leverage resources and investments.

Specific objectives related to the priority area

Specific Objective 1: Strengthening social contracts, enhancing inclusive participation in public policies.

Specific Objective 2: Improving tax governance and domestic revenue mobilisation, including through equitable revenue collection, effective allocation and efficient use of public resources to finance key social sectors, reducing inequalities and addressing informality.

Specific Objective 3: Strengthening systems to protect people from risks and ensure equal access to education and other public goods and services including decent work (particularly for women and the most vulnerable).

Specific Objective 4: Enhancing regional and bi-regional dialogue on social cohesion and inequality.

Expected results per specific objective

S.O.1: Strengthening social contracts, enhancing inclusive participation in public policies.

- R1: Effective consultation and representation mechanisms are in place to ensure a participatory design of public policies and foster multi-stakeholder alliances;
- R2: The capacity of under-represented groups to participate in the design and implementation of public policies is increased;
- R3: The green and the digital transitions and the economic recovery are managed in a fair and inclusive way.

S.O.2: Improving tax governance and domestic revenue mobilisation, including through equitable revenue collection, effective allocation and efficient use of public resources to finance key social sectors, reducing inequalities and addressing informality.

- R1: Fair, equitable, efficient and transparent fiscal policies allow for an increased fiscal space to finance social policies, related public policies and reforms;
- R2: The authorities' capacity to design and monitor results oriented and gender-responsive public policies is strengthened;
- R3: Public spending focuses increasingly on reducing the gap in access to public services.

S.O.3: Strengthening systems to protect people from risks and ensure equal access to education and other public goods and services (particularly for women and the most vulnerable).

- R1: All people have increased access to quality basic services (health, water and sanitation, education and skills development, employment, access to justice), including at territorial level;

- R2: Social protection systems are adequate, reinforced and shock-resilient, and reach the most vulnerable.

S.O.4: Enhancing regional and bi-regional dialogue on social cohesion and inequality.

- R.1: Platforms for EU-LAC dialogue on social cohesion and inequalities are strengthened.

2.1.6 Central American sub-window

The EU and Central America have maintained close relations for decades, ever since the EU supported the successful peace processes in the region in the 1980s-1990s. These relations have progressively evolved into more structured forms and culminated in the Association Agreement signed in 2013 (the first ever such agreement signed) with six countries: Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica, and Panama. The Agreement embeds the ambitions of bi-regional relations and is built on Central America's own aspirations of integration.

On the institutional side, the Central American Integration System (*Sistema de Integración Centroamericano*, SICA) gathers eight countries: three lower middle-income (El Salvador, Honduras, Nicaragua) and five upper middle-income (Belize, Costa Rica, Dominican Republic, Guatemala, Panama)³⁰ countries.

The current scenario for SDG progress in the sub-region is challenging, with substantial risks of backsliding. The main threats are the return of political instability in some of the countries, high vulnerability to climate change and biodiversity loss. The COVID-19 crisis has further exacerbated inequalities and undermined economic perspectives.

The inherent vulnerabilities of SICA's members have hampered its institutional efficiency and the realisation of the full potential of the integration process. However, 35 years after the historical Esquipulas Peace Agreement was signed, it keeps being an important driver of peace and stability. The integration process has also evolved into a shaping force on multilateral agenda items such as trade and climate change, and a platform for increased resilience to internal and external shocks. Mexico, besides being a key partner for the EU, plays a crucial role in the dynamics of Central America, especially on migration, green and blue growth, and digital transformation. The Central American Bank for Economic Integration (CABEI) is one of the region's main assets, with a strong potential to mobilise finance for development projects from regional and extra-regional partners.

The purpose of this sub-window is to consolidate the EU partnership with Central America in support of its regional integration, facilitate bi-regional dialogue and enhance cooperation with key partners. Actions stemming from this sub-window will be combined with those carried out at the continental and national level, particularly in the context of multi-country actions.

Cooperation under this sub-window will focus on sub-regional integration, based on the following four building blocks, which are fully aligned with the corresponding priority areas

³⁰ Panama is expected to graduate to HIC status in 2022.

of the regional MIP: a) green and blue recovery, b) digital connectivity and transformation, c) sustainable economic integration, and d) inclusive and peaceful development.

a) Green and Blue Recovery

As demonstrated by the increased frequency of extreme weather events, Central America is one of the world's most vulnerable regions to climate change. Over the last five years, the Central American Dry Corridor (Guatemala, Honduras, El Salvador and Nicaragua) has endured successive climate shocks, exacerbated by El Niño and the lack of access to dietary energy and diversity, safe water, sanitation and health care. Mesoamerica's last Five Great Forests³¹, and especially the tenure of their Indigenous and local communities, are critical to the region's climate strategy. These forests represent 7.5% of the planet's biodiversity, contain almost 50% of the region's forest carbon, and provide important ecosystem services to 5 million people, including clean water, clean air, food, security and climate stability. As such, they are important for both, adaptation and mitigation, but also to peace and democracy, and to the fight against organised crime.

Oceans also play an important role in regulating the global weather patterns and the climate system. This calls for conservation and sustainable use of marine and coastal ecosystems, as well as sustainable fisheries, aquaculture, and tourism. In 2020, Central American countries approved the Blue Growth Strategy for the SICA region and several countries are supporting regional actions to prevent illegal, unreported and unregulated (IUU) fishing, to address ocean pollution (with special emphasis on plastics) as well as participating in the Blue Growth Initiative and the Global Ocean Alliance.

In line with regional strategies such as the Regional Environmental Framework Strategy (ERAM) and the Central American Strategy for Rural Territory Development (ECADERT), this component seeks to increase Central America's resilience and socio-economic recovery. It will do so by enhancing its capacity to address climate change, to halt biodiversity loss, to improve marine and ocean governance, and to support sustainable transformation of livelihoods and value chains related to agri-food systems, sustainable raw materials value chains, and blue economy. All these promoting the application of nature-based and digital solutions.

This component is fully aligned with priority area 1 "Green transition".

Related SDGs: (2) Zero hunger, (13) Climate Action, (14) Life below Water (15) Life on Land

Indicative sectors: 310 Agriculture, Forestry, Fishing, 410 General Environment Protection, 41030 Biodiversity

Specific Objective for Central America:

Increase resilience of livelihoods and ecosystems in Central America

³¹ Mesoamerica's Five Great Forests include the Maya Forest in Mexico, Guatemala, and Belize; the Moskitia in Nicaragua and Honduras; Indio Maíz-Tortuguero in Nicaragua and Costa Rica; the La Amistad/Talamanca Region in Costa Rica and Panama; and the Darien in Panama and Colombia.

Expected Results:

- R.1: Improved management of land and marine ecosystems, with greater participation of marginalised population such as indigenous and afro-descendant groups
- R.2: More resilient agri-food systems facilitate green and blue recovery

b) Digital Connectivity and Transformation

Central America is facing acute challenges in digitalisation: in 2019, according to PEN³², only 39% of households had a computer and only a little more than half had an Internet connection (55%); the region is below the world average in the E-Government Development Index (EGDI).

With the aim of reducing the digital divide that prevents Central America from moving towards the Digital Revolution and increasing its competitiveness, Central America, under the leadership of SICA, has developed a Regional Strategy for the Development of the Information and Knowledge Society (ERDI). Its main areas of work are broadband access, electronic government, environment, social security, economic development and innovation (e.g. *Plataforma Digital de Comercio Centroamericana*, PDCC) and support to green and digital entrepreneurship, education and culture, and institutional coordination. The need to address the digital divide and support scientific, technological, and innovation is embedded in the Association Agreement.

In alignment with the digital priority area of the Pan-American window, this component encompasses matters such as digital connectivity, data protection, facilitating commercial data flows and law enforcement cooperation, policy and regulatory cooperation and digital skills development, as well as the establishment of a regional Copernicus Emergency Management Services Centre in Panama. Those efforts are closely connected to BELLA, which is connecting universities and innovation centres of both continents. The possibilities to connect to Central America in the coming years and to increase cooperation on 5G and beyond will be explored.

This component is fully aligned with priority area 2 “Digital transformation”.

Related SDGs: (9) Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation, (8) Decent work and economic growth, (5) Achieve gender equality and empower

Indicative sectors: 220 Communications, 250 Business and other services, 321 Industry 15 Government and Civil Society

Specific Objective for Central America:

Promote inclusive digital transformation in Central America

Expected Result:

- R.1: Improved efficiency, effectiveness and governance of digital services.
- R.2: Increased competitiveness of businesses in a more inclusive digital economy.

³² Programa Estado de la Nación. (2020). [Acceso a computadora e internet en los hogares agudiza exclusión educativa en Centroamérica.](#)

c) Sustainable Economic Integration

Central America is the most commercially integrated region in Latin America: 99% of the products traded between the six countries of the Central American Economic Integration System (*Secretaría de Integración Económica Centroamericana*, SIECA) enjoy duty and quota free circulation, and 30% of the value of exports is traded within the region³³. However, the economic integration process still needs major advances to unfold its potential. Trade facilitation is a clear priority as the average speed of circulation of goods in Central America is still at 18 km/hour due to excessive bureaucracy and inefficiencies at border crossings. According to SIECA's estimation, a full customs integration of the region could yield between 1 and 3% extra GDP growth/annum.

The enhancement of intra-regional mobility, logistics and connectivity will make it possible to take advantage of economies of scale and geographical location, boosting growth and reducing costly inefficiencies. Reinforced dialogue, as well as, technical assistance in key areas such as investment climate, public procurement, intellectual property rights, sanitary and phyto-sanitary matters, customs, trade facilitation, competition, and economic governance (including corporate social responsibility) will contribute to reap the full benefits of the trade provisions in the Association Agreement.

This component is based on the long experience of the EU in supporting the integration process as well as the specific proposal negotiated internally by the Council of Economic and Trade Ministers (COMIECO) of the SIECA countries and endorsed in May 2021³⁴. Supporting the implementation of the trade provisions of the Association Agreement, the objective of this area is to contribute to economic growth and decent job creation in the region, but also create new sustainable trade and investment opportunities with the EU.

This component is fully aligned with priority area 3 “Sustainable and inclusive economy”

Related SDGs: (8) Decent work and economic growth, (5) Achieve gender equality and empower all women and girls, (12) Responsible Consumption and Production;

Indicative sectors: 33130 Support to regional trade arrangements

Specific Objective for Central America:

Enhance the effectiveness of implementation of the trade provisions of the Association Agreement signed between the European Union and Central America

Expected Result:

- R.: Progress towards economic integration, with improved sustainable development standards

d) Inclusive and Peaceful Development

³³ SIECA Paper (May 2021), Estado Actual de la Integración Económica Centroamericana

³⁴ SIECA/COMIECO, Nuevo Ciclo de Cooperación de la Unión Europea, May 2021

Central America has one of the highest levels of socio-economic inequality in the world. Violence, including gender-based violence, is both a major cause and effect of inequality in Central America, which disproportionately affects youth, women, and displaced populations. The effects of climate change are amplifying the challenge and related forced migration requires adequate integration amongst host communities. Moreover, COVID-19 has increased inequalities in terms of access to education in all countries in the region, with a significant urban/rural and male/female divide.

Countries often have limited political and fiscal room for manoeuvre to respond to these challenges. As such, the Central American regional integration process has a key role in facilitating coordinated responses and promoting a positive agenda to reduce inequalities. SICA has been able to develop regional instruments to address inequalities such as the Recovery, Social Reconstruction and Resilience Plan of the Secretariat of Central American Social Integration (SISCA), which aims to structure the public sector responses regarding social, labour and human settlement problems. The Comprehensive Regional Protection and Solutions Framework to address forced displacement in Central America and Mexico (MIRPS) has so far been the main platform for mobilising action in the area of forced displacement in Central America. In addition, SICA has been leading an effort to create a new Comprehensive Action Plan for Addressing Migration in the SICA region (PAIM-SICA).

This component aims at supporting key instruments, such as SICA regional institutions, to address inequalities and increase resilience in Central America. Additionally, assistance will be provided to address regional social, labour and human settlement challenges. Furthermore, enhancing public financial management, improving management capacities for human mobility and protecting vulnerable migrants will be a priority. Activities under this component will be in pursuance of the Association Agreement and contribute towards building strong institutions and partnerships with SICA to support inclusive development in the region.

This component is fully aligned with priority area 4 “Democratic Governance, Security and Migration” and priority area 5 “Social Cohesion and Addressing Inequalities”. It will follow the reporting line with priority area 4.

Related SDGs: (10) Reduced Inequalities, (16) Peace and Justice Strong Institutions

Indicative sectors: 151 Government & Civil Society-general

Specific Objective for Central America:

Promote sub-regional integration as driver of peace and stability, greater inclusion, and reduced inequalities

Expected Result:

- R: Enhanced policy dialogue and improved policies facilitate peace and stability, greater inclusion, and reduced inequalities including for migrants

Cross-cutting considerations

Civil society: Civil society organisations and networks have a crucial role to play in holding institutions accountable, advancing human rights and gender equality, steering public debate

and influencing decision-making. One mechanism for such dialogue is based on Art 295 of the Association Agreement (trade pillar), which formally establishes a Civil Society Dialogue Forum for open dialogue, with a balanced representation of environmental, economic and social stakeholders. Indigenous communities, afro-descendants, youth, women's groups, trade unions, and environmental groups are key actors in the dialogue. **Major risks/mitigation measures:** Major risks are the high institutional complexity of the economic integration processes, political instability and continued economic downturn. Resource-related conflicts and lack of recognition of indigenous rights might also undermine the viability of the activities in some locations. The multi-country nature of the partnership and its flexible design contribute to mitigating these risks through peer pressure and by allowing the flexibility to choose sites where the minimum conditions for successful implementation are likely to be met.

The related **intervention framework** is in annex.

2.2. Caribbean window

The Caribbean window is covering activities exclusively dedicated to the Caribbean region as a whole and to the 16 Caribbean countries.

With the aim of advancing towards the SDGs and facilitating the transformative changes necessary to ensure a sustainable and resilient recovery of the region, the cooperation with the Caribbean is framed by three Caribbean-EU partnerships on (1) Green Deal, (2) Economic Resilience and Trade and (3) Governance, Security and Human Development.

Partnership priorities build on the work done at country level with the set-up of country MIPs and TEIs and on the EU past experience, considering Caribbean strengths and potential to reduce the vulnerability of the region. In particular, the first partnership reflects the convergence of priorities on Green Deal issues, supporting the ambition to ally with likeminded partners in international fora on climate change and supporting countries' efforts on disaster management and green transformation. The second partnership reflects another convergence in the area of Jobs and Growth and Digital, where the EU can step up taking advantage of the Economic Partnership Agreement (EPA) and bring the interest of EU IFIs (EIB in particular), the EU private sector as well as EU Member States that have a limited presence in the sub-region. The purpose of the third partnership is to bridge a gap and offer a regional channel for supporting targeted governance, security and human development challenges, also given the limited coverage of these areas at country level, with the exception of Haiti. Engaging youth and enhancing their skills and employability are crosscutting essential elements for the Caribbean transition towards a more sustainable, inclusive and climate-neutral society and embedded across the three partnerships.

2.2.1. Caribbean-EU Partnership for a Green Deal

There are two main elements that have a critical impact on the Caribbean Small Island Developing States: (i) climate change, with an increase of the quantity and intensity of natural disasters and (ii) unsustainable production, management and consumption patterns, with an excessive generation of waste. Both put the Caribbean marine and terrestrial ecosystems and biodiversity under pressure, and entail important financial costs to the countries, increasing

their vulnerability to external shocks. Women are disproportionately affected by natural catastrophes and are crucial for a successful green transition in the Caribbean.

The implementation of common strategies and tools that help countries to adapt to climate change and reduce their risks is a matter of survival, recognised by Title II of the Caribbean Protocol of the EU-OACPS future Agreement. The focus of climate adaptation action will be on the countries' Paris Agreement commitments, emphasising the sustainable management and use of natural resources, particularly in sectors that are under stress like water and biodiversity (environmental protected areas and high value terrestrial and marine ecosystems) and taking advantage of the EU engagement in areas such as disaster preparedness and disaster risk management in line with the EU Strategy on Adaptation to Climate Change. Main approaches include the reinforcement and implementation of Caribbean regulatory and response frameworks through specialised organisations, the promotion of coastal resilience, sustainable fisheries and nature-based solutions at policy and community level. The facilitation of access to financing tools (EFSD+) and risk informed investments, including risk insurances, and the promotion of research and innovation cooperation between the region and the Horizon Europe research programme will be instrumental for the achievements of these objectives.

The transition of the countries to low-carbon economies and the introduction of circular economy schemes in a regional perspective are key for the sustainable development of the Caribbean countries. There is need for more coherent policies and strategies that help developing long-term viable tourism and to model new investments through multi-country pilot interventions to leverage funds (EFSD+). Renewable and efficient energy, waste management, agri-food value chains and sustainable raw material value chains are key sectors to stimulate greater involvement of the private sector in the Caribbean.

Related SDGs: (5) Achieve gender equality and empower all women and girls; (6) Clean Water and Sanitation; (7) Affordable and Clean Energy; (11) Sustainable Cities and Communities; (12) Responsible Consumption and Production; (13) Climate Action; (14) Life Below Water and (15) Life on Land.

Indicative sectors: 230 Energy; 410 General Environment protection; 430 Other Multisector (Disaster Risk Reduction).

Civil society: Youth, communities and local authorities are key actors for the implementation of climate adaptation and disaster risk reduction activities. Local authorities and specialised environmental organisations are essential stakeholders for policy dialogue and awareness raising. Academia can be associated to innovation and research activities for green transition.

Major risks/ mitigation measures: The low interest of private sector in high-risk long-term investments and the impact of a slow economic recovery on public expenditures represent a major risk for the green transformation of the region. Stimulating the access to affordable finance and to disaster risk insurance will help to improve the likelihood of green recovery actions.

Specific Objectives related to the Partnership:

Specific Objective 1: The Caribbean is more resilient to the impact of climate change and natural hazards.

Specific Objective 2: Caribbean countries scale up their inclusive green transition.

Expected Results per Specific Objective:

S.O.1: The Caribbean is more resilient to the impact of climate change and natural hazards.

Expected results:

- R1: Caribbean natural resources and infrastructure are better protected and managed in a responsible and sustainable manner;
- R2: Approaches to disaster risk reduction and/or management are implemented in line with the regional strategies for Disaster Risk Management.

S.O.2: Caribbean countries scale up their inclusive green transition.

Expected results:

- R1: Circular economy policies and processes are promoted;
- R2: Energy efficiency and the share of renewable energy in the countries' mix for energy production are increased.

2.2.2. Caribbean-EU Partnership for Economic Resilience and Trade

The Caribbean has an intrinsic economic vulnerability defined by high public debts, limited fiscal space, small scale and fragmented markets, often geographic isolation and reliance on few sectors (e.g. tourism, agriculture, fisheries) exposed to all kinds of external shocks. In this context, supporting sustainable growth and decent jobs, facilitating trade and promoting regional integration are different angles of the same solution. COVID has had a severe socio-economic impact, also reflected in growing levels of food insecurity.

In line with Title I of the Caribbean Protocol of the EU-OACPS future Agreement, the EU partnership with the Caribbean will be geared to boost the competitiveness of Caribbean MSMEs and the diversification of its economies. The intention is to achieve this through targeted support to sectors with a growth potential (e.g. services, creative industries) and emerging sectors (blue, green and digital economy) with an emphasis on economic and environmental sustainability, the alignment of education and training systems with labour market needs and the enhancement of digital skills and connectivity. Actions will empower women entrepreneurs and will build, where possible, on the diaspora's skills and economic capacity.

This will entail addressing factors that have until now limited the business, trade and investment environment, including: competition framework, access to finance (supported by EFSD+) and financial markets, trade related logistics, technical barriers to trade, sanitary and phyto-sanitary measures, as well as inserting regional value chains into global supply chains, especially where the EU and more demanding markets require compliance with upgraded sustainability criteria. EU support will also contribute to aligning regulatory frameworks and policies in CARIFORUM member states to the requirement of the EPA and the EU trade policy, as well as member states' capacity to implement these provisions, in order to unlock EU investments and increase trade between the Caribbean and the EU. This would be

complemented by concrete initiatives for trade promotion, such as business matchmaking, the promotion of business networks and raising awareness about the EPA.

EU action will also aim at improving the conditions that allow finding regional solutions to common challenges. This may include, for instance, ameliorating the connectivity between islands, mobility and transport, digital inter-connectivity, supporting key integration processes such as the OECS Economic Union and the CARICOM Single Market Economy, and facilitating cooperation opportunities between Caribbean countries and European OCTs and ORs in the region, including economic and trade cooperation. EU action should consider the regional dimension of the EPA, aiming at the effective implementation of the regional preference clause covered by Article 238 of EPA and contributing to building regional value chains.

Related SDGs: SDG 8. Decent work and Economic Growth. Other significant SDGs: SDG 5: Achieve gender equality and empower all women and girls; SDG 7: Affordable and Clean Energy; SDG 9: Industry, Innovation and Infrastructure; SDG 10: Reduced Inequalities; SDG 12: Responsible Consumption and Production; SDG 13: Climate Action; SDG 14: Life below water.

Indicative sectors: 321 Industry; 331 – Trade Policies and Regulations; 250 Business and other services.

Civil society: Chambers of commerce, business organisations and other CSO stakeholders should play an important role in ensuring that the measures implemented for economic development follow sustainable and equitable models of growth.

Major risks/mitigation measures: Limited political support at national level and lack of specific capacities in relevant national authorities can limit progress towards an enabling environment for increased competitiveness, investments and trade. Regular political dialogues will be instrumental to ensure traction behind regional economic integration initiatives and should be complemented where required by relevant technical assistance to states. The use of financial guarantees will be instrumental to help de-risk the private sector and avoid structural fiscal space limitations hampering the much-needed investment.

Specific Objectives related to the Partnership:

Specific Objective 1: Trade and investment between the Caribbean and the EU is enhanced in the framework of the Economic Partnership Agreement (EPA) and the Caribbean private sector grows in a sustainable manner.

Specific Objective 2: Common challenges in the Caribbean are progressively addressed at regional level.

Expected results per specific objective:

S.O.1: Trade and investment between the Caribbean and the EU is enhanced in the framework of the Economic Partnership Agreement (EPA) and the Caribbean private sector grows in a sustainable manner.

- R1: Private sector's competitiveness, economic diversification and sustainable practices are increased, with a special focus on MSMEs, women and youth, and Caribbean-EU business-to-business links are enhanced;
- R2: Caribbean business environment and investment climate, including digital and innovation drivers, regional quality infrastructure and economic regulatory convergence are ameliorated;
- R3: EPA provisions are effectively implemented, barriers to market access are progressively removed and trade and investment opportunities between the Caribbean and the EU are enhanced.

S.O.2: Common challenges in the Caribbean are progressively addressed at regional level.

- R1: The enabling conditions for regional cooperation and integration are improved;
- R2: The cooperation among Caribbean countries and with EU MS Overseas Countries and Territories and French Outermost Regions is increased.

2.2.3. Caribbean-EU Partnership for governance, security and human development

Caribbean societies face common and intertwined societal challenges, such as the exposure to transnational organised crime, high levels of youth unemployment and the vulnerability to external shocks (e.g. hurricanes, COVID-19), which increase and embed violence, undermine social cohesion and exacerbate social inequalities. Displaced and migrant populations are particularly vulnerable. In line with title III and IV of the Caribbean Protocol of the EU-OACPS future Agreement, this partnership will therefore aim at contributing to safer, more inclusive and resilient societies.

On the one hand, this will entail strengthening the security sector architecture, including by developing regional policies and frameworks and supporting implementation and enforcement capacity, e.g. trans-border intelligence sharing, interdiction capacity, border management, prosecution coordination, etc. Complementary to this, the EU action will also aim at strengthening social cohesion through crime diversion and prevention, and promoting regional coordination of inclusive national social protection frameworks and primary public services, such as quality health care. On the other hand, this partnership will support Caribbean countries' efforts to strengthen the Caribbean regulatory frameworks on public finances and adhere to international standards and best practices on anti-money laundering and terrorist financing and tax governance.

Related SDGs: SDG 3 – Good Health and Wellbeing; SDG 5 – Gender Equality; SDG 10: Reduced Inequalities; SDG 16: Peace and Justice Strong Institutions.

Indicative sectors: 122 Basic Health; 151 Government and Civil Society; 160 Other social infrastructure and services (social protection).

Civil society: Civil society organisation and networks have a crucial role to play in holding institutions accountable, advancing human rights and gender equality, steering public debate and influencing decision making.

Major risks/mitigation measures: The limited fiscal space and the lack of enforcement of rule of law can compromise the efforts to curb transnational crime and to deploy responsive social protection mechanisms. Demand driven support to the countries to efficiently manage the limited available resources, as well as enhanced dialogue and institutional coordination between all actors will be key to mitigate these risks and sustain reforms.

Specific Objectives related to the Partnership:

Specific Objective 1: Caribbean societies are safer, more inclusive and resilient.

Expected Results per Specific Objective:

- R.1: The regional security sector architecture, response frameworks and enforcement capacity are strengthened with emphasis on a rights-based approach;
- R.2: Communities are more cohesive and better protected against health threats and external shocks, in particular women and youth;
- R.3: Caribbean public administrations are more accountable and compliant with international norms.

The related **intervention framework** is in attachment 1.

2.3. Priorities for countries supported under the Regional MIP

Where there are references to TEIs in this section (2.3.) and the following section (2.4.), the EU's indicative contribution to these TEIs is subject to the confirmation of the Team Europe partners' indicative meaningful contribution as early as possible. In the absence thereof, the EU's indicative contribution may be redirected in accordance with the priority areas of the MIP and their allocations. The obligation of the Union and the Member States to coordinate their development policies following initiatives by the Commission to this effect, as per article 210 TFEU, always applies.

2.3.1. Argentina

Argentina is a like-minded country and an important economic partner, with strong historical and cultural ties with the EU. Nonetheless, structural macroeconomic fragility, serious financial turmoil, and the 2020/2021 COVID-19 related crisis, have had significant economic and social consequences. The EU will work with Argentinian institutions to recreate conditions for investment and the establishment of new economic partnership.

The EU will accompany Argentina's recovery and will support actions that are consistent with the Green Deal and with the principles and standards the EU is promoting to ensure a values-based, socially fair and democratic digital revolution. The EU will maintain and strengthen its historically close relationship with Argentina in terms of international position, vision and development models, using EU leverage and cooperation instruments to strengthen dialogue.

Priorities for EU Cooperation and Partnership

The EU-Argentina cooperation activities have remained significant over the years and have been characterised by a progressive shift of the paradigm from a donor-recipient logic towards a more modern peer-to-peer cooperation. Institutional capacity building through cross-fertilisation, information exchange and technical assistance has involved a wide range of issues such as social environmental policies, migration and justice and security. Engagement with civil society including universities and research centres under academic and scientific cooperation programmes has been strengthened.

The EU will pursue the following two priorities for cooperation and partnership:

1. Fostering economic modernisation towards green and inclusive recovery models

Argentina's wealth in terms of size, landscape and natural resources, make it a key partner for to promote and work on the Green Deal. The country has been undertaking a comprehensive and participatory exercise of sustainable development planning at territorial level that can be accompanied with the promotion of responsible entrepreneurial business practices, including the promotion of sustainable value chains, with a view to protecting biodiversity and respecting the rights of indigenous communities. Given the importance of agriculture in the Argentinian economy, it is central to advance a sustainable agriculture model gradually moving towards agroecological and more sustainable patterns of production. The transition to circular economy should look not only to the production side but also to packaging, commercialisation and disposal of waste. A priority is improving the waste management system that still relies on open-air dumpsites, improving recycling, building bio-gas plants, better managed sanitary landfills, etc. Successful work on climate change at a municipal level has been carried out and will continue, with the Argentinian network of municipalities against climate change being among the most dynamic in the world, in line with the Global Covenant of Mayors for Climate and Energy.

2. Promoting Mercosur's digital market

Digitalisation is another challenge Argentina is facing and where the EU can cooperate effectively. The unequal access to digital services has been particularly visible during the COVID-19 lockdown and efforts will be made to improve the situation. There are margins to scale up scientific cooperation between the EU and Argentina and improve the presence of EU companies active on digital (and green) issues in Argentina and their cooperation with Argentinian SMEs. However, Ecommerce, including cross-border ecommerce is constrained by legal and regulatory frameworks, which need to be updated and upgraded ensuring on the one side open and fair access to market, and on the other the adoption and standards for a value-based digital revolution. These include regulations on processes of the new generation of technology such as artificial intelligence, blockchain, supercomputing, internet of things (IoT), quantum technologies, algorithms and tools to allow data sharing and data usage.

Horizontal issues

Gender equality should continue to be a priority for the EU. A new EU local Human Rights Strategy has been set up including priorities including: Democratic governance and institutional strengthening; Gender issues: fighting against gender violence and for gender

equality; Building a society free of any type of discrimination; Childhood rights and protection; Environment and the right to live in a healthy and sustainable environment; new technologies / digitalisation. A new Civil Society Road Map has been elaborated focusing on the sustained need for strengthening a national platform of NGOs in Argentina and promoting more dialogue and cooperation among civil society groups that are too often fragmented and divided, and improving their capacity to contribute in development policies under the SDG agenda.

At multilateral level, the EU can aim at a strengthened/broad-based partnership of strategic nature on key subjects, including Mercosur and strengthen dialogue with Argentina in multilateral fora on Climate Change, Agricultural transition (e.g. FAO summits) and digitalisation. The EU can also use triangular cooperation to promote regional cooperation and further engage in Development in its transition agenda.

2.3.2. Brazil

The fifth largest country in the world and the biggest economy in Latin America, Brazil is a global player with longstanding historical, cultural, political and economic ties with the EU and its Member States, as reflected by the 24 diplomatic missions currently established by EU Member States in Brazil and intense bilateral relations.

Brazil is a key partner for Europe, with long established democratic institutions, an open multi-stakeholder society, and strong civil society organisations. In 2007, the EU and Brazil launched their Strategic Partnership framing multiple political and policy dialogues, economic and trade relations, and cooperation.

The EU aims at enhancing its Strategic Partnership with Brazil, promoting closer dialogue and cooperation in areas of mutual interest such as sustainable and inclusive economic development/green deal, climate change, clean energy, sustainable value chains, circular economy, environment, digital transformation, governance, democracy, social inclusion, rule of law, human rights, gender equality, indigenous peoples, defence and security. The importance of the agricultural sector in Brazil's economy makes it an important partner for dialogue on EU Green Deal and Farm to Fork objectives.

The EU will continue to engage with Brazil to create the conditions for the signature, ratification and effective implementation of the EU-MERCOSUR Agreement.

Priorities for EU Cooperation and Partnership with Brazil

In this context, the priorities for cooperation will be:

1. To contribute to an **environmentally sustainable, balanced and socially inclusive growth, notably in the context of the recovery** from the COVID-19 pandemic by cooperating on policies and regulations, and by promoting investment aiming at a sustainable use and conservation of natural resources, and at resource saving and resource efficiency.
2. To promote **digital transformation** focusing on cooperation on policies and standards, industrial and business partnerships, cooperation on research and innovation and on digital government and inclusion.

A key feature of future EU-Brazil cooperation is to continue working with all key stakeholders and actors in the country including the Federal State, States, municipalities, civil society, academia, think tanks and the private sector.

Under priority 1, we propose a Green Deal – Team Europe-Brazil Initiative on Sustainable Investment and Recovery, with sub-initiatives on Sustainable and Smart Cities, and on Tropical Forests, respectively. In 2021 and 2022, the initiative on Sustainable and Smart Cities will focus on integrated and inclusive urban planning, on sustainable investment in water and sanitation, and on energy efficiency and renewable energies. The initiative on Tropical Forests will initially focus on reducing deforestation and on promoting investments in sustainable bio-economy (including sustainable value chains) and sustainable land use.

Under priority 2, a Team Europe-Brazil Initiative on Digital Transformation will cover industrial and business cooperation, cooperation on market regulation aspects associated to the digital economy and public procurement, academic and scientific cooperation, and cooperation on space technologies and services (COPERNICUS and GALILEO). Furthermore, the initiative will promote digital inclusion.

The promotion of sustainable investment under the Team Europe Initiatives will require close cooperation with European, Brazilian and International Financial Institutions, and with private sector actors. EU blending and guarantee mechanisms can play a catalytic role.

Furthermore, cooperation with Brazil in the context of thematic programmes and the regional programmes should focus on the following areas:

1. Democracy, human rights, gender equality and engagement with civil society organisations
2. Citizen security and fight against crime, including cyber and environmental crime, international organised crime groups and illegal trafficking
3. Governance, rule of law, social cohesion and inclusion as well as fight against inequalities
4. Youth, notably through ERASMUS
5. Climate change and biodiversity in the context of the implementation of respective multilateral agreements, and circular economy
6. Research, innovation and technology, academic and scientific cooperation, including public and private actors from strategic sectors
7. Sustainable value chains
8. Public diplomacy and people to people exchanges

EU-Brazil cooperation will also aim at enhancing convergence of positions and at cooperating in multilateral fora (i.e. UN, Paris Agreement on Climate Change, biodiversity, WHO, WTO, OECD). Regional dialogue and cooperation in Latin America and engagement in the International Partnerships agenda will be further pursued. Furthermore, the EU and Brazil will jointly explore opportunities for trilateral cooperation based on the recently agreed Memorandum of Understanding on Trilateral Cooperation.

Finally, the EU will continue engagement and work with Brazil in areas such as space, defence, CSDP and security-related issues, including cyber-security.

2.3.3. Mexico

Mexico is the second largest economy and the second most populated country in LAC, a G20 member and a party to the US-Mexico-Canada Agreement. A traditionally like-minded player in the multilateral arena, Mexico's unique place in LAC makes the country a key EU interlocutor and partner for advancing political, cooperation, trade and investment interests, as well as values in the country but also in the wider EU-Central America region and beyond.

Priorities for EU Cooperation Partnership

The EU engagement during 2021-2027 in Mexico concentrates on policy first, using international partnerships to leverage the EU action and leave a sustainable EU footprint in the country. It will be built taking into consideration the existing cooperation experience and will involve all key stakeholders in the country and region, including civil society, academia, think tanks, the private sector and relevant regional bodies.

Specific focus will be given to the strategic interests covered by the EU-Mexico Strategic Partnership (2008) and by the EU-Mexico Economic Partnership, Political Coordination and Cooperation Agreement (2000), currently being modernised (herein after the "Global Agreement"), and, in particular, amongst others, green global challenges – including green recovery - and social cohesion/fight against inequalities. These are areas where the EU and its MS have an even greater added value, which in turn could become the engine for significant changes towards achieving SDGs, all while promoting global/EU principles and EU trade interests and while reinforcing the EU's strategic partnership with Mexico.

Priority 1: Support the modernisation and implementation of the EU-Mexico new Global Agreement³⁵

The new Global Agreement will be the overarching framework for EU engagement during 2021-2027 as it will establish an important tool for dialogue and provide opportunities for cooperation in the main strategic priorities and key interests of the Union.

Under this objective, three priorities are of foremost interest: a) **Democratic governance**, including rule of law, fight against corruption, human rights (including the fight against violence against women and human trafficking and exploitation, LGBTIQ and indigenous rights), justice, citizen security and migration; b) **Trade and sustainable development**, including reinforced dialogue, as well as, technical assistance to improve the business and investment climate in key areas such as public procurement, intellectual property rights, sanitary and phyto-sanitary matters, customs, trade facilitation, competition, and economic governance (including fight against corruption and corporate social responsibility), the promotion of sustainable value chains could also be considered; and c) **Youth social and economic insertion** covering activities including technical education, technical assistance to

³⁵ Support its implementation once entered into force.

modernise the education legislation, vocational training and the insertion of young people in enterprises and in the new market realities.

Priority 2: Green Global challenge

The EU intends to promote the main concepts of the European Green Deal and Green Recovery contributing to Mexico's increase in ambition and effectiveness of its NDCs (Nationally Determined Contributions), while ensuring adaptation and increased resilience to climate change through notably: a) circular economy initiatives, b) energy efficiency measures, and uptake of renewable energies, c) sustainable and smart mobility and transport d) ecosystem-based solutions and blue carbon uptake. The initiatives to be undertaken under this objective will take into consideration the EFSD+ opportunities such as guarantees and blending operations, and harness the full potential of digitalisation. In collaboration with the relevant EU MS, a TEI is also being proposed on this subject.

Priority 3: Social cohesion and the fight against inequalities

Addressing inequalities and strengthening the social contract remain a central challenge in Mexico and the region, and a very high priority of the current administration. The European Social Model, as well as, the European expertise in social policies is highly recognised in Mexico and a powerful tool to engage together the EU MS with Federal Authorities in supporting Mexico's objective of reducing inequalities in Mexico. Under this objective, several priorities are of foremost interest: a) **the modernisation of Mexico's fiscal administration**; b) **the support to an analytical definition of public budget** (based on facts and figures); and c) **the promotion of decent jobs and living conditions for all**. The envisaged activities will seek to strengthen Mexico's digital strategy, in particular the promotion of digital services. In collaboration with relevant EU Member States, a TEI is also being proposed on this subject.

2.3.4. Chile, Uruguay, Panama, Costa Rica

Chile is an important and like-minded partner for the EU in Latin America. Chile shares the EU's high ambition on climate change, a strong commitment to multilateralism and is a stable investment and trade partner. The main cooperation priorities areas will include: (i) governance and human rights, (ii) green deal/sustainable growth/jobs in connection with ocean and land (iii) digitalisation, science & technology, education, culture. The EU will also continue to support the constitutional process. A TEI will be taken forward to support the development of Chile's green hydrogen (GH2). It will contribute to the clean energy transition while promoting green jobs and economic modernisation, by: (i) creating an enabling environment for the development of GH2, (ii) supporting GH2 production and application projects, in particular for supply to the EU and (iii) strengthening GH2.

Uruguay is a stable democracy with a strong commitment to multilateralism. EU Cooperation 2021-2027 will respond to the 2021-2027 "Uruguay 2050" Development Strategy, which is closely aligned with EU policy priorities, proposing a transformation toward a sustainable economic model. Priorities will include: (i) to promote a green transition and an inclusive economic recovery based on sustainable use of natural resources, and (ii) to ensure a digital transformation aligned with European digital market framework and standards (regulatory

framework, inclusive employment creation). Gender equality and fight against gender-based violence, continues to be an important and shared objective. Cooperation should also contribute to advance EU-Uruguay cooperation in multilateral fora, including their reform. A TEI on Environmental Protection and Sustainability is proposed.

The EU-**Panama** partnership is based on shared values and important political, economic and cultural ties. Cooperation will seek to further enhance this partnership and cooperation with a focus on tackling global challenges. In this context, key areas for engagement are: (i) digital transformation and (ii) climate and environmental action, including water security. The latter will support mainly the protection and sustainable management of strategic watersheds and ecosystems, reforestation, sustainable water management and sanitation. A TEI is proposed on Digital Transformation and Inclusion with a focus on adequate regulatory frameworks, e-governance, e-business, and the use of digital tools for tackling global challenges in areas like climate change, natural disaster control, or ocean governance.

Costa Rica is a like-minded partner and regional champion on climate change and environmental action, on land and in the ocean. The limited MIP, complemented by the regional MIP, will support efforts to further develop the EU's close partnership with Costa Rica, deepening cooperation based on priority areas of mutual interest. Main priorities for cooperation will include: (i) decarbonisation and Climate Change, based on the National Decarbonisation Plan, (ii) digitalisation, and (iii) migration management. TEIs implemented in Costa Rica will be in line with these first two priority areas, and will provide several new areas of potential engagement for the EU under the Green Deal in areas such as transport and mobility, while also helping to address shortcomings linked to digitalization and innovation that were made more visible and urgent by the COVID19 crisis.

With these countries cooperation to promote and enhance good governance will be pursued and triangular cooperation will provide opportunities to promote regional cooperation.

2.3.5. Venezuela

In the context of the protracted multi-dimensional crisis in Venezuela, the regional programme will support transformative bottom-up and nascent democratic processes, by strengthening the social fabric and promoting the re-establishment of confidence and dialogue at local and community level. This support is a pre-requisite for facilitating a future democratic solution to the political crisis and setting the foundation for a future socio-economic recovery. The engagement will translate into three main priorities of support: (i) protecting and promoting human rights, human dignity and inclusion, (ii) promoting civic values, conflict prevention and resolution, and democratic participation, and (iii) support to community resilience, strengthening sustainable access to basic services, local productive capacities/income generation, supporting the fight against the environmental degradation caused by the extractive industries and promoting sustainable socio-economic management of natural resources. EU support will also support reflection amongst stakeholders on the medium to long term transformation of the economy away from its current dependence on fossil fuel exports in the light of climate change imperatives.

These programming priorities will seek coherence with humanitarian interventions in the country and may need to be adapted to react to unforeseeable developments or expanded and aligned to national priorities once the political situation in Venezuela allows, with a possible need to mobilise non-programmable resources. To the extent possible taking into account the political situation, actions at country level will be complemented by multi-country initiatives under the five priorities of the present regional programme (section 2.1) and support measures in favour of the civil society (section 3.1).

2.3.6. US, Canada

The **EU-US transatlantic partnership** remains the most important and strategic relationship for the EU and its Member States. Engagement with the US will seek to advance the overall priorities of the (2020) Joint Communication “A new EU-US agenda for global change”³⁶, the accompanying Council Conclusions³⁷ and the EU-US Summit Statement of June 2021³⁸. This includes joining forces to address key global challenges such as the COVID-19 pandemic, climate change and transitions towards a greener and more inclusive economy including biodiversity conservation cooperation for a just and clean energy transition, advancing global security, prosperity and democracy, and international ocean governance. Engagement with the US will also support the continued growth of the EU-US technology, economic and trade relationship and transatlantic cooperation in addressing global challenges, including efforts to drive the digital transformation in ways that reflect shared democratic values.

The NDICI-Global Europe instrument will contribute to put this ambitious agenda into practice. It will also ensure the continuation and strengthening of ongoing cooperation actions with the US, including the continued participation in multi-country programmes. Key priorities for support will include: (i) public diplomacy, promoting understanding of the EU and its policy priorities among key stakeholders, including various new target audiences due to the changing demographic; (ii) people to people contacts and outreach to enhance EU-US connections, expanding the networks of local allies, solidifying the transatlantic partnership for future generations; (iii) advance dialogue and collaboration on key shared priorities, promoting e.g. a transatlantic green trade agenda and joint work under the EU-US Energy Council on methane emissions and decarbonisation efforts more widely, hydrogen, just transition, offshore wind, energy efficiency, technology, clean energy business to business dialogue including through the Green Technology Alliance, and energy security, oceans, biodiversity, global health, human rights and the tackling of various geopolitical issues; (iv) strengthening the transatlantic trade and investment partnership, including through support to the EU-US Trade and Technology Council, cooperation on critical and emerging technologies and efforts to expand resilient and sustainable supply chains.

Canada is an essential partner in advancing the EU’s own political objectives, being a like-minded G7 member (like the US) and a global convening power with considerable influence. The EU-Canada partnership has roots in shared values, a long history of close cooperation, and

³⁶ https://ec.europa.eu/info/sites/default/files/joint-communication-eu-us-agenda_en.pdf

³⁷ <https://www.consilium.europa.eu/en/press/press-releases/2020/12/07/council-conclusions-on-european-union-united-states-relations/>

³⁸ <https://www.consilium.europa.eu/media/50758/eu-us-summit-joint-statement-15-june-final-final.pdf>

strong people-to-people ties. The Canada-EU Strategic Partnership Agreement (SPA)³⁹, the Comprehensive Economic and Trade Agreement (CETA)⁴⁰, the EU-Canada Summit Statement of 15 June 2021⁴¹ and bilateral dialogues underpin this relation.

Building on previous cooperation with Canada under the PI, the EU will continue to strengthen its ties with Canadian counterparts, improving knowledge of the EU in Canada, maximising benefits from CETA, advancing policy dialogue and cooperation on shared priority areas including jointly tackling global challenges while promoting collaboration in multilateral fora. Cooperation with Canada supported by the NDICI-Global Europe instrument will be guided by the following priorities: i) support to policy dialogues and cooperation activities on priority areas (e.g. critical raw materials, just and clean energy transition, Arctic policy, digital, sustainable agriculture, security and defence, climate change, circular economy or ocean governance to mention some) with a bilateral, triangular/transatlantic or multilateral focus; ii) facilitating market access and level playing fields to EU companies interested in the Canadian market; iii) designing and implementing public diplomacy and outreach activities; iv) facilitating people-to-people cooperation (including but not exclusively, city to city, business, youth, universities, journalists, diplomats).

2.4. Proposals of multi-country/regional Team Europe Initiatives

A number of regional/multi-country TEIs will be supported through this MIP. The TEIs will cover issues of strategic priority on which the EU could have a transformative impact and become the partner of reference by joining forces with the EU Member States, EIB and the European Financing Institutions (EFIs). Initial proposals are detailed hereafter. Other TEIs may be designed during the duration of the MIP, in dialogue with EU Member States and other European stakeholders.

2.4.1. Green transition TEIs

MIP priority area: Section 2.1.1. Green transition and Section 2.2.1 Caribbean Green Deal

The Green transition related TEIs proposed at country level are part of the EU and Member States comprehensive support to green transition in the region⁴². The proposed regional TEI would complement country TEIs, including for Caribbean countries. This approach will also be coordinated with other EU funded operations seeking to strengthen local capacities in terms

³⁹ [https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:22016A1203\(03\)&qid=1497734705778&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:22016A1203(03)&qid=1497734705778&from=EN)

⁴⁰ <https://ec.europa.eu/trade/policy/in-focus/ceta/ceta-chapter-by-chapter/>

⁴¹ <https://www.consilium.europa.eu/en/press/press-releases/2021/06/15/european-union-canada-summit-joint-statement/>

⁴² Green Transition has been proposed as key priority for most “bilateral” TEIs in LAC, including in countries without MIP: Delegations in Argentina, Brazil, Chile, Mexico, Panama and Uruguay have all developed TEIs in Green Deal policy areas, as has the Delegation in Cuba in the Caribbean. Some of these TEIs are rather broad in scope (e.g. Costa Rica: “Green Recovery, Decarbonisation and Sustainable Urban Mobility”), whereas others are very specific (such as Chile: “Green Hydrogen”). In the Caribbean, the Guyana/Suriname TEI on forest management of Guyana’s Shield has a strong cross-regional dimension, which may contribute to the Amazon TEI.

of disaster preparedness and disaster risk reduction, and will be critical to maximise impact and fully harness the potential of the EU's financial and political investment.

The regional TEI would aim at accompanying the transition of LAC countries to a decarbonised, environmentally friendly and inclusive economy, using EU public and private sector expertise. It would build on the positive experience of the Euroclima+ programme.

In line with the green transition priority areas, the TEI would be comprised of the following pillars:

- Climate policies and action, including a just and clean energy transition⁴³
- Biodiversity, marine and forest conservation, and, possibly
- Circular economy

The TEI would follow a variable geometry approach which would allow regional, sub-regional, multi-country and country level cooperation under a general umbrella of climate change and the environment. Such an approach would allow the EU to remain flexible and adaptive to needs, permitting a change of priorities, topics and countries⁴⁴ within the region (for example, given a particular environmental crisis such as the Amazon fires or a natural catastrophe). On issues affecting all countries, e.g. climate change, cooperation could be LAC wide, involving to the extent possible all countries.

A multi-country TEI focused on the **Amazon basin** (Brazil, Colombia, Peru, Bolivia, Ecuador, Guyana and Suriname) would be considered, given the decisive and unique role that this biome plays in mitigating climate change and preserving biodiversity both regionally and on the planetary level. It would aim at preserving the Amazon forest's contribution to climate change mitigation, to global biodiversity conservation and at improving its peoples' socio-economic development, through addressing root causes of key challenges affecting the region: i) mounting deforestation and forest degradation; ii) biodiversity loss, sustainable management and use of biodiversity and forest resources; iii) sustainable and inclusive development for its population; and iv) respect for human rights and enhanced citizen-security.

The approach would be in line with the countries' engagements under the Leticia Pact signed in 2019 and covering four main areas of intervention: i) sustainable management of the Amazon ecosystems, including forests, biodiversity and other natural resources (including through enhanced information and knowledge); ii) green and inclusive growth and sustainable livelihoods; iii) environmental governance (including environmental crimes and illegal trafficking) and human rights; iv) sustainable finance. This approach would be also coordinated with other EU funded operations seeking to strengthen local capacities in terms of disaster preparedness and disaster risk reduction.

2.4.2. EU-LAC Digital Alliance TEI

MIP priority area: Section 2.1.2. Digital transformation and innovation and Section 2.2.2 Caribbean economic resilience and trade (objective 1 – result 2)

⁴³ Sustainable energy is considered a key component of climate action.

⁴⁴ This may include addressing challenges at sub-national level.

The proposed regional digital TEI would provide a holistic framework for the EU to develop its digital cooperation with the LAC region. The TEI would respond to increased interest in the European human-centric digital model from LAC partners; it would support the building of a bi-regional digital partnership of mutual benefit and opportunities. Raising the level of ambition on the digital agenda calls for Team Europe action, bringing together the European expertise, technology and investment across EU institutions, Member States, IFIs as well as with private sector and civil society. Through this joined up effort, Europe would engage with the region through a “coalition of the willing” approach and advance with those LAC countries and regional groups interested in accelerating the digital transformation.

The TEI would significantly contribute to achieving the digital priorities set out in the current MIP. It will encompass various tracks that have been identified as central for EU intervention, such as: i) convergence of regulatory frameworks and standards, ii) regional digital connectivity and infrastructures, iii) private sector collaboration, competitiveness and innovation, iv) e-services and digital products. In a flexible approach, it would allow tackling other topics that respond to the joint of the Team Europe partners.

The regional TEI would be closely coordinated with national TEIs and MIPs that aims to advance digital transformation and innovation in the LAC region. Taken together, digital TEIs in LAC would contribute to an enabling regional environment for digital transformation, taking the EU digital single market as a key source of inspiration, based on regional coordination, compatible regulatory frameworks and standards.

2.4.3. EU-LAC Justice and security TEI

MIP priority area: Section 2.1.4. Democratic governance, security and migration (objectives 1 and 2) and Section 2.2.3 Caribbean Governance, security and human development (objective 1).

In the spirit of the Geopolitical Commission, the TEI would be built in full alignment with the new EU security package - the EU Security Strategy 2020-2025 and the EU Drugs Strategy 2021-25 - reaffirming that protecting the Union and its citizens is no longer only about ensuring security within the EU borders, of cooperation with third countries to address common security-related challenges. The EU is a partner of reference in the LAC region on issues related to Justice & Security, building first-of-its-kind bridges between security and justice institutions on both continents, involving Member States, key EU institutions and EU specialised agencies, as well as sub-regional security organisations in LAC. The EU takes on board the security-related agenda with a distinct and transformative approach focussed on evidence-based, balanced policies fully integrating the respect of human rights, highly appreciated by our LAC partners. The aim of this initiative would be to enhance the EU-LAC cooperation on the fight against transnational organised crime and to strengthen governance, rule of law and fight against impunity as pre-conditions for security and stability.

The objective of the TEI would be to leverage the transformative impact of EU-LAC cooperation on the fight against transnational organised crime by joining forces with EU Member States, Commission DGs (DG HOME and DG JUST) and EU Specialised Agencies (EUROPOL, EUROJUST, CEPOL, EMCDDA, FRONTEX). Further, linkages and

cooperation would be sought with IFIs through blending and possible guarantees operations to catalyse additional resources on citizen security.

Articulation with actions implemented at subregional and national level is crucial, in light of the regional scope of organised crime networks in LAC. This initiative allows intervening at national, multi-country, subregional and regional levels, according to a demand-based approach and to the most effective layer of traction. Special attention would be given to the articulation with “security” bilateral actions, such as in Bolivia, Ecuador, Peru and Jamaica as foreseen in their respective country MIPs.

2.4.4. Inclusive and equal societies TEI

MIP priority area: Section 2.1.5. Social cohesion and fighting inequalities and Section 2.2.3 Caribbean Governance, security and human development (objective 2 and 3)

The aim of this intended TEI would be to foster decisive action to build back better in a just and inclusive way by addressing structural inequalities in LAC. Building on the successful EUROsociAL brand, this TEI would send a strong message of European partnership and solidarity, leveraging on the EU social model and its variety of national facets.

The COVID-19 pandemic has exposed remaining structural social and economic problems and pre-existing vulnerabilities in LAC region, affecting the most vulnerable. This is resulting in increasing levels of inequality in the region, hindering human development and leading to lack of cohesion and societal tensions.

Strategic EU-LAC policy dialogue on addressing inequalities, complemented by transfers of experiences and expertise, will bring transformational change by increasing inclusiveness, fairness, equality and social cohesion, strengthening the position of the EU and its Member States as partners of reference in the social development priority area. Particular attention would be paid to women and young people as drivers of fair transition.

With a potential to contribute to regional or sub-regional integration processes, actions under this TEI would pilot social innovation at regional, sub-regional or multi-country level in core human development areas, such as education, health, social protection and fiscal justice. Commission services (EMPL, JUST, EAC, SANTE), as well as international/regional organisations (ILO, OECD, CEPAL) and IFIs (EIB, IADB, CABI) would bring in their expertise and catalyse additional resources.

3. Support measures

3.1. Measures in favour of the civil society

Civil society is a key partner for the EU in the promotion of sustainable development, tackling global challenges such as climate change, and defending human rights, including the rights of indigenous peoples, women and girls and children, as well as freedom of expression. Through its many key roles, such as exercising pressure, oversight, and participating in the design and implementation of public policy, it is an important driver of change towards greater social cohesion, democratic governance and public sector accountability.

Complementing actions under thematic programmes⁴⁵ and country MIPs, civil society engagement will form part of all the priority areas under the regional MIP: the green and digital transition (e.g. *awareness and action*); trade and economic recovery (e.g. *dialogue platforms*); security and migration (e.g. *rights-based approach*); democratic governance, social cohesion and fiscal policies (e.g. *oversight*). TEIs funded under the regional MIP will also include a civil society dimension, for instance through strengthening the role of civil society actors in protecting the Amazon, as stakeholders in policy dialogue and awareness raising.

In addition, support measures under the regional MIP will support the participation of civil society in the bi-regional dialogue including civil society organisations, networks and their regional/sub-regional platforms, local authorities and the private sector as well as in regional integration processes. The regional MIP will also support organisations fostering active participation of civil society in the strategic bi-regional relationship.

3.2. Support measures: Cooperation facility, strategic communication and public diplomacy, policy dialogue and support to the external dimension of EU policies

Pan American window

Support measures under this window include: A) a regional cooperation facility, to cover for regional needs and EU interests as well as for (non-Caribbean) countries without a MIP; B) resources for supporting EU projection and C) resources for strategic communication and public diplomacy.

A- Regional cooperation facility

The regional cooperation facility will support cooperation at continental level and in Latin America, including sub-regional (Central America) and multi-country levels, as well as for non-Caribbean countries without a MIP. It will include the following type of actions:

- Capacity development and institutional building, including through technical assistance (TA) and exchange of expertise, such as TAIEX and TWINNING, that would not be covered by TA embedded in regional programmes.
- Support to policy dialogues: events, conferences, studies, fellowships, exchange platforms to support sector dialogues, including with civil society, leading to policy reforms and engagement with governments and other stakeholders.
- Financing strategic communication and public diplomacy activities, including strategic communication campaigns, and visibility actions on EU cooperation.
- Facilitation of TEIs at regional and multi-country level and for countries without a bilateral MIP.
- Actions may also support the participation of countries in EU Programmes and cooperation with EU Agencies, where relevant.

⁴⁵ Thematic programmes on human rights and democracy, civil society organisations and global challenges.

- The preparation, implementation and evaluation of the Union’s cooperation, including via technical assistance.

B- EU projection

The regional MIP will support priorities for the EU’s external action in the region, including EU interest-driven actions and the externalisation of EU policies as promoted by the European External Action Service (EEAS) and Commission services.

C- Strategic communication and Public Diplomacy

The regional MIP will support long-term strategic communication and public diplomacy activities, including campaigns to support the national strategic communication efforts of Delegations. This will include the:

- Design strategic communication activities to promote general public audiences’ understanding and awareness of the Union’s values, interests, specific policies and impact in the region. This includes the design and roll out at regional level of (a) major public campaigns aimed at ordinary citizens, primarily in the 18-35 age cohort, with the objective of measurably increasing the profile, awareness, understanding and approval of the EU’s partnership with the region. All such campaigns will be data-driven, rigorously tracking hard KPIs that will allow content to be constantly adjusted in line with evidence of the material and approaches that resonate most successfully with the audience.
- Dedicated public diplomacy initiatives⁴⁶ to allow for sustained engagement with key stakeholders, target audiences and partners around key EU policy priorities and interests. These initiatives will allow the EU to mobilise networks such as youth, academics, (e.g. think tanks, and business community), civil society and cultural actors.

Caribbean window

An EU-Caribbean Cooperation Facility will help to push forward the three EU-Caribbean Partnerships and enhance EU opportunities to stimulate policy reforms and promote the external projection of EU internal policies as well as international standards at subregional and country level.

It will cover for the Caribbean the same type of actions mentioned above for the regional Cooperation Facility under the Pan-American window.

The Caribbean Cooperation Facility could be used for bilateral needs for Caribbean countries without MIP.

⁴⁶ With a focus on United States, Canada, Argentina, Brazil, Mexico, including also other LAC countries without a bilateral MIP

4. Support to investments under the EFSD+

The regional MIP will be an important source of funding for the EFSD+. This allocation will include priorities for investment identified at country (both countries with and without MIPs), multi-country, sub-regional and regional levels. Modalities include blending operations (through a Latin America and Caribbean Investment Facility - LACIF) and the provisioning for External Action Guarantees. Actions will contribute to the achievement of the regional priority areas identified in this MIP. This allocation may be complemented with funds from the country MIPs based on concrete investment project proposals in the concerned countries.

Synergies and coherence between blending and guarantees, as well as with other instruments (i.e. budget support and regional programmes) will be analysed and capitalised on. Moreover, political engagement and policy dialogue, under the leadership of EU Delegations, will steer the deployment of guarantees and blending operations.

The guarantees under the EFSD+ will be organised under windows, which refer to the specific allocations of funds for the different types of guarantees. A share of the funds allocated to EFSD+ will be implemented by the EIB through one exclusive window for sovereign and non-commercial sub-sovereign operations and two non-exclusive windows for commercial sub-sovereign and private sector operations. The remaining part of the EFSD+ guarantees will be implemented through “open architecture” windows for commercial sub-sovereign and private sector operations, which will be open to other financial institutions⁴⁷. Additionally, the open architecture windows will be implemented by means of calls for proposals under sectoral priorities under negotiation.

Both blending and guarantees will support the EU Global Gateways broader connectivity strategy.

Blending is a well-established instrument in the region. It offers flexibility to respond to needs and challenges, such as in response to the COVID-19 pandemic or the migratory crisis. EU Delegations play a key role in the identification and the design of blending initiatives, in line with the needs of partner countries. They also ensure policy dialogue on the priority areas covered by the blending operations. Blending is open to all priority areas in country MIPs and in the regional MIP for both the Pan-American and the Caribbean windows, based on the policy first principle.

Guarantees will help leverage resources and strengthen relations with multiple stakeholders, from Member State agencies and regional development banks, national and sub-national governments to private sector, while advancing work on innovative financial modalities, including green bonds. Sustainable finance represents a real potential in the region and could help accelerate financial flows towards green, inclusive and resilient transitions, e.g. through green bonds and other relevant sustainable finance instruments.

- **Sovereign & sub sovereign non-commercial guarantees:** under the dedicated windows for the EIB, areas could include: (i) resilient and climate-friendly

⁴⁷ Financial institutions must be pillar assessed. See full list of pillar assessed entities at: <https://myintracomm.ec.europa.eu/budgweb/EN/man/budgmanag/indirect/Pages/pillar-assessment.aspx>

infrastructure; (ii) sustainable energy; (iii) access to finance (iv) water & sanitation. Inclusion of projects to reduce inequalities and increase social cohesion, health, security or to manage migration will be encouraged. Other sectors will be considered when in line with regional and/or national priorities.

- **Private sector guarantees and sub sovereign commercial:** under the open architecture areas could include: (i) green transition (including sustainable energy, sustainable transport, green agriculture, biodiversity, marine and forest conservation, water and sanitation, circular economy); (ii) sustainable and inclusive economic recovery with a focus on access to Finance (MSME financing with a focus on women, youth); (iii) sustainable Cities (urban development & infrastructure); (iv) digital transformation (digital infrastructure, innovation, connectivity, digital economy); (v) human development (including health), migration, democratic governance, citizen security. Other sectors are also possible when in line with regional and/or national priorities.

The regional MIP will cover the external lending mandate legacy from the European Bank of Investment within the limit indicated in the financial overview (section 5), and as part of the contribution to the provisioning of guarantees.

Technical assistance will support the deployment of EFSD+ operations.

5. Financial overview

The duration of this MIP is seven years, and a mid-term review is foreseen for 2024.

Overall indicative amount for the period 2021-2027:

Component		percentage of each window	In EUR million
Regional MIP Americas and the Caribbean			1280
A - Pan-American window		84%	1072
A1	Priority area 1 - Green Transition	+/-30%	322
A2	Priority area 2 - Digital Transformation	+/-12%	130
A3	Priority area 3 - Sustainable and Inclusive Economic Recovery	+/-13%	140
A4	Priority area 4 - Democratic Governance, Security, Migration	+/-11%	116
A5	Priority area 5 - Social Cohesion and addressing inequalities	+/-10%	110
A6	Central America sub-window	+/-5%	50
A7	Support to EU projection: external dimension of the EU policies, in support to EU interest	+/-7%	70
A8	Cooperation facilities serving regional programmes and countries without a MIP (*)	+/-4%	46
A9	HICs (i.a. US and Canada) and public diplomacy for Argentina, Brazil and Mexico	+/-6%	65
A10	External Lending Mandate legacy	+/-2%	23
B - Caribbean window		16%	208
B1	Partnership on Green Deal	+/-42%	87
B2	Partnership on Economic Resilience and Trade	+/-38%	78
B3	Partnership for Governance, Security and Human Development	+/-14%	30
B4	Cooperation facilities, including strategic communication, public diplomacy and policy dialogue	+/-6%	13
170 M€ are earmarked for Argentina (EUR 40 million), Brazil (EUR 70 million) and Mexico (EUR 60 million)			
It includes 15 M€ from country envelopes foreseen for OECS UMICs countries that will be managed under the sub-regional Caribbean window			
EFSD+ resources represent indicatively an amount of 336 M€ from which a maximum of 153 M€ corresponds to the provisioning of guarantees and its related technical assistance.			
(*) this component includes strategic communication, as well as public diplomacy for Chile, Panama, Uruguay and Venezuela			

Annex: Intervention framework

Intervention framework Pan-American window

Priority area 1: Green Transition		
Specific objective 1: To increase ambition and effectiveness of climate action in LAC, in line with the commitments under the Paris Agreement.		
Expected Results	Indicators	Baseline & targets/ Means of verification
R1) More ambitious and effective climate policies have been promoted in the countries of the region, based on NDCs, national adaptation plans (NAPs) and existing climate plans at the local level, and the monitoring of their implementation	a1) Number of countries and cities with climate change and/or disaster risk reduction strategies (a) developed (b) under implementation with the EU-support (EURF 2.5)	Revised NDCs and NAPs Intervention progress report National reports
R2) Nature-based solutions as part of comprehensive climate change adaptation and comprehensive risk management strategies are deployed and scaled up	b1) Communities are more cohesive and better protected against climate threats and external shocks, in particular women and youth.	Means of verification: M&E systems of EU-funded intervention
R3) Improvements are promoted in key sectors, such smart mobility, sustainable transport, disaster risk and water management, sustainable food production, to contribute to climate change adaptation and mitigation in LAC countries	c1) Number of smart mobility/sustainable transport, disaster risk management, sustainable food production and water management measures and initiatives effectively created, improved and implemented	Means of verification: M&E systems of EU-funded intervention
R4) The share of renewable energy and energy efficiency are increased	d1) Number of people with new and improved access to affordable, reliable and sustainable energy enabled with EU support	Means of verification: M&E systems of EU-funded intervention
R5) Monitoring of implementation (compliance) and efficiency of climate policies are strengthened, including through the use of earth observation and digital data	e1) Number of people trained including in the use of digital data for the adoption, monitoring, implementation, and evaluation of policies related to NDCs, including Copernicus data. e2) Number of urban municipalities, regions, provinces which benefited from capacity-building activities to carry out their mandate in the provision of public services related to the implementation of the Green Deal (ex: delivery of electricity, waste management, public transportation, etc.).	Means of verification: M&E systems of EU-funded intervention National reports, documents, statistics
Specific objective 2: To strengthen protection and conservation of land land/forest and marine ecosystems and their biodiversity, including through earth observation and digital data.		

Expected Results	Indicators	Baseline & targets/ Means of verification
<p>R1) More ambitious policies for the protection, conservation and sustainable management and use of terrestrial and marine ecosystems</p>	<p>a1) Number of regional/national/sub-national biodiversity plans and policies enhanced, adopted and implemented with EU support (e.g. revised NDCs and NAPs, national climate change strategy, decarbonisation, clean energy, disaster risk reduction)</p> <p>a2) Areas of terrestrial ecosystems under a) protection b) sustainable management with EU support (Indicator 9 – Programming Guidelines Annex 7)</p> <p>a3) Marine areas under a) protection b) measures related to conservation, sustainable management and use of living marine resources at bilateral, regional and multilateral level with EU support (Indicator 8, Programming Guidelines Annex 7)</p>	<p>Means of verification: M&E systems of EU-funded intervention</p>
<p>R2) Strategies for effective conservation, enforcement of forest protection legislation and sustainable local economic development strategies are developed around key transboundary and protected ecosystems (i.e. forest, coastal, marine, river basins, etc.)</p>	<p>b1) Number of strategies for effective conservation, enforcement of forest protection legislation and sustainable local economic development strategies are developed and implemented</p> <p>b2) Number of countries participating in international and regional processes and commitments.</p>	<p>Means of verification: M&E systems of EU-funded intervention</p>
<p>R3) Forest governance capacities, landscape approaches, sustainable land use and investment in sustainable bio-economy are enhanced, and deforestation-free supply chains promoted</p>	<p>c1) Number of people (disaggregated by gender) trained or capacitated on forest governance capacities, landscape approaches, sustainable land use and investment in sustainable bio-economy</p> <p>c2) Number of deforestation-free supply chains created</p>	<p>Means of verification: M&E systems of EU-funded intervention</p>
<p>R4) Knowledge of biodiversity and ecosystem services, monitoring capacities (incl. through remote sensing), sharing of information and best practices are improved for a stronger science-policy interface, including remote</p>	<p>d1) Number of people (disaggregated by gender) trained or capacitated on biodiversity and</p>	<p>Means of verification: M&E systems of EU-funded intervention</p>

sensing and earth observation data and technologies. Data sharing for evidence-based policies is strengthened.	ecosystem services and their monitoring capacities d2) Number of agreements to share data	
Specific objective 3: To tackle pollution and accelerate the transition to a clean, resource efficient and circular economy.		
Expected Results	Indicators	Baseline & targets/ Means of verification
R1) Strengthened dialogue at regional and sub-regional levels	a1) Number of countries participating in international and regional processes and commitments towards a circular economy	Means of verification: M&E systems of EU-funded intervention
R2) The investment climate and access to finance for circular economy approaches is enhanced, facilitating an enabling business environment adapted to integrate circular and green business models.	b1) Number of SME supported to develop a Circular Economy Business Model b2) % of Green Public Procurement in LAC countries	Means of verification: M&E systems of EU-funded intervention
R3) Coordination of regional value chains and trade facilitation for “circular” and “sustainable raw materials” products are improved, including setting of standards with private sector (including blue economy)	c1) Number of regional value chains with improved coordination c2) Number of people (disaggregated by gender) trained or capacitated on trade facilitation for “circular” and/or “sustainable raw materials” products	Means of verification: M&E systems of EU-funded intervention
R4) Use of digital data, including those provided by Copernicus and systems such as Galileo and EGNOS to improve traceability and sustainable production, are increased	d1) Number of people (disaggregated by gender) trained or capacitated on the use of digital data	Means of verification: M&E systems of EU-funded intervention

Priority area 2: Digital transformation and innovation

Specific objective 1: Strengthen standardization, regulatory and policy cooperation on issues of common interest

Expected Results	Indicators	Baseline & targets/ Means of verification
<p>R1) More aligned digitalisation-related standardisation, policy and regulation frameworks between the EU and LAC, as well as between the LAC countries based on shared human-centric values enshrining fairness, openness, and inclusiveness.</p>	<p>a1) Number of policies/strategies/laws/regulation developed or revised with EU support both at national and regional level</p> <p>a2) Number of policy dialogues, capacity building or technical assistance activities organised at continental, regional or national level on topics of common interest.</p>	<p>a1) Baseline: 0 Target: at least 10</p> <p>a2) Baseline: 0 Target: at least 8</p> <p><u>Means of verification:</u> Intervention progress report, National reports, ECLAC analysis</p>
<p>R2) Strengthened regulatory environment and e-governance / good public governance, including transparency</p>	<p>b1) Number of e-governance systems and services established or improved with the support of the EU</p> <p>b2) Number of countries supported by the EU with enhanced access to digital government services</p>	<p>b1) Baseline: 0 Target: <i>to be determined</i></p> <p>b2) Baseline: 0 Target: <i>to be determined</i></p> <p><u>Means of verification:</u> ECLAC report, National reports</p>
<p>R3) Increased cybersecurity, privacy and personal data protection, ethical and liability issues on artificial intelligence</p>	<p>c1) Number of common principles, frameworks and/or standards, adopted by the EU and LAC countries on cybersecurity, privacy and data protection, artificial intelligence</p>	<p>c1) Baseline: 0 Target: 5</p> <p><u>Means of verification:</u> Global Cybersecurity Index (GCI)</p>
<p>R4) Strengthened capacities of LAC countries to provide the skills and competencies needed in the digital era, especially to those population segments most at risk of exclusion</p>	<p>d1) Status of digital skills and literacy strategies at regional and national level, developed or improved with EU support</p>	<p>d1) <i>to be determined</i> by more detailed analysis.</p>

	d2) Number of highly skilled ICT professionals, [with convergence between women and men] or Number of technical assistance activities supporting LAC workforce to acquire new digital skills	d2) <i>to be determined</i> by more detailed analysis. <u>Means of verification:</u> National reports, statistics, intervention progress report, ILO and ECLAC data
Specific objective 2: Develop backbone digital connectivity within the LAC region and with the EU		
Expected Results	Indicators	Baseline & targets/ Means of verification
R1) Improved connectivity infrastructure, namely through the BELLA project, allowing for increased business opportunities for digital products and applications, knowledge and data exchange and scientific cooperation	a1) Number of countries or national research and education networks participating in the BELLA project a2) Length of BELLA optical fibre cable installed with EU investment support	a1) Baseline: 5 Target: 12 a2) <i>to be determined</i> <u>Means of verification:</u> BELLA programme data
R2) Increased connection to open, affordable and secure broadband connectivity and digital infrastructure	b1) Number of universities, research and innovation centres and similar organisations connected to the network	Target <i>to be determined</i> by more detailed analysis. <u>Means of verification:</u> BELLA programme data
R3) Reduced digital divide	c1) Number of people with access to broadband connectivity disaggregated by sex, age, urban/rural, level of education	Target <i>to be determined</i> by more detailed analysis. <u>Means of verification:</u> BELLA programme data
Specific objective 3: Foster private sector collaboration, competitiveness and innovation in the digital area		
Expected Results	Indicators	Baseline & targets/ Means of verification

<p>R1) Increased digital entrepreneurship and digital business transformation, including for women and youth</p>	<p>a1) Number of SMEs that have received support to foster digital entrepreneurship through the schemes established/reinforced with EU support, disaggregated by sex, age.</p>	<p>Target to be determined by more detailed analysis.</p> <p><u>Means of verification:</u> D4D reports, ECLAC reports</p>
<p>R2) Increased competitiveness of businesses in the digital domain as well as in other sectors profiting from digital input</p>	<p>b1) Number of SMEs that have entered the digital domain.</p> <p>b2) Number of countries that adopt and implement constitutional, statutory and/or policy guarantees for public access to information</p>	<p>Targets to be determined by more detailed analysis.</p> <p><u>Means of verification:</u> D4D reports, ECLAC reports</p>
<p>R3) Increased EU-LAC collaboration on research and innovation in the digital domain, strengthened links with the EU private sector</p>	<p>c1) Number of new collaboration agreements, research or technology development agreements, signed with private sector and/or universities/public research.</p> <p>c2) Number of EU-LAC private sector partnerships catalyzed with EU support</p>	<p>Targets to be determined by more detailed analysis.</p> <p><u>Means of verification:</u> Reports, documents, statistics, Horizon Europe third countries participation data</p>
<p>R4) Increased access to digital solutions for businesses / digitalisation of businesses</p>	<p>d1) Number of businesses with increased access to digital solutions in the region and number of businesses that have initiated digitalization as part of their operations over a specified time period.</p>	<p>Target to be determined by more detailed analysis.</p> <p><u>Means of verification:</u> D4D reports, ECLAC data, M&E system of EU-funded intervention</p>
<p>R5) More accessible and more transparent access to finance for digital entrepreneurs, MSMEs</p>	<p>e1) Status incentive mechanisms for facilitating digital entrepreneurship</p>	<p>Target to be determined by more detailed analysis.</p> <p><u>Means of verification:</u> D4D reports, ECLAC data, M&E system of EU-funded intervention</p>
<p>R6) Increased collaboration with the EU space sector using EU relevant services and networks such as i.e. Copernicus hubs, the Galileo Information Centres and the Copernicus Relays and Academy networks.</p>	<p>f1) Agreements between the EU and LAC space sector industry or public bodies facilitated by EU intervention.</p>	<p>Target to be determined by more detailed analysis.</p> <p><u>Means of verification:</u> M&E system of EU-</p>

		funded intervention Copernicus report
Specific objective 4: Support the development and broad use of digitally-enabled products and e-services where the EU has specific expertise.		
Expected results	Indicators	Baseline & targets/ Means of verification
R1) Enhanced development and integration in LAC public and private sectors of EU ICTs/digital technologies, services and applications that build on the use of big data, supercomputing, artificial intelligence.	a1) Number of collaborations, business partnership and EU investment flows or joint ventures developed with the support of the action	Target to be determined by more detailed analysis. <u>Means of verification:</u> D4D reports, M&E system of EU-funded intervention
R2) Increased market uptake of Galileo, Copernicus and EGNOS enabled products.	b1) Number of beneficiaries of EU Space programmes enabled products	Target to be determined by more detailed analysis. <u>Means of verification:</u> M&E system of EU-funded intervention, Copernicus report
R3) Increased use of Galileo, Copernicus and EGNOS enabled digital services by the public administrations or private entities in LAC, <u>in line with EU models or systems.</u>	c1) Agreements or Memorandums of Understanding established between the EU and LAC countries e.g. facilitating access to programmes data and services c2) Number of beneficiaries benefitting from EU Space programmes enabled services	Targets to be determined by more detailed analysis. <u>Means of verification:</u> M&E system of EU-funded intervention
R4) Establishment of a Copernicus Centre with a regional geographic scope (e.g. Central America and Caribbean)	d1) The establishment of the Centre.	d1) Target: Establishment of the Copernicus Centre <u>Means of verification:</u> M&E system of EU-funded intervention Copernicus report

Priority area 3: Sustainable and inclusive economy

Specific objective 1: Strengthen EU-LAC trade, investment and economic relations as enablers for sustainable and inclusive economic recovery

Expected Results	Indicators	Baseline & targets/ Means of verification
<p>R1) Implementation of EU-LAC association and trade agreements is strengthened</p>	<p>a1) Number of processes related to partner country practices on trade, investment and business, or promoting the external dimension of EU internal policies or EU interest which have been influenced</p> <p>a2) EU-LAC trade volumes and investments as a % of LAC overall trade</p>	<p>a1) Baseline 0, program progress reports and evaluations</p> <p>a2) Baseline: In 2019, Trade with the EU accounted for approximately 10.5% of LAC's trade with the world. In 2019, FDI inflows in LAC from Europe accounted for 55%.</p> <p>Source of verification: ESTAT statistics, World Bank – WITS (World Integrated Trade Solution); CEPAL annual reporting on investment flows</p>
<p>R2) LAC sub-regional and regional integration processes are enhanced</p>	<p>b1) % of LAC intra-regional trade relative to total trade</p> <p>b2) Number of actions supporting regional integration and single-market approach as a main objective supported by the EU</p>	<p>b1) Baseline: In 2019, approximately 14% of LAC's trade was intra-regional, compared to 68% in the EU. Source: CEPAL and WTO reporting.</p> <p>b2) Baseline 0, program progress reports and evaluations</p>
<p>R3) Investment climate and cooperation platforms enabling scaling up of EU-LAC sustainable and socially inclusive investments are improved</p>	<p>c1) Number of countries supported by the EU to strengthen investment climate and incentivise environmentally sustainable and socially responsible investment</p> <p>c2) Trends related to flows of investment (i - EU position as investor in LAC, ii - overall amounts of EU FDI in LAC yearly, iii - main sectors for EU investments)</p>	<p>c1) Baseline 0, program progress reports and evaluations</p> <p>c2) Baseline: (i) ESTAT/ECLAC/CEPAL yearly investment reports, (European companies had been the main investors in LAC and up to 2019 accounted for more than half of FDI inflows to the region. In 2020, this share fell to 38%, just above that of the United States, which rose by 10 percentage points to 37%). ii) stocks out value 2019 EUR 794 481 M; stocks in value 2019 EUR 217 910 M; flows out value 2019 EUR 25 146M; flows in value EUR 1 365 M; ESTAT iii) ESTAT/ECLAC/UNCTAD statistics.</p>
<p>R4) EU-LAC business to business links, including enabling</p>	<p>d1) Number of EU-LAC private sector partnerships initiated with EU support</p>	<p>d1) Baseline 0, program progress reports and evaluations</p>

environment and cooperation on industrial clusters, are strengthened		
R5) EU-LAC cooperation on rules and technical standards, in particular at multilateral and regional level, is enhanced	e1) Number of initiatives aimed at convergence of EU and partner country positions regarding regulatory standards (including, but not limited to, convergence in WTO and other multilateral fora)	e1) Baseline 0, program progress reports and evaluations
Specific objective 2: Support LAC's transition to innovative sustainable economic practices and value chains		
Expected Results	Indicators	Baseline & targets/ Means of verification
R1) Sustainable agricultural practices are promoted and schemes for sustainable agricultural/livestock/fisheries value chains are developed in partnerships with EU businesses	f1) Number of value chains originating in the partner country with more sustainable practices as a result of EU interventions f2) Number of smallholders reached with EU supported interventions aimed to increase their sustainable production, access to markets and/or security of land	f1) Baseline 0, program progress reports and evaluations f2) Baseline 0, program progress reports and evaluations
R2) EU-LAC partnerships on responsible and sustainable raw materials value chains	g1) Number of partnerships between EU and LAC companies involved in the raw materials value-chains g2) Number of initiatives taken by countries and mining companies to apply more sustainable practices and due diligence requirements with EU support	g1) Baseline 0, program progress reports and evaluations g2) Baseline 0, program progress reports and evaluations
R3) Sustainable business models in emerging green economy are promoted and enabled	h1) Number of countries with green economy-related policies/ strategies/ laws/ regulations: (a) developed, (b) under implementation with EU support h2) Number of MSMEs applying Sustainable Consumption and Production practices with EU support	h1) Baseline 0, program progress reports and evaluations h2) Baseline 0, program progress reports and evaluations

Specific objective 3: Support the inclusiveness of LAC's economic recovery		
Expected Results	Indicators	Baseline & targets/ Means of verification
R1) Private sector development and entrepreneurship is catalysed, including through improved access to finance, with a focus on MSMEs	<p>i1) Number of government measures specifically targeting private sector development or entrepreneurship of MSMEs prepared with EU support</p> <p>i2) World Bank Ease of Doing Business report – number of yearly reforms for the LAC region</p>	<p>i1) Baseline 0, program progress reports and evaluations</p> <p>i2) Ease of Doing Business report 2019: 25 reforms reported</p>
R2) Empowerment and entrepreneurship opportunities, particularly for women, youth, indigenous people and other minorities are promoted and enabled	j1) Number of policies/initiatives supported by the EU to empower women, youth, indigenous communities afro-descendant communities and impaired; including in education, cultural and creative industries	j1) Baseline 0, program progress reports and evaluations
R3) Public policies related to maximising creation of decent jobs in the process of economic recovery and to compliance with ILO conventions are enhanced	<p>k1) Number of processes and reforms promoting decent jobs creation supported by the EU</p> <p>k2) Number of actions supported by the EU to foster effective implementation of ILO conventions as well as promoting their ratification.</p>	<p>k1) Baseline 0, program progress reports and evaluations</p> <p>k2) Baseline 0, program progress reports and evaluations</p>
R4) Socially responsible economic practices are promoted, in line with international principles and standards for Corporate Social Responsibility/responsible business conduct	<p>l1) Number of actions supported by the EU to foster ratification and implementation of UN and OECD Guidelines (including in relation to business and human rights and corporate social responsibility)</p> <p>l2) Number of LAC NGOs, MSMEs and companies implementing responsible business conduct practices as a result of EU support'</p>	<p>l1) Baseline 0, program progress reports and evaluations</p> <p>l2) Baseline 0, program progress reports and evaluations</p>

Priority area 4: Governance, Security and Migration

Specific objective 1: Strengthen democratic governance and enhance transparency, integrity, accountability and capacity of LAC institutions

Expected Results	Indicators	Baseline & targets/ Means of verification
R1) Enhanced regulatory frameworks, institutional capacities, bi-regional and sub-regional dialogue and networks for more effective, accountable and transparent democratic institutions	<p>a1) Voice and Accountability score (as measured by the World Bank Worldwide Governance indicators)</p> <p>a2) Government transparency and accountability as per the Organised Crime Index</p>	<p><u>a1) Baseline LAC:</u> 0,58 (Worldbank, 2019)</p> <p>a2) 4.54 for the Americas (OC Index, 2021)</p>

Specific objective 2: Enhance the rule of law and the fight against transnational organised crime across the region, with a full respect of international human rights principles

Expected Results	Indicators	Baseline & targets/ Means of verification
R2) Increased effectiveness in the fight against organised crime, with a focus on drugs trafficking, environmental crimes and cybercrimes and other related criminal offences such as firearms trafficking and money laundering	<p>b1) Criminal market scores within OC Index improve</p> <p>b2) Rate of asset recovery as a proportion of overall criminal assets</p>	<p>b1) 4.7 at continental level (7.14 cocaine, 5.81 cannabis, 5.4 firearms trafficking, 5.19 human trafficking, 4.47 human smuggling, 4.37 non-renewable resource crimes); OC Index, 2021</p> <p>b2) to be determined by on-going programmes</p>
R3) Strengthened rule of law in LAC through enhanced sub-regional, regional and EU-LAC bi-regional law enforcement and justice cooperation and promotion of relevant EU standards, including fundamental rights	<p>c1) Trends in the Rule of Law score (as measured by the World Bank Worldwide Governance indicators)</p> <p>c2) Number of institutions having improved their police, judicial and penitentiary cooperation practices and networks with EU support</p>	<p>c1) Baseline LAC: - 0.18 (Worldbank, 2019)</p> <p>c2) Baseline being set by ongoing studies/programmes</p>
R4) Increased capacity to assess trends and to formulate balanced, evidence-based and innovative strategies to fight against serious organised crime	d1) Number of countries adopting common definitions/criteria of crimes, threat assessments and data-based strategies, with EU support	d1) Baseline being set by ongoing studies/programmes

Specific objective 3: Improving migration management policies and capacities, including in the areas of forced displacement, migrant protection, fight against trafficking in human beings and migrants smuggling

Expected Results	Indicators	Baseline & targets/ Means of verification
R5) Improved and coordinated migration/forced displacement management policies and capacities at continental, regional, sub-regional and national levels – including in the areas of migrant protection, trafficking in human beings, migrant smuggling, documentation, border management, as well as temporary and durable solutions to displaced persons.	<p>e1) Number of migrants, refugees and internally displaced people and persons from host communities protected or assisted with EU support (disaggregated by sex and by age)</p> <p>e2) Number of migration management or forced displacement policies and regional/sub-regional cooperation frameworks developed/revised, or under implementation with EU support</p>	<p>e1) Baseline 0, program progress reports and evaluations + GERF</p> <p>e2) Baseline 0, program progress reports and evaluations + GERF</p>

Priority area 5: Social cohesion and addressing inequalities⁴⁸

Specific objective 1: Strengthening social contracts, enhancing inclusive participation in public policies

Expected Results	Indicators	Baseline & targets/ Means of verification
R1) Effective consultation and representation mechanisms are in place to ensure a participatory design of public policies and foster multi-stakeholder alliances	a1) Number of government policies developed or revised with civil society organizations participation through EU support	<p><u>Source:</u> GERF / Reporting on EU funded interventions</p> <p><u>Baseline:</u> 3 at national level (<i>to be confirmed</i>)</p> <p><u>Target:</u> 9 (<i>to be confirmed</i>)</p>
R2) The capacity of under-represented groups to participate in the design and implementation of public policies is increased	b1) Number of processes fostering effective public consultation and representation mechanisms supported by the EU	<p><u>Source:</u> Reporting on EU funded interventions</p> <p><u>Baseline:</u> 0</p> <p><u>Target:</u> 7 (<i>to be confirmed</i>)</p>

⁴⁸ Regarding macro indicators, it is important to keep in mind the limited scale of EU funding and thus interventions

<p>R3) The green and the digital transitions are managed in a fair and inclusive way</p>	<p>c1) Number of people [disaggregated by sex and age] who have benefited from institution or workplace based VET/skills development interventions supported by the EU, disaggregated for <u>digital</u> skills</p> <p>c2) Number of jobs supported/sustained by the EU, disaggregated for <u>green</u> jobs and by sex and age of the job holder</p>	<p>c1) <u>Source:</u> GERF / Reporting on EU funded interventions <u>Baseline:</u> 0 <u>Target:</u> 50.000 (<i>to be confirmed</i>)</p> <p>c2) <u>Source:</u> GERF / Reporting on EU funded interventions <u>Baseline:</u> 0 <u>Target:</u> 50.000 (<i>to be confirmed</i>)</p>
<p>Specific objective 2: Improving tax good governance and domestic revenue mobilisation, including through equitable revenue collection, effective allocation and efficient use of public resources to finance key social sectors, reducing inequalities and addressing informality</p>		
<p>Expected Results</p>	<p>Indicators</p>	<p>Baseline & targets/ Means of verification</p>
<p>R1) Fair, equitable, efficient and transparent fiscal policies allow for an increased fiscal space to finance social policies, related public policies and reforms</p>	<p>d1) Tax-to-GDP ratio</p> <p>d2) Number of LAC countries included in the EU list on non-cooperative tax jurisdictions</p>	<p>d1) <u>Source:</u> OECD-IDB-CIAT-ECLAC Revenue statistics in LAC <u>Baseline:</u> Average for LAC in 2019: 22.9% <u>Target:</u> 24% (<i>to be confirmed</i>)</p> <p>d2) <u>Source:</u> EU list on non-cooperative tax jurisdictions (Annex 1) <u>Baseline:</u> 2 LAC countries in 2021 <u>Target:</u> 2 LAC countries*</p> <p>*NB: considering more stringent requirements in the future</p>

<p>R2) The authorities' capacity to design and monitor result oriented and gender responsive public policies is strengthened</p>	<p>e1) % of countries supported by the EU to strengthen revenue mobilisation, public financial management and/or budget transparency which report success stories</p> <p>e2) % of new actions supporting public finance management (PFM) reforms that include a gender budgeting component, disaggregated for LAC</p>	<p>e1) <u>Source:</u> Reporting on EU funded interventions <u>Baseline:</u> 61% (11 out of 18 supported countries) <u>Target:</u> 90%</p> <p>e2) <u>Source:</u> COM (GAP III indicator) <u>Baseline:</u> 2 actions in LAC (2021) <u>Target:</u> at least 20% of new actions</p>
<p>R3) Public spending focuses increasingly on reducing the gap in access to social services</p>	<p>f1) Proportion of total government spending on essential services</p> <ul style="list-style-type: none"> - education expenditure as % of GDP - health expenditure as % of GDP - Social protection expenditure as % of GDP 	<p><u>Source:</u> ECLAC Fiscal panorama for LAC. <u>Baseline for LA / for Caribbean</u> (average) on the 2016-2018 period:</p> <ul style="list-style-type: none"> - Education: 3.6% / 4.5% - Health: 2.6% / 3.3% - Social protection: 1.7% / 2.9% <p><u>Target:</u> increase by 12%</p>
<p>Specific objective 3: Strengthening systems to protect people from risks and ensure equal access to public goods and services (particularly for the most vulnerable)</p>		
<p>Expected Results</p>	<p>Indicators</p>	<p>Baseline & targets/ Means of verification</p>
<p>R1) All people have increased access to quality basic services (health, water and sanitation, education and skills development, employment, access to justice), including at territorial level</p>	<p>g1) Number of education and skills services which have been created/improved/made more accessible with EU support, with a gender / age / vulnerable groups lens</p> <p>g2) Number of health services which have been created/improved/made more accessible with EU support, with a gender / age / vulnerable groups lens</p>	<p>g1) <u>Source:</u> EU funded interventions reporting <u>Baseline:</u> <i>to be confirmed</i> <u>Target:</u> increase by 15%</p> <p>g2) <u>Source:</u> EU funded interventions reporting <u>Baseline:</u> <i>to be confirmed</i> <u>Target:</u> increase by 10%</p>
<p>R2) Social protection systems are adequate, reinforced and shock-resilient, and reach the most vulnerable</p>	<p>h1) Number of countries which have benefitted from EU support to strengthen their social protection systems</p>	<p>h1) <u>Source:</u> GERF / Reporting on EU funded interventions <u>Baseline:</u> <i>to be confirmed</i> <u>Target:</u> 15 (<i>to be confirmed</i>)</p>

	h2) Workers without labour-based social insurance and main social assistance schemes (% of total employment) [disaggregated by sex and age]	h2) Source: OECD – ECLAC Latin American Economic Outlook 2021 Baseline: Average LAC 39% Target: reduction by 10%
Specific objective 4: Enhancing regional and bi-regional dialogue on social cohesion and inequality		
R1) Platforms for EU-LAC dialogue on social cohesion and inequalities are strengthened	i1) Number of bi-regional / regional platforms created or strengthened with EU support i2) Number of bi-regional / regional dialogues (events) held with EU support	Source: EU funded interventions reporting Baseline: 0 Targets: i1) At least one i2) At least one per year

<u>Central American Sub-Window</u>		
a) <u>Green and Blue Recovery (aligned with Priority Area 1: Green Transition)</u>		
Specific Objective for Central America: Increase resilience of livelihoods and ecosystems		
Expected Results	Indicators	Baseline & targets/ Means of verification
R1) Improved management of land and marine ecosystems, with greater participation of marginalised population such as indigenous and afro-descendant groups	a1) Areas of terrestrial and freshwater ecosystems under (a) protection, (b) sustainable management with EU support (km2) (EURF 9) a2) Marine areas under (a) protection, (b) sustainable management with EU support (km2) (EURF 8)	a1) 0 (2021) – 100 (2027) SG SICA information systems a2) 0 (2021) – 50 (2027) SG SICA information systems
R2) More resilient agri-food systems facilitate green and blue recovery	b1) Number of indigenous organisations, forest communities and afro-descendant groups reached by EU support Agricultural and pastoral ecosystems where sustainable management practices have been introduced with EU support (ha) (EURF 2)	b1) 0 (2021) – 12 (2027) SG SICA information systems

<p>b) <u>Digital Connectivity and Transformation (aligned with Priority Area 2: Digital Transformation)</u></p> <p>Specific Objective for Central America: Promote inclusive digital transformation in Central America</p>		
Expected Results	Indicators	Baseline & targets/ Means of verification
<p>R1) Improved efficiency, effectiveness and governance of digital services.</p> <p>R2) Increased competitiveness of businesses in a more inclusive digital economy.</p>	<p>a1) Number of countries supported by the EU to (a) develop and/or revise or (b) implement digital-related policies/strategies/laws/regulations (EURF 10)</p> <p>a2) Number of countries supported to reduce the digital gap</p> <p>b1) Number of MSMEs supported by EU to develop process for digital transformation and innovation</p>	<p>a1) 0(2021) - 8(2027) SG SICA information systems</p> <p>a2) 0(2021) - 8(2027)</p> <p>b1) SG SICA information systems to be determined at a later stage</p>
<p>c) <u>Sustainable Economic Integration (aligned with Priority Area 3: Sustainable and Inclusive Economic Recovery)</u></p> <p>Specific Objective for Central America: Enhance the effectiveness of implementation of the trade provisions of the Association Agreement signed between the European Union and Central America</p>		
Expected Results	Indicators	Baseline & targets/ Means of verification
<p>R1) Progress towards economic integration, with improved sustainable development standards</p>	<p>a1) Extent of implementation of trade commitments under the EU-CA AA, including sustainable development standards (environment and labor)</p>	<p>a1) Baseline: 2021 Association Committee Report. Target: Progress reported in all trade-related sub-committees. Means of verification: Association Committee reports.</p>
<p>d) <u>Inclusive and Peaceful Development (aligned with Priority Area 4: Democratic Governance, Security and Migration)</u></p> <p>Specific Objective for Central America: Promote sub-regional integration as driver of peace and stability, greater inclusion, and reduced inequalities</p>		
Expected Results	Indicators	Baseline & targets/ Means of verification
<p>R1) Enhanced policy dialogue and improved policies facilitate peace and stability, greater inclusion, and reduced inequalities including for migrants</p>	<p>a1) Number of EU funded regional initiatives supporting democratic, resilient and strong institutions</p> <p>a2) Number of countries directly benefiting from EU supported interventions to reduce social and economic inequality, including for migrants</p>	<p>a1) 0 (2021) - 6 (2027) SG SICA information systems</p> <p>a2) 0 (2021) - 6 (2027) SG SICA information systems</p>

	a3) Number of countries supported by the EU to strengthen revenue mobilisation, public financial management and/or budget transparency (EURF 19)	a3) 0 (2021) - 6 (2027) SG SICA information systems
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Intervention Framework Caribbean Window

Priority area 1: Caribbean-EU Partnership for a Green Deal		
Specific Objective 1: The Caribbean is more resilient to the impact of climate change and natural hazards		
Expected Results	Indicators	Baseline & targets/ Means of verification
R1) Caribbean natural resources and infrastructure are better protected and managed in a sustainable manner	a1) Number of countries supported by the EU to develop and implement adaptation, resilience and management of natural resources strategies, action plans, policies and NDCs based on a gender analysis [add footnote with full definition of gender analysis]	a1) 0 (2021) – 12 (2027)
	a2) Number of countries with integrated biodiversity values into national accounting and reporting systems defined as implementation of the System of Environmental-Economic Accounting [SDG-15.9.1]	a2) Baseline (# of Caribbean countries that have these systems in place already); target (# of additional Caribbean countries by 2027).
R2) Approaches to disaster risk reduction and/or management are implemented in line with the regional strategies for Disaster Risk Management	b1) Number of risk financing strategies and schemes supported by the EU, at national and regional level	b1) 0 (2021) – 4 (2027)
	b2) Number of countries and cities with climate change and/or disaster risk reduction strategies: (a) developed, (b) under implementation with EU support [EURF] based on a gender analysis [GAP3]	b2) (a) 0 (2021) – 4 (2027) b2) (b) 0 (2021) – 6 (2027)
Specific objective 2: Caribbean countries scale up their inclusive green transition		

Expected Results	Indicators	Baseline & targets/ Means of verification
R1) Circular economy policies and processes are promoted	c1) Number of countries that have developed, adopted or implemented policy instruments aimed at supporting the shift to sustainable consumption and production, with EU support [EURF]	c1) 0 (2021) – 4 (2027)
	c2) Number of Micro, Small and Medium Enterprises applying Sustainable Consumption and Production practices with EU support [EURF], disaggregated by gender of head of firm	c2) 0 (2021) – 5 (2027)
R2) Energy efficiency and the share of renewable energy in the countries' mix for energy production are increased	d1) Renewable energy share in the total final energy consumption [SDG 7.2.1]	d1) To be determined, disaggregated per country (2021), To be determined disaggregated per country (2027)
	d2) Greenhouse Gas (GHG) emissions avoided through energy efficiency measures (tonnes CO2 equivalent) with EU support	d2) 0 (2021) – To be determined (2027)
<p><u>Priority area 2: Caribbean-EU Partnership for Economic Resilience and Trade</u></p> <p>Specific objective 3: Trade and investment between the Caribbean and the EU is enhanced in the framework of the Economic Partnership Agreement (EPA) and the Caribbean private sector grows in a sustainable manner</p>		
Expected Results	Indicators	Baseline & targets/ Means of verification
R1) Private sector's competitiveness and broader economic diversification are increased, with a special focus on MSMEs, women and youth, and Caribbean-EU business-to-business links are enhanced	a1) Contribution of non-tourism sector to GDP in CARIFORUM countries, disaggregated	a1) To be determined (2021) - Increase of 5 percentage points (2027)
	a2) Relative position of CARIFORUM countries in the Global Competitiveness Index	a2) To be determined (2021) - Average increase of 10 position rankings (2027).
R2) Caribbean business environment and investment climate, including digital and innovation drivers, regional quality infrastructure and	b1) Relative position of CARIFORUM countries in International Ease of Doing Business Index	b1) To be determined (2021) - Average increase of 10 position rankings (2027).
	b2) beneficiaries with access to sustainable financial services with	b2) (a) 0 (2021) – 100 (2027)

<p>economic regulatory convergence are ameliorated</p>	<p>EU support: (a) firms, (b) people (all financial services), (c) people (digital financial services) [EURF] disaggregated by age and gender (for firms, head of firm)</p> <p>b3): Number of processes related to partner country practices on trade, investment and business, or promoting the external dimension of EU internal policies or EU interest, which have been influenced [EURF]</p>	<p>b2 (b) 0 (2021) – 10000 (2027)</p> <p>b2 (c) 0 (2021) – 5000 (2027)</p> <p>b3 0 (2021) – 32 (2027)</p>
<p>R3 Economic Partnership Agreement (EPA) provisions are effectively implemented, barriers to market access are progressively removed and trade and investment opportunities between the Caribbean and the EU are enhanced</p>	<p>c1 Exports from Caribbean countries to the EU as (a) total value (disaggregated by sectors), and (b) number of Caribbean firms exporting to the EU</p> <p>c2 Foreign Direct Investment (FDI) flows from EU to Caribbean countries</p>	<p>c1 (a) To be determined (2021) – Increase of at least 20 percentage points (2027)</p> <p>c1 (b) To be determined (2021) – Increase of at least 20 percentage points (2027)</p> <p>c2To be determined (2021) – Increase of at least 20 percentage points (2027)</p>
	<p>c3 Ratio of EPA provisions implemented and complied with in CARIFORUM countries thanks to EU support</p>	<p>c3 To be determined (2021) – 80% (2027)</p>
<p>Specific objective 4: Common challenges in the Caribbean are progressively addressed at regional level</p>		
<p>Expected Results</p>	<p>Indicators</p>	<p>Baseline & targets/ Means of verification</p>
<p>R1 The enabling conditions for regional cooperation and integration are improved</p>	<p>e1 Caribbean intra-regional trade as a % of total trade</p> <p>e2 Ratio of implementation of Article 238 EPA (regional preference clause)</p>	<p>e1To be determined (2021) - Increase by at least 10 percentage points (2027).</p> <p>e2To be determined (2021) – 50% for both goods and services (2027)</p>
	<p>e3 Number of (a) CSME actions and (b) OECS protocols conducive to increased regional integration implemented with EU support</p>	<p>e3 (a) 0 (2021) – 20 (2027).</p> <p>e3 (b) 0 (2021) – 4 (2027).</p>
<p>R2 The cooperation among Caribbean countries and with Overseas Countries and Territories</p>	<p>f1 Number of new actions implemented in agreed cooperation areas with non-CARIFORUM countries</p>	<p>f1 0 (2021) – 4 (2027)</p>

(OCTs) and French Outermost Regions (ORs) is increased	f2) Value of trade between Caribbean countries and OCTs and ORs, disaggregated by sector	f2) To be determined (2021) – Increase by at least 10 percentage points (2027).
Priority area 3: Caribbean-EU Partnership for governance, security and human development		
Specific objective 5: Caribbean societies are safer, more inclusive and resilient		
Expected Results	Indicators	Baseline & targets/ Means of verification
R1) The regional security sector architecture, response frameworks and enforcement capacity are strengthened	a1) Number of countries with integrated border security systems thanks to EU support, and with enhanced cooperation agreements with third parties.	a1) 0 (2021) - 10 (2027)
R2) Communities are more cohesive and better protected against health threats and external shocks, in particular women and youth	b1) Number of Caribbean countries which have benefitted from EU support to strengthen their social protection systems based on a gender analysis	b1) 0 (2021) - 8 (2027)
	b2) Number of countries supported by the EU to develop and/or revise gender responsive policies / strategies / laws / regulations to strengthen their health systems	b2) 0 (2021) - 8 (2027)
	b3) Number of multi-country programmes that address the needs of migrants and/or the root causes of irregular migration and forced displacement	b3) 0 (2021) - 1 (2027)
R3) Caribbean public administrations are more accountable and compliant with international norms	c1) Number of countries supported by the EU to strengthen revenue mobilisation, public financial management and/or budget transparency [EURF]	c1) 0 (2021) - 12 (2027)
	c2) Number of Caribbean countries included in the EU list on non-cooperative tax jurisdictions (Annex 1)	c2) <u>Source:</u> EU list on non-cooperative tax jurisdictions (Annex 1) <u>Baseline:</u> 1country/11 (2021) <u>Target:</u> 1 countries (2027)* *NB: considering more stringent requirements in the future