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

**ANNEX 2**

to the Commission Implementing Decision on the financing of the annual action plan part 1 in favour of the Americas and the Caribbean for 2023

**Action Document - Regional Programme on Inclusive Societies in Latin America and the Caribbean (LAC)**

**ANNUAL PLAN**

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

**1 SYNOPSIS**

**1.1 Action Summary Table**

<b>1. Title CRIS/OPSYS business reference Basic Act</b>	<b>Regional Programme on Inclusive Societies in Latin America and the Caribbean (LAC), OPSYS reference: ACT-61678</b>  Financed under the Neighbourhood, Development and International Cooperation Instrument ( <u>NDICI-Global Europe</u> )
<b>2. Team Europe Initiative</b>	<b>Yes.</b> Regional Team Europe Initiative on “Inclusive and Equal Societies in Latin America and the Caribbean”.
<b>3. Zone benefiting from the action</b>	The action shall be carried out in the Latin American and the Caribbean region (LAC)
<b>4. Programming document</b>	<b>Regional Multi – Annual Indicative Programme 2021 – 2027 for the Americas and the Caribbean (RMIP-LAC)</b>
<b>5. Link with relevant MIP(s) objectives / expected results</b>	<b>The RMIP-LAC 2021 identifies 5 priority areas:</b> 1) Green Transition; 2) Digital transformation and innovation; 3) Sustainable and inclusive economy; 4) Democratic Governance, Security and Migration; and 5) Social cohesion and addressing inequalities.  <b>This action is contributing to the specific objectives/results of priority area 5</b> , although it has potential for strong complementarities with priority areas 3 and 4 (notably specific objective 1). It also aims to create synergies with priority areas 1 and 2 to work towards more just, inclusive and sustainable digital and green transitions.
<b>PRIORITY AREAS AND SECTOR INFORMATION</b>	
<b>6. Priority Area(s), sectors</b>	Government and civil society, education, health, and other social infrastructures and services.
<b>7. Sustainable Development Goals (SDGs)</b>	<b>Main SDG (1 only): SDG 10 (Reduced Inequalities).</b>  In addition, the programme will strongly contribute to SDG 5 (gender equality and empowerment of all women and girls), as well as to SDG 16 (Promote peace, justice and strong institutions), and support directly or indirectly SDGs 1, 3, 4, 8, 13, 15 and 17.

<b>8 a) DAC code(s)</b>	<p><b>DAC code 150 - Government and Civil Society</b>, including DAC codes 15160 - Human rights, 15170 - Women’s equality organisations and institutions, 15150 - Democratic participation and civil society.</p> <p><b>DAC code 15111 – Public finance management</b> and <b>15114 – Domestic revenue mobilisation</b>, including 15116 – Tax collection and 15155 – Tax policy and administration support.</p> <p><b>DAC codes 11110 - Education policy and administrative management</b>, as well as <b>11330 - Vocational training</b> (Elementary vocational training and secondary level technical education; on-the job training; apprenticeships; including informal vocational training) and <b>11231 - Basic life skills for youth</b> (Formal and non-formal education for basic life skills for young people).</p> <p><b>DAC code 12110 - Health policy and administrative management.</b></p> <p><b>DAC code 16010 - Social protection</b>, including 16011 – Social protection welfare services policy, planning and administration, 16015 – Social services (incl. youth development, and women and children).</p> <p><b>DAC code 16020 – Employment creation</b> (Employment policy and planning; institution capacity building and advice; employment creation and income generation programmes; including activities specifically designed for the needs of vulnerable groups).</p> <p><b>DAC code 16050 – Multisector aid for basic services.</b></p>			
<b>8 b) Main Delivery Channel</b>	<p>10000 Public sector institutions</p> <p>20000 Non-governmental organisations and civil society</p> <p>40000 Multilateral organisations</p> <p>60000 Private sector institutions</p>			
<b>9. Targets</b>	<p><input type="checkbox"/> Migration</p> <p><input type="checkbox"/> Climate</p> <p><input checked="" type="checkbox"/> Social inclusion and Human Development</p> <p><input checked="" type="checkbox"/> Gender</p> <p><input type="checkbox"/> Biodiversity</p> <p><input checked="" type="checkbox"/> Education</p> <p><input checked="" type="checkbox"/> Human Rights, Democracy and Governance</p>			
<b>10. Markers (from DAC form)</b>	<b>General policy objective @</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women’s and girl’s empowerment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Trade development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Biological diversity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>11. Internal markers and Tags:</b>	<b>Policy objectives</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Digitalisation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services	YES <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	NO <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	
	Connectivity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	digital connectivity energy transport health education and research	YES <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NO <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	
	Migration @ (methodology for tagging under development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities @ (methodology for marker and tagging under development)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>BUDGET INFORMATION</b>			
<b>12. Amounts concerned</b>	Budget line: BGUE-B2023-14.020140-C1-INTPA - EUR 60 000 000 Total estimated cost: <b>EUR 60 000 000</b> Total amount of EU budget contribution <b>EUR 60 000 000</b> The EU Member States providing support to the TEI are as follows: <b>ES, FR, IT, SE, DE and LU</b> . The indicative amounts provided by each Member State are collected and periodically updated via the TEI mapping of contributions (last update: February 2023).			
<b>MANAGEMENT AND IMPLEMENTATION</b>				
<b>13. Type of financing</b>	<b>Direct management</b> through: - Grants / Procurement <b>Indirect management</b> with the entity(ies) to be selected in accordance with the criteria set out in section 4.3.1.			

## 1.2 Summary of the Action

**Human development and social cohesion have been high in the bi-regional agenda for many years**, including in the bilateral political agenda of many of our Latin America and Caribbean (LAC) partners in their relations with the EU. The Communication JOIN(2019)6 “European Union, Latin America and the Caribbean: joining forces for a common future” highlights that investing in people will be key to support the EU-LAC partnership for prosperity, democracy, resilience and effective global governance bringing forward connectivity. EU-LAC Foreign Ministers confirmed this shared agenda at the EU-Latin America and Caribbean Leaders’ meeting held on 2 December 2021.

**Human Development has been identified as a key flagship sector in the EU-LAC roadmap for 2023.** The proposed Action, covering mainly the pillar on fight against inequalities, education and social cohesion, is a central piece of the Flagship Roadmap and thus expected to be a key deliverable towards the next EU-LAC leaders’ summit in 2023. It includes important focus areas such as gender equality, education, employment and social inclusion, and protection, as well as the critical issue of how to foster just transitions for green and digital transformation.

**The Action is also the main building block of the Regional Team Europe Initiative (TEI) on “Inclusive and Equal Societies in Latin America and the Caribbean”.** It reflects the EU contribution to the TEI and it aims to support the achievement of the objectives that have been defined for priority area 5 of the Regional MIP 2021-2027 for the Americas and the Caribbean, targeting social cohesion and inequalities. It also takes into account the social policy dimension of the EU-LAC Partnership on manufacturing vaccines, medicines and health technologies and strengthening health systems announced by President Von der Leyen in June 2022.

LAC is among the regions where inequality rates -particularly regarding income- remain amongst the highest in the world. The Action is meant to provide effective support in a spirit of **partnership to foster social cohesion** and to tackle the social challenges faced by the region, exacerbated and deepened by recent shocks such as the socio-economic impact of the covid-19 crisis and the Ukraine-Russia war.

It also aims to support the region’s achievement of the targets in the **2030 Agenda for Sustainable Development**, mainly SDG 10 (Reduced Inequalities), SDG 5 (Gender equality and empowerment of all women and girls) and SDG 16 (Promote peace, justice and strong institutions).

In this sense, the **Overall Objective** of the Action is to contribute to tackle gender and other inequalities, reduce poverty and social exclusion, and enhance social cohesion within and between LAC countries.

More concretely, the **Specific Objectives** of the Action are:

1. To improve access to social rights, social services and justice for vulnerable groups in all their diversity, notably women, children and youth, and the bottom poorest 40% income or wealth’s households.
2. To have more inclusive, accountable and transparent public institutions, that promote equity driven and gender-responsive public finance models to reinforce social policies and protection systems, with special emphasis on women, children and youth, and the bottom poorest 40% income or wealth’s households.
3. To foster new solutions and unlock investments that boost social innovation, resilience of social systems, and just, socially responsible and inclusive green and digital transitions.

Overall, the interventions would support public policy developments leading to reduce poverty and inequalities by **looking into the root causes** of social exclusion and **supporting policy responses** based on key pillars that can contribute to foster social cohesion, namely: access to rights, to adequate services and to inclusive opportunities for all, leaving no one behind and empowering vulnerable populations to benefit from the opportunities emerging from the green and digital transitions. They would also contribute to the global goal of promoting gender equality.

## 2 RATIONALE

### 2.1 Context

**Latin America and the Caribbean (LAC) face structural problems eroding social cohesion and resulting into high levels of gender and other inequalities, which have been exacerbated and deepened by recent shocks**, in particular the Covid-19 pandemic and the global impact of the Russia-Ukraine war, as well as other longer-term challenges related to globalization and climate change.

**Latin America saw significant improvements in its social indicators during the 2000s**, due to favourable external conditions (high commodity prices and ample access to external financing) and to the construction of innovative social programmes and stronger welfare States. The Caribbean also showed evolutions in some countries within their regional specificities. As an instance, social protection systems were reinforced in the region, increasingly including universal or broad-based schemes (ECLAC, 2017).

**However, progress stayed relative and income inequalities in LAC remain amongst the highest in the world<sup>1</sup>**. It is estimated that 33% of the population would be living in poverty in the region. During 2021, the poverty rate reached 32.1% of the population, with 13.8% living in extreme poverty, being higher than in 2019 (ECLAC 2022). The multi-dimensional poverty index reached 0.027, with 1.6% of people living in severe multidimensional poverty<sup>2</sup>. Furthermore, the poorest bottom 50% of the population hold only 9.8% of the national income<sup>3</sup>. The GINI index for LAC ranges between 38 and 54 points according to the latest data (2010-2021), and it was 0.7% higher on average in 2020 than in 2019<sup>4</sup>. Besides, horizontal inequalities, or inequalities among ethnic and identity groups, remained an important aspect in LAC.

Poverty and income inequality, among other social, ethnic and political factors, continued to be cause and effect of **limitations in the access of the people living in most vulnerable situations (most vulnerable women in particular) to socio-economic opportunities, basic social services and protection**, increasing risks of economic and political instability, fuelling social discontent and displacements, and undermining social cohesion within and between LAC countries.

**The impact of the COVID-19 pandemic exacerbated the socio-economic challenges and shed a new light on the intersectional nature of inequalities, the resilience challenges in social and health systems, and the social and ethnic fractures in the region**. To give only a few examples, LAC accounted for 15% of the total of COVID-19 infections globally and 28% of deaths, in spite of representing 8.4% of the world's population (WHO, 2022), presenting the highest number of reported COVID-19 deaths in the world (1.562.845 as of December 31, 2021). This data outlined major constraints faced by health and care services in reaching out particularly the most vulnerable groups, such as the poorest bottom 40% income households, or vulnerable women along with children and youth, and indigenous peoples (be they majorities or minorities). In addition, large segments of the society even before the pandemic, in particular informal workers (estimated in 60% of the labour force), did not benefit from social protection or a social assistance (OECD et al., 2021).

Regarding education, the pandemic especially affected young people in terms of educational exclusion, adding up to other structural divides touching rural population as well as ethnic minorities and indigenous groups. Besides, the LAC Regional Monitoring Report of SDG 4 showed a profound educational crisis for the region. Regional assessments show a stalling of learning in the recent years and a high impact of other factors on education divides. For example, 84.6% of students from the highest income quintile completed secondary education, while only 44.1% did for the lowest income quintiles. 66.6% of the urban population completed upper secondary education compared to 46.4% in rural areas (UNESCO, 2022). In comparative terms, LAC has the second highest rate of learning poverty, with only Sub-Saharan Africa showing a higher rate. LAC shows the steepest increase in this index since 2019, which might be due to the length of school closures in the region. UNICEF's director stated that

<sup>1</sup> ECLAC (2022).

<sup>2</sup> United Nations Development Programme (UNDP) and the Oxford Poverty and Human Development Initiative (OPHI) at the University of Oxford. Note however that this data is an average and may not properly reflect the diversity of the region.

<sup>3</sup> World - WID - World Inequality Database

<sup>4</sup> ECLAC (2022) and UNICEF (<https://www.unicef.org/lac/en/press-releases/four-in-five-children-in-latin-america-and-caribbean-will-not-be-able-understand-a-simple-text>)

"Latin America and the Caribbean has already lost more than ten years of learning progress due to two years of COVID-19 school closures". LAC has actively contributed to the global analysis on ways to rebuild education systems after the pandemic, recover learning, adjust teaching processes and call for urgent actions to transform education systems in the Transforming Education Summit called by the UN in 2022<sup>5</sup>. Quality education is seen as an equalizer and enabler factor for fair and sustainable digital and green transitions.

**Meanwhile, the macroeconomic outlook and the fiscal situation has deteriorated owing to considerable outlays to confront the pandemic social and economic consequences, among other global factors.** LAC registered one of the most severe output contractions (6.9%) globally in 2020, further aggravating poverty and income inequality (ECLAC, 2022). Inflation reached the highest rates compared to the last 15 years and the debt trap is affecting even economically stable countries (IMF, 2022)<sup>6</sup>. In this context, many LAC countries will now need to mobilise higher domestic revenues to put public finances on a sustainable path and to advance their welfare state systems, as a mean towards reducing income inequalities, guaranteeing social protection and opportunities to their citizen -in particular the most vulnerable-, and ensuring greater social cohesion.

**The overlying challenges may open a window of opportunity for transformative structural reforms in the social front**, as many governments in the region are trying to respond to people's legitimate expectations to provide avenues for political and socio-economic change and to open pathways for upward mobility. The political landscape in the region as a result of recent elections suggests a renewed interest in social issues, and it is expected to translate into a greater appetite for inclusive, non-discriminatory and gender responsive policies and social investment and cohesion across the region, thus allowing for a stronger EU-LAC partnership in the social front.

**In this sense, this Action aims to contribute in a spirit of partnership to the efforts of the region to tackle poverty and inequality challenges.** It responds to LAC and EU political priorities, while taking into account the strong demand from social partners to keep social cohesion at the very heart of the EU-LAC agenda, as a key pillar of the current and future bi-regional agenda. In the Co-Chairs' Communique from the CELAC-EU 3<sup>rd</sup> Foreign Ministers Meeting (October 2022), the Ministers already agreed to reinforce the bi-regional partnership founded on shared values and a vision for the future of democratic, free and equitable societies, as well as to work jointly on ways to ensure an inclusive, equitable and sustainable post-pandemic economic recovery. The **New Agenda for EU relations with Latin America and the Caribbean** currently under preparation, is expected to emphasise this renewed dynamic of collaboration on social issues, based on shared values and innovative approaches. As part of the renewed bi-regional dialogue based on a forward-looking, substantive and positive agenda, the EU and LAC have the opportunity in the next period to further collaborate on developing innovative solutions to address the challenges posed by the global context and the ongoing structural transformations, and to work together to find **synergies between the priorities in the social front and the green and the digital transitions.**

**Through this renewed partnership, the Team Europe aims to consolidate its position as a solid partner and indisputable ally for LAC in the social field.** The EU features as a privileged and legitimate interlocutor to engage with LAC on human development, due to the solid record of accomplishment of EU Member States on social policies. The EU can also play a fundamental role as global champion of social cohesion and fight against all types of inequalities. Such engagement shall support the bi-regional dialogue on gender equality, social justice, democracy, human rights and rule of law with LAC countries, while leveraging governments' efforts and stakeholders' interest to further invest in social innovation and resilience with a view to improve social inclusion and protection services. This includes also being able to involve non-government actors such as the private sector, the academia, civil society and women's organizations, indigenous peoples and Afro-descendants, among other key actors, in the construction of inclusive, participatory and gender responsive policies that generate social trust, as a fundamental element for improving social cohesion and gender equality within and between Latin American and Caribbean countries.

**To deliver on this goal of mobilising all relevant stakeholders in the social field, the strategy proposed by this Action consists in further reinforcing bi-regional and intra-regional partnerships.** This implies intensifying peer-to-peer policy dialogues between EU and LAC partners on gender and social policies, and using progress on social cohesion and fight against inequalities as a key driver to achieve inclusive and sustainable development, by prioritising the bottom poorest 40% of the income distribution as relevant.

<sup>5</sup> UNICEF (September 2022) [Education Transformation Summit \(TES\), Pre-Conference on the Transformation of Education.](#)

<sup>6</sup> [Latin America Hit By One Inflationary Shock On Top of Another \(imf.org\)](#)

**In terms of policy consistency, the Action is fully aligned with EU strategic objectives and priorities as defined in the following documents:** 1) the European Consensus for Development of 2017<sup>7</sup> and the subsequent Commission SWD (2019)<sup>280</sup> on the ‘Implementation of the new European Consensus on Development – Addressing inequality in partner countries’; 2) the EU Global Action Plan on Human Rights and Democracy 2021–2025; 3) the EU Action Plan on Gender Equality and Women’s Empowerment in External Action 2021–2025 (GAP III), in particular its thematic areas of engagement “Strengthening economic and social rights and empowering girls and women” and “Addressing the challenges and harnessing the opportunities offered by the green transition and the digital transformation, climate change, digitalisation”; 4) the Youth Action Plan in the European Union External Action for 2022–2027 (YAP); 5) the Council conclusions of November 2021 on European Public Sector Expertise in the EU External Action; 6) the Addis Tax Initiative 2025 declaration; 7) the EU strategy on “Collect more, spend better”; 8) the May 2017 Council conclusions on indigenous peoples.

**Overall, the Action will focus on core objectives that are guiding the most comprehensive Global Gateway Flagship proposed in the field of Human Development,** in the context of the EU-LAC Roadmap for 2023. Together with other regional and global initiatives, it shall contribute to the implementation of the EU Global Gateway Strategy, serve and defend EU interests and fundamental values, and respond to the region’s partnership expectations in the social front.

Last but not least, the Action shall contribute to the achievement of the objectives defined for **priority area 5 of the Regional Multiannual Indicative Programme (MIP) 2021–2027 for the Americas and the Caribbean**, targeting social cohesion and inequalities. It is also the main building block of the **Regional Team Europe Initiative (TEI)** on “Inclusive and Equal Societies in Latin America and the Caribbean”. The commitment of the EU’s contribution to this TEI as foreseen under this action plan will be complemented by other contributions from Team Europe partners. It is subject to the formal confirmation of each respective partners’ meaningful contribution as early as possible. In the event that the TEIs and/or these contributions would not materialise, the EU action may continue outside a TEI framework.

The Action will take into account **LAC regional commitments** in the areas covered by the proposed objectives<sup>8</sup>. It will consider recent strategic engagements in 2022, such as the Buenos Aires Commitment at the XV Regional Conference on Women in LAC to guarantee the right to care and the design and implementation of policies to foster social co-responsibility, dignified ageing, and gender sensitive fiscal policies; or the Cuenca Declaration adopted at the XIV Ministerial Forum on Social Development in LAC, which gathers annually the Ministers from 33 countries of the region. The latter reaffirmed the commitment to the fulfilment of the 2030 Agenda and discussed among other issues the regional cost-of-living crisis, the need for universal social protection in times of uncertainty, financing for social development and effective governance at the national and sub-national levels<sup>9</sup>.

## 2.2 Problem Analysis

### Short problem analysis:

**Poverty and other key factors leading to social exclusion, are amongst the main drivers of social inequalities in the LAC region.** Social and gender inequalities as well as ethnic discrimination in turn hinder development and public trust, and can be sources of societal tensions, unrest and weak social contracts. Socio-economic factors such as unemployment, high levels of informality, and precarious labour conditions affecting often the most vulnerable

<sup>7</sup> The 2017 European Consensus calls on the EU and its Member States to ‘act to reduce inequality of outcomes and promote equal opportunities for all, [...] inclusive, sustainable growth, [...] to ‘assess the determinants of and trends in economic and social inequality, and [...] to strengthen their tools and approaches to make them more effective in addressing inequality’.

<sup>8</sup> Some examples are: [Inter-American Convention on the Prevention, Punishment And Eradication Of Violence Against Women](#) (Convention of Belem Do Para, 1994); [Montevideo Strategy for Implementation of the Regional Gender Agenda within the Sustainable Development Framework by 2030](#) (2016); [the Santiago Commitment: A regional instrument to respond to the COVID-19 crisis with gender equality](#) (2020); [Inter-American Convention on Protecting the Human Rights of Older Persons](#) (2015); [Inter-American Model Law 2.0 on Access to Public Information](#) (OAS, October 2021); [Regional Agreement on Access to Information, Public Participation and Justice in Environmental Matters in Latin America and the Caribbean](#) (Escazú Agreement, 2021); the [American Declaration on the Rights of Indigenous Peoples](#) (2016); [Inter-American Convention against Racism, Racial Discrimination and Related Forms of Intolerance](#) (2013); and [100 Reglas de Brasilia sobre Acceso a la Justicia de las Personas en Condición de Vulnerabilidad](#) (non-binding commitment).

<sup>9</sup> UNDP (2022): [Declaración de Cuenca](#); ECLAC (2022): [Buenos Aires Commitment](#).

in a disproportionate manner, lead to important income disparities among households, and are aggravated by other layers of disadvantages intersecting notably with gender, age and ethnicity, among other aspects such as the rural-urban divides, displacement situations, or disabilities.

**Existing analyses seem to indicate that empowering and addressing the needs of women, girls and the most vulnerable and marginalised in the LAC region has the highest potential in terms of reduction of inequalities**, with specific attention to the bottom 40% income households. A dedicated focus is needed on vulnerable women, children and youth, and indigenous and Afro-descendant populations, as well as migrants and displaced persons, those groups being identified as particularly affected by structural inequalities and discriminatory practices.

Women in the LAC region face significant levels of inequality as compared to men, especially in the labour market. Women represent 41,3% of the labour force in LAC<sup>10</sup>. According to UNDP, the unemployment rate among women is 36% higher than for men<sup>11</sup>. Women are generally employed in low skilled-informal jobs and care work in the households, very often receiving minimal or no financial compensation and no access to social security, therefore exacerbating social and economic disparities<sup>12</sup>. Ethnic and urban-rural divides have a particular impact on women and girls. Women in the region have also been affected by the so-called “shadow pandemic” causing higher rates of femicides and gender based violence during that period. At least 4,091 women were victims of femicide in 26 of the LAC countries in 2020 (ECLAC’s Gender Equality Observatory)<sup>13</sup>.

At the same time, children and youth constitute a particularly vulnerable group in LAC. More than 100 million people in the region are between 15 and 24 years old<sup>14</sup>, with significant percentages facing lack of opportunities notably related to access to education and skills. As an example, the rates of young people of this age group who are not in employment, education or training (NEET) are very high, again revealing gender gaps: 27% are women and 12% men<sup>15</sup>. LAC also hosted three out of five children worldwide who missed a year of school during the pandemic, becoming the region with the largest increase in the learning poverty rate. Child labour is also a concern, since ILO-UNICEF 2020 global estimates showed that 8.2 million children – 2.7 million girls and 5.5 million boys – are in child labour, accounting for 6% of all children in the LAC region. Two-thirds of those in child labour – 5.5 million children – were in hazardous work that directly endangers their health, safety and moral development.

Besides, in LAC, indigenous peoples are among the poorest, often engaged in agricultural and informal employment characterised by low earnings and lack of social protection, and present high levels of educational exclusion, with only 59% of them completing upper secondary education (UNESCO 2022) and also often having poor access to mother-tongue based education (also known as bilingual education). In terms of displacements, LAC hosts more migrants per capita than any other region, with 18.4 million refugees, asylum-seekers, displaced and stateless people registered (OCHA). According to UNHCR (2022), Venezuela’s refugee and migrant crisis is the second-largest external displacement crisis in the world with more than 7 million people.

**Access of the most vulnerable groups to social services remains limited**, often aggravated by the impact of the current global context. Those add to existing structural challenges related to **equal access to primary health and care services, social protection, quality education and skills development, employment and active labour market policies, as well as access to justice**, among others. The **adequacy of social policies and social protection systems** is also an important issue to ensure a better targeting and coverage of the most vulnerable in LAC. Altogether, those challenges pose important barriers for women and the most vulnerable population in the region as rights-holders, and for the institutions as duty-bearers to offer adequate social protection, deliver appropriate social services, and to foster opportunities. Through improved and adequate access to social services, the vulnerable populations in LAC can have better chances to enjoy their economic and social rights. To that aim, **social and inter-ethnic dialogue and participatory approaches, accountability and transparency** are also an aspect to be further developed in the process of designing, implementing and monitoring social policies.

<sup>10</sup> World Bank, 2021

<sup>11</sup> UNDP: [Regional Human Development Report 2021: Latin America and the Caribbean Region | Human Development Reports \(undp.org\)](#)

<sup>12</sup> [Education in Latin America and the Caribbean at a crossroads: regional monitoring report SDG4 - Education 2030 - UNESCO Digital Library](#)

<sup>13</sup> ECLAC: At Least 4,091 Women Were Victims of Femicide in 2020 in Latin America and the Caribbean, Despite Greater Visibility and Social Condemnation | Economic Commission for Latin America and the Caribbean (cepal.org)

<sup>14</sup> [World Population Prospects - Population Division - United Nations](#)

<sup>15</sup> International Labour Organisation: [Where do the world's NEETs live? \(ilo.org\)](#)

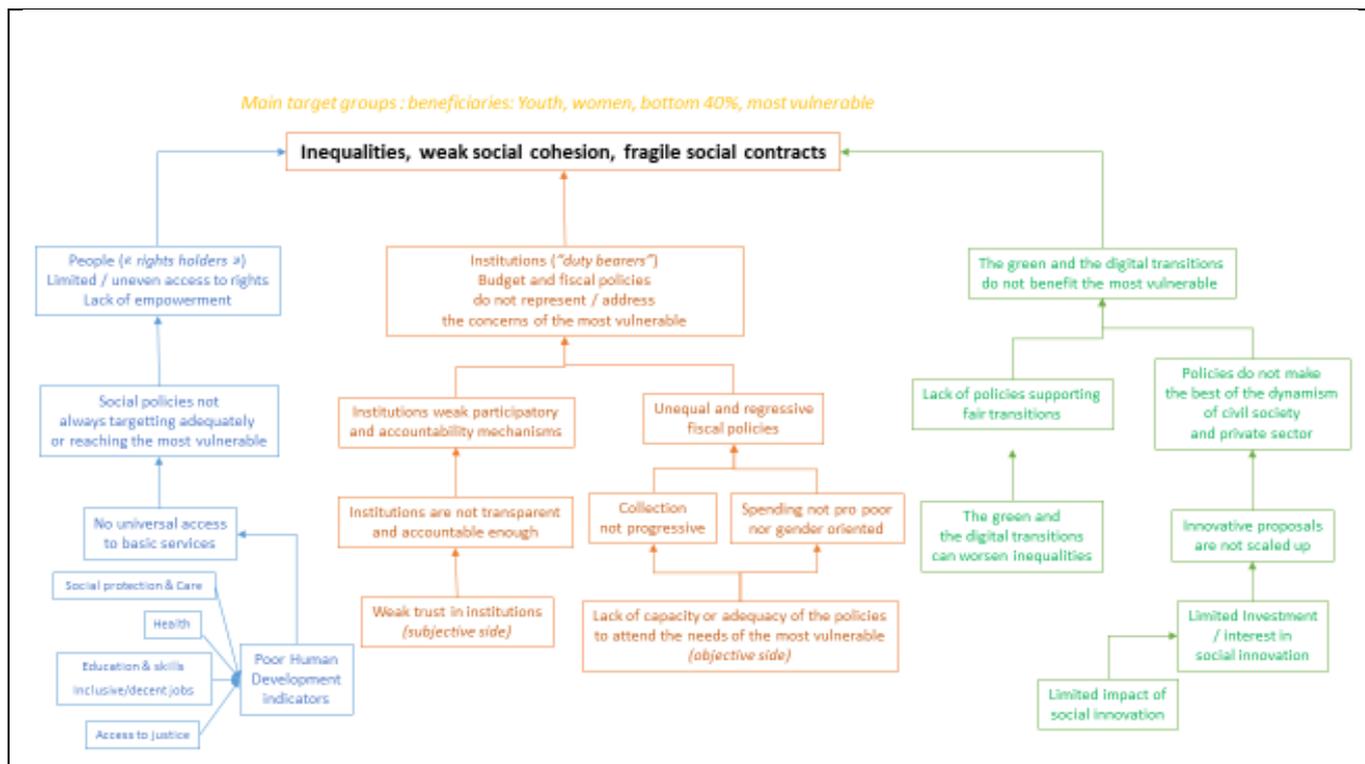
**Investments in equitable access and improved service provision necessarily entail further efforts concerning domestic revenue mobilisation, so as to give margin to finance more ambitious and modern social policies.**

In this domain, the mobilisation of private investments to achieve public policy goals in the social front could help to accompany public efforts. Also, increasing the fiscal space and improving general public finance management is essential to accompany the political will. Yet, the latest developments in the macroeconomic context and its impact in progressive fiscal reforms in some countries, have brought limitations in this domain. Also, the partial or limited use of result-based and gender-responsive budgeting, coupled with limited statistical capacities in some countries, can undermine the effectiveness of spending planning and implementation. Furthermore, the improvement of participatory and accountability mechanisms for the design, implementation and monitoring of public policies can contribute to better address the needs of the population, and improve trust in public institutions. Trust is crucial for democratic societies and strong social contracts, as well as for the success of public policies. In this sense, high inequality and low interpersonal trust across LAC countries seem to be partially corelated (OECD, LEO 2021).

**All of these elements must be considered in the context of the on-going green and digital transitions**, to ensure that they are fair and leave no one behind. The most vulnerable people and deprived or isolated territories may have been negatively affected by the economic and social impacts of the transitions, in particular with regard to expected job losses and the transformation of the production processes of industrial facilities, and rural areas being left behind. The social impact of the transitions is primarily linked to employment, with direct consequences for the livelihoods of households and families, social exclusion and important gender digital gap implications. In some cases, the social impact will not be associated with job losses but with a significant need for reskilling or upskilling workers, as well as workers' mobility to accompany the needed technological transformations. Besides repercussions on jobs, the transitions may have an impact on incomes and their distribution, living conditions, social exclusion and barriers, energy poverty, access to public services or other social cohesion aspects.

Contingency actions should alleviate the impact of the transitions by mitigating the negative repercussions on inequalities, contributing to inclusive employment, diversification and modernisation of local economies. Yet, transitions' measures are not often conceived to benefit the most vulnerable, and they might actually worsen gender and other inequalities. The digital revolution brings immense potential to improve social and economic outcomes for women, but it also poses the risk of perpetuating existing patterns of gender inequality, a reason why grasping opportunities for women empowerment through digitalisation is one of the EU GAP III priorities.

If accompanied by the right policy mix, the green and the digital transitions could represent a major opportunity to reduce poverty and inequality by increasing economic opportunities and decent job creation, and improving social services. It is therefore essential to accurately plan digital and green policies in complementarity with social policies, in particular education and skills development, in order to positively target women, girls, youth and also vulnerable and marginalised groups in the LAC societies. The dynamism of the LAC civil society and private sector constitutes a major opportunity to foster and scale up social innovations linked to the transitions.



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

The **main stakeholders** to be involved in the Action in order to reach its core objectives are, among others:

- **Public institutions and bodies** both in LAC and the EU that are responsible for gender equality, social inclusion and protection policies, as well other related policies that contribute to improve social cohesion. Even though the support will target primarily LAC national institutions, decentralised entities including regional and local authorities could be actors and recipients of the action too, landing national policies at local level under the principle of subsidiarity, or benefitting from technical assistance in some cases. Governments will have a key role for a meaningful and successful implementation, in partnership and collaboration with EU entities as relevant, and underpinned by EU-LAC policy dialogue.
- **Non-state actors such as civil society organizations, social actors such as trade unions and employer organizations, informal workers organizations, and private sector** from both regions have great potential in terms of social innovation and promotion of social dialogue to strengthen social contracts. The private sector also has a major role to play in terms of matching training and skills development with the labour market needs, as well as offering value-based investment with corporate social responsibility and positive social impact. Civil society organizations, particularly the ones composed by and representing the interests of **women and youth**, and taking into account indigenous peoples and Afro-descendants, will also be key stakeholders to achieve the objective of participatory design and implementation of social policies. The action would intend to enable them to go beyond a watchdog role, and to get involved in policy design too.
- **EU and LAC networks** related to the Action’s objectives, to share EU experiences, know-how and best practices. LAC networks, in particular women’s and feminist organisations, such as the Red Especializada en Género of the AIAMP, the Red Interamericana de Refugios, the Asociación de Magistradas Electorales de las Américas, ParlAmericas, CIM/OEA, could benefit and contribute to the Action. LAC youth networks, such as the Organización Iberoamericana de Juventud, the Youth Council of Latin America and the Caribbean, or other sub-regional youth entities, could also be associated. Adding networks that can contribute to support impact investments in the social sector can also have added value.
- **International Institutions:** International organizations such as the OECD, the UN System at global or regional level, as for example ECLAC, UNDP, UNESCO, UNICEF, UN Women, ILO/CINTERFOR, and IMF Regional Technical Assistance Centres, could contribute to regional and national scoping through studies and analyses and/or to the implementation of some interventions.

- **Bi-regional, Regional and Sub-regional bodies** such as the EU-LAC Foundation, the SICA institutions (eg. COMMCA, SISCA, CC-SICA, etc.), or the Iberoamerican institutions (OEI, etc) could be associated to the Action when relevant, to support the identification and execution of support, or help liaise with relevant actors.
- **International financial institutions** will be associated, with the ambition to mobilize funds for human development, particularly for the objective of fostering social innovation and just green and digital transitions. This will ensure complementarity with the EFSD+ blending and guarantee operations.
- **EU Member States** and their related agencies and institutions will have the possibility to act as implementing partners or as associated expertise providers. Synergies will be promoted with their bilateral cooperation interventions in the broader framework of the Team Europe Initiative on inclusive societies in LAC.
- **The EEAS and the relevant Commission’s line DGs**, will be mobilized to ensure a projection of EU added value and foster regional and subregional integration in LAC. **EU Delegations** in particular shall be involved at all stages of the actions related to their geographic scope, as well as in the regional dialogue and actions, in close collaboration with Headquarters. Their active participation, starting with a scoping exercise, will be crucial to the success of this Action. They will co-lead the country-level dialogues with partner authorities, and contribute to monitoring. This will ensure complementarity between bilateral, regional or global EU funds and national Team Europe Initiatives/Member States interventions, among other.

The **final beneficiaries** of the Action are the inhabitants of LAC countries, particularly the most vulnerable, marginalised and poor segments of the population (with a particular attention to the bottom poorest 40% of the income distribution or wealth’s households, and a dedicated focus on women, children and youth, as well as people with disabilities, indigenous and Afro-descendant people, migrants and displaced persons).

### 3 DESCRIPTION OF THE ACTION

#### 3.1 Objectives and Expected Outputs

The **Overall Objective (Impact)** of this Action is to contribute to tackle gender and other inequalities, reduce poverty and social exclusion, and enhance social cohesion within and between LAC countries.

The **Specific Objectives (Outcomes)** of this action are:

1. To improve access to social rights, social services and justice for vulnerable groups in all their diversity, notably women, children and youth, and the bottom poorest 40% income or wealth’s households.
2. To have more inclusive, accountable and transparent public institutions, that promote equity driven and gender-responsive public finance models to reinforce social policies and protection systems, with special emphasis on women, children and youth, and the bottom poorest 40% income or wealth’s households.
3. To foster new solutions and unlock investments that boost social innovation, resilience of social systems, and just, socially responsible and inclusive green and digital transitions.

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

##### Contributing to Outcome 1:

- 1.1. Policies and mechanisms for the empowerment and advancement of women and girls are strengthened.
- 1.2. Policies and mechanisms to ensure inclusive access to rights, social services and justice are improved, particularly for women, children and youth, and vulnerable groups, including at the territorial level as relevant.
- 1.3. Policies and mechanisms to enhance social protection systems are reinforced, to become more inclusive, shock-resilient, and better equipped to ensure adequate coverage of the poor and the most vulnerable people.

### Contributing to Outcome 2:

- 2.1. Policies and mechanisms to enhance efficient, transparent and equity driven public finance management (PFM) are promoted, and oriented to increase the progressive aspect of taxation and the distributional impact of spending, to collect more and spend better, to reduce social and gender gaps, and to provide for additional fiscal space to finance adequate gender and social policies and reforms.
- 2.2. The authorities' capacity and mechanisms to design, implement and monitor gender-responsive, results oriented, performance-based budgeting is strengthened.
- 2.3. Effective social dialogue, consultation and representation mechanisms are promoted to foster inclusive and participatory policy design and implementation, allowing for multi-stakeholder alliances and participation including underrepresented groups.

### Contributing to Outcome 3:

- 3.1. Policy measures, initiatives and investments to foster social innovation are developed with the involvement of public, non-governmental, and private actors to identify opportunities in support to social public policy goals.
- 3.2. Policy measures, initiatives and investments are developed to create inclusive opportunities for fair green and digital transitions, particularly for women, youth, and vulnerable groups.

## 3.2 Indicative Activities

Indicative activities for this Action could include, without being limited to:

### Activities relating to Output 1.1 (rights of women and girls):

- Support to the development/improvement of regional and national **gender policies**, as well as the development of national mechanisms for the protection, empowerment and advancement of women.
- In particular, support to the development/improvement of regional and national policies/measures for attention, prevention and sanction of **gender based violence** (to be developed in alignment with with GAP III, objective 1 and in complementarity with the Spotlight Initiative).
- Support to the development/improvement of regional and national policies/measures on **sexual and reproductive health and rights** (to be developed in alignment with with GAP III, objective 2).
- Support to the development/improvement of regional and national policies, measures and legal frameworks towards **women's economic and social empowerment and autonomy** (to be developed in alignment with GAP III, objective 3).

### Activities relating to Output 1.2 (access to rights, social services and justice):

**This outcome would consider access to social services concerning mainly health and care, quality education and skills, as well as social inclusion, employment and active labour market measures.**

Possible activities could be:

- Support to the development/improvement of regional and national policies, financing practices, and building blocks leading to universal access to **health**, resilience of health systems to attend the population, and availability and affordability of essential care services, in particular for people living in vulnerable situations, women and persons with disabilities. These activities may have potential to contribute to operationalise the Roadmap for an EU-LAC partnership on vaccine production and health systems resilience, notably its priority 7 (health systems).
- Support to the development/improvement of regional and national inclusive and gender responsive policies and services leading to equitable learning recovery and expansion of **quality education and skills**, in alignment with

the efforts to achieve just digital and green transitions, for example by integrating 21<sup>st</sup> century skills and/or through teachers' training to enhance learning recovery and green and digital competences for all.

- Support to the development/improvement of regional and national **employment** policies, services and legal frameworks leading to the reduction of **informality** in the labour market, the promotion of **decent work** and labour conditions aligned with **international standards** (including international conventions on **child labour**), corporate social responsibility and **social dialogue**.
- Support to the development/improvement of regional and national **active labour market policies and measures** that are gender-responsive and promote **social inclusion** of women and the most vulnerable (eg. integrated pathways, etc.), focusing particularly on those areas most needed to cope with structural adjustments – see also synergies with related activities to foster just transitions in output 3.2.
- Support to the collaboration between **employment services, vocational training centers and the private sector**, to support paradigm shifts towards TVET reverse-engineering<sup>16</sup>, and develop national policy schemes for example on on-the job training, apprenticeships, informal vocational training and basic life skills for youth.
- Support to the articulation of national systems for professional qualification and the set-up of multi country systems for the **recognition of qualifications**, thus facilitating the mobility of skilled workers and eventually responding to migration/displacement challenges in terms of social reintegration. Particular attention will be paid to identify and address the main gender biases and discriminatory norms.
- Support to the development/improvement of regional and national policies and legal frameworks that are conducive to legal registration, protection and socio-economic reintegration of **migrant and displaced population**, while taking social cohesion in host communities into account.
- Support to policies and frameworks for **access to justice**, especially for women and vulnerable groups, including migrants and displaced persons, and to combat hate speech, discrimination and stigmatisation of vulnerable, ethnic, or minority groups.

Activities relating to Output 1.3 (social protection):

- Support to the design, improvement and better implementation of **social protection** policies and programmes, from a system building and universal access approach, notably in terms of coverage and adequacy (e.g. including “categorical” targeting, for instance for women, children and youth at risk of poverty and social exclusion, migrants/displaced persons, informal workers, etc.), innovative delivery systems, shock-responsive and adaptive social protection schemes, registry and digitalisation, monitoring and evaluation, capacity building, etc.
- Support to legal frameworks such as decentralization processes, institutional mechanisms and networks to promote gender responsive, quality, inclusive, affordable and accessible **care services** – notably on early childhood education and care, long-term care and attention to disabilities-, and to improve conditions for both care receivers and the people caring for them, professionally or informally. This activity may allow for experience sharing and exchanges based on the pillars of the European Care Strategy.

Activities relating to Outputs 2.1 and 2.2 (public finance management):

- Support to activities to develop gender-responsive, results oriented, performance-based **budgeting**, e.g. support to envisage PEFA studies including the new gender and environmental assessments, etc.
- Support to **progressive taxation** and sound **public finance management reforms**. This may include activities such as the promotion of public debate on tax policy and public finance management reforms, including at decentralised level when relevant for the purposes of the Action.
- Support to strengthening and modernizing public tax collection systems, including promoting **compliance** with tax obligations, and fighting against corruption, tax fraud, evasion and avoidance.

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<sup>16</sup> TVET built on concrete job opportunities generated by employment strategies and based on trade, investment, development packages, or other market dynamics. It can both address (youth) employment challenges and provide skills that are demanded by employers (eg. skills in biotech/pharma sectors after the pandemic, or digital/green skills due to transformations, etc).

- Support to the set-up and promotion of fiscal policies that foster the **transition from informal to formal economies**.

Activities relating to Output 2.3 (participation):

- Support to policies fostering **transparency** and access to information based on accurate data collection and public dissemination principles, at least sex - age (and disability, ethnic an rural/urban, if possible) disaggregated, for an informed participation of CSOs and the citizenship in policy making.
- Support to the establishment of permanent platforms, mechanisms and entities for **social dialogue**.
- Support to the design and implementation of mechanisms promoting effective **civil society participation** in policy making, including women and youth organizations, as well as Indigenous peoples and Afro-descendants and other social actors as relevant.
- Support to the definition of mechanisms and methodologies to ensure appropriate **participation of women, youth and other under-represented groups** (e.g. participation of informal workers associations in social dialogue, rural population, ethnic minorities, etc.). This could include support to the advancing of equal participation and leadership of women and girls (in alignment with GAP III objective 4), as well as the definition of targeted youth-centred strategies (in alignment with the YAP), for example the involvement of youth councils and youth participation in the social dialogue.

Activities relating to Output 3.1. (Social Innovation):

- **“Social Accelerator” to promote inclusive private sector investments in social sectors** and seek for financial support to up-scaling social innovation initiatives, for example via public-private sustainable funding of impactful social innovations. Visibility could be given to successful pilot cases, particularly the most gender-responsive and those promoting citizens’ engagement, especially youth. Links with just transitions could be established.
- Exchanges of experiences on **social innovation initiatives**, for example with the ESF Social Innovation+ that facilitates the transfer and upscaling of innovative solutions in employment, education, skills and social inclusion, as well as in other relevant areas to foster resilience, for example in the health and pharmaceutical sectors, or in the domain of green and digital transformation by building linkages between actors in local learning ecosystems.

Activities relating to Output 3.2. (Just Transitions)

- Support to public policies aiming at addressing social challenges, mitigating negative impacts, and harnessing the opportunities offered by **green and digital transformations**, with a clear focus on the most vulnerable and including youth and women (in alignment with the YAP and GAP III objective 6).
- Linked to output 1.2., support to the development of **active labour market policies focused on just digital and green transitions**, upskilling and reskilling (including training) of vulnerable workers (including informal workers) and jobseekers, as well as support to job-search assistance for jobseekers, job matching, and to their active inclusion in the labour market. This could for instance be done through the integration of digital and green competences in TVET programmes, and the development of short-term ICT professionals training programmes.
- Linked to output 1.2., support the strenghtening of **quality education and skills/TVET actions leading to green and digital jobs** (eg. at Vocational Training Centres, via “processes” like the greener way of giving training and “products” like jobs for solar panel experts). Other ideas for exploration are the support to TVET components in social blending and partnerships with private sector TVET initiatives, policies linked to the development of skills linked to opportunities on the digital job market for youth ‘not in employment, education or training’ (NEET), or for women in Science, Technology, Engineering and Mathematics (STEM), the support to education policies for vulnerable populations on basic life and digital skills to adapt to a labour market in constant evolution, etc.
- Support to **digital and sustainable skills and literacy strategies** at regional and national level, building on EU best practices such as the digital competence and the sustainable competence frameworks<sup>17</sup>.

<sup>17</sup> [DigComp Framework \(europa.eu\)](https://ec.europa.eu/digital-single-market/en/digcomp-framework), [GreenComp: the European sustainability competence framework \(europa.eu\)](https://ec.europa.eu/euro-observatory/en/greencomp).

- Whenever possible, activities in support of just transitions shall seek for concrete **synergies with relevant TEIs such as Euroclima+ and the EU-LAC Digital Alliance**, to coordinate and further explore ideas on how to reinforce the work on just transitions from the social front<sup>18</sup>. This could involve for example the organization of joint country dialogues with Euroclima+ and/or the partners of the EU-LAC Digital Alliance in a selected number of countries interested in tackling just green and/or digital transitions with a gender based approach. It could come accompanied by support to the identification and replication of best practices, such as the set up of institutional mechanisms or national/local strategies to foster just green/digital transitions from a strong social and gender-responsive perspective.

#### Activities related to all Outputs:

- Promotion of regional and bi-regional **policy dialogues** between LAC and EU partners on addressing inequalities, achieving gender equality, and fostering social cohesion, as well as promotion of intra-regional dialogue to develop common actions on the above between LAC countries.
- Support to regional/bi-regional **platforms and networks** to advance the work on gender, horizontal inequalities and social cohesion, for example through capacity building, exchange of experiences, good practices and lessons learned, facilitating presence in global and regional knowledge sharing platforms.
- Support to strengthening of institutional frameworks and inter-institutional **coordination** within the countries, and at regional or sub-regional level when relevant.
- In the context of the regional TEI on inclusive and equal societies in LAC and in alignment with the EU Global Gateway approach, encourage the mobilization of **public and private** funding serving the objectives of this Action, through triggering impact investments and strengthening collaboration with international financial institutions, particularly with EDFIs, in the social sector.

### 3.3 Mainstreaming

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

The EU is committed to make an overall effort to support better governance that enables just, green, sustainable, and inclusive transitions in the LAC region. The action will complement green and digital interventions from the social front, and support fair and sustainable transitions in LAC.

The Action per se does not require a Climate Risk Assessment (CRA), Strategic Environmental Assessment (SEA) or Environmental Impact Assessment (EIA) screenings (hence Category C applies). Still, key environmental and climate-related aspects will be considered for mainstreaming whenever this is possible, and considerations on potential negative environmental impacts and climate change will be taken into account in the definition, implementation and monitoring of the specific activities of this Action.

<sup>18</sup> Examples of possible ideas to be explored in synergy with the EU-LAC Digital Alliance are: a) Support e-government initiatives for increased access to social services for all, particularly women and the most vulnerable, data protection and work on regulatory frameworks fostering the design and deployment of artificial intelligence to benefit all segments of society; b) Support to the provision of public and private services through gender-responsive digital channels, technologies and services (e.g. digital financial services, smart solutions, digital health, etc), notably those that will enhance women and girls' inclusion and participation in the society; c) Promotion of digital literacy for girls in education, as well as digital skills for jobs and entrepreneurship while addressing the gender norms and stereotypes that steer women and girls away from technology; d) Explore synergetic actions to reduce connectivity gaps, especially in rural and remote areas, and to support women digital innovators and entrepreneurs to build an inclusive digital economy, with the aim of closing the digital gender gap in big tech.

Examples of possible ideas to be explored in synergy with the Euroclima+ programme are: a) Support to LAC countries to meet their commitments under the Escazu agreement (Regional Agreement on Access to Information, Public Participation and Justice in Environmental Matters in LAC, 2018); b) Support pilot actions on active learning/TVET, responding to contextualized challenges, targeting women and vulnerable groups, and involving local actors; c) Support girls' and women's participation and leadership to ensure gender-responsive strategies to climate mitigation and adaptation, disaster risk reduction, and inclusive and sustainable management of natural resources; d) Capacity-building, financing and support for investment in gender-responsive national climate, environment and disaster risk reduction strategies and action plans; e) Improving data collection on the gender-differentiated impacts of climate change and environmental degradation to inform gender-responsive policies and action.

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

As per the OECD Gender DAC codes identified in section 1.1, this Action is labelled as G2. This implies that gender equality is a significant objective and that the Action will put a strong emphasis on gender equality and women empowerment, putting it at the heart of the action as an overarching objective and pursuing it then at various levels in the broader context of the work on social policies.

The Action will operate under the premise that regressions in social policies have a strong negative impact on the roll-out of gender equality policies (and vice-versa), hence they should be addressed in a holistic and interrelated way. It will address the intersectionality of gender with other forms of discrimination (e.g. women in rural and urban locations, their ethnic identity, etc.).

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### **Human Rights**

The action will apply a human rights-based approach, reinforcing the capacity of all individuals as rights-holders to be empowered to claim and enjoy their civil, political, economic, social and cultural rights. The Action has a strong focus on ensuring equal access to social and economic rights (i.e. social protection, social services, transition mitigation schemes) with a focus on the most vulnerable and particularly the 40% poor bottom (leaving no one behind). Where appropriate, the Action will take into account the specific right of indigenous peoples in relation to Free, Prior and Informed Consent, as outlined in the Council Conclusions on Indigenous Peoples, 2017.

It will support the work of duty-bearers, strengthening public institutions and supporting social services, while ensuring that they cater for the most vulnerable. The action will pay particular attention to intersectionality, and address the multiple discriminations faced by vulnerable people and marginalised groups (including vulnerable children, indigenous and Afro-descendants groups, people with disabilities, migrants and forcibly displaced populations, etc.). It will also promote meaningful and inclusive participation and access to decision-making, as well as multi stakeholder dialogues. The Action will ultimately contribute to more resilient and inclusive societies.

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### **Disability**

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D1. This implies that disability is a significant objective of this intervention. The action has potential to have a positive impact on the work to support persons with disabilities, through the activities to tackle inequalities and developing inclusive social policies. Around 85 million persons with disabilities live in LAC. They are more likely to live in households that are poor, are overrepresented amongst the vulnerable, continue to face unequal opportunities in the labor market, have lower accumulation of human capital, and have limited voice and agency to have their aspirations of development included in decision making (World Bank, 2021).

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### **Inequalities**

Level 2 on the Inequality-Marker (I-2) is identified for this Action. The reduction of inequalities is targeted as the main objective of the intervention, considering its high potential to have a positive impact on the most vulnerable.

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### **Democracy**

The regional MIP for the Americas and the Caribbean for the period 2021-2027 seeks to reduce inequalities, building more prosperous, inclusive and sustainable societies, promoting human rights and democracy. This Action will bring a specific contribution to strengthening democratic systems, with representative, legitimate, accountable and transparent institutions. It will promote interventions aiming at improving good governance and achieving a more inclusive participation in decision-making processes, particularly of most vulnerable and marginalized groups. The Action has the overall purpose of strengthening social contracts, contributing to more inclusive and cohesive societies in LAC.

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### **Conflict sensitivity, peace and resilience**

Strengthening social cohesion contributes to peaceful societies and mitigates risks of social unrest. If successful, it can contribute to foster a better approach to participation, social inclusion, recognition to diversity, and democratic legitimacy. By addressing vulnerabilities from a structural perspective, the action may bring a positive contribution to the humanitarian-development-peace nexus. Furthermore, the Action will include the support to

adaptive and/or shock-responsive social protection, aiming to build the resilience of poor and vulnerable households by investing in their capacity to prepare for, cope with, and adapt to shocks, ensuring that they do not fall (deeper) into poverty. This Action will also address specifically sexual and gender-based violence. Besides, it will seek to contribute to the social integration of migrants and displaced persons, as well as other vulnerable groups, through social inclusion. Conflict analysis and other similar analyses produced for LAC countries should be taken into account when available (while taking into consideration their confidentiality and level of sensitivity), to ensure a Do No Harm and conflict sensitive approach, especially in light of political crises and Rule of Law weakening, or social and political unrest. The areas of interventions in collaboration with the private sector, should specifically take into account these grievances and ensure social peace and consent.

### Disaster Risk Reduction

Quality and universal access to social services and better opportunities may increase the resilience of populations in a vulnerable situation if confronted with crisis or disasters. There is evidence of a correlation between levels of social cohesion and resilience capacity.

### Other considerations if relevant

Youth perspectives and youth engagement activities will be integrated in an horizontal manner along the objectives of the action, in line with the regional MIP and the Youth Action Plan in the European Union External Action for 2022-2027 (YAP). By enhancing meaningful youth participation and empowerment, the Action will also contribute to ensure a right-based approach and consider intersectional aspects for this age group.

## 3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/Medium/Low)	Impact (High/Medium/Low)	Mitigating measures
External	Financial/economic challenges affect LAC countries' investments in social policies.	M	H	Monitoring of macroeconomic stability in the region would enable to define mitigating measures if there were major financial or economic crises in the region.
External	LAC countries fall into new debt cycles due to reduced fiscal space.	M	H	The Action will support fiscal policies and reforms of tax administration.
External	In a tough economic context, partner countries do not give priority to public policy work focused on social cohesion.	H	H	Interventions will match the countries' needs and be accompanied by bi-regional and bilateral dialogue to ensure ownership and support in-country coordination mechanisms.
External	Political changes/context have an impact on LAC countries' political will and interest to work on social cohesion.	M	M	Social issues remain part of the EU-LAC political and policy dialogue at both regional, sub-regional and country level.
External	Political crises and social unrest may impact the outcomes of the Action.	L	M	The Action will consider proper inclusion and participation of marginalised groups, as well as do-no harm and conflict sensitive approaches.
External	High turnover rate of officials in LAC Governments may delay or make more cumbersome the implementation of the Action.	M	H	A close policy dialogue at regional level and at national level, with the active involvement of EU Delegations, will contribute to effective steer and implementation.
External	Loss of political interest and momentum in holding bi-regional dialogues has an impact	M	M	The EU/Team Europe maintains regular contacts with partners to reaffirm its engagement with the partnership on social

	on some of the social reforms supported with past Actions such as EUROsociAL+.			cohesion in the region. The context of the EU-LAC Summit in 2023 and related preparations can contribute substantially to keep the engagement. Complementarily, existing EU cooperation instruments are mobilized to meet pressing needs and partnership requests until the start of this Action.
Internal	Gender backlashes put previous achievements in jeopardy, eg. in the area of sexual and reproductive health, gender equality education, and even gender-based violence.	<b>M</b>	<b>M</b>	Dialogue on gender equality issues also as relevant to women from diverse backgrounds (ethnic, rural, etc.) will be reinforced.
Internal	EU actions find difficulties to target the most vulnerable, in particular the poorest bottom 40%.	<b>M</b>	<b>H</b>	Distributional Impact Assessment(s) of selected actions when relevant could help to better target the most vulnerable.
Internal	Different aspects of vulnerability (gender, age, ethnicity, disability, income, etc.) are considered independently, risking to reduce inequality for the aspect targeted but increasing inequality for the other aspects.	<b>L</b>	<b>H</b>	The concepts of vulnerability and marginalisation will be understood in their intersectionality. The Distributional Impact Assessment, since it enables to identify ex-ante intersected vulnerabilities, could be eventually used as a planning instrument to limit the risk.
Internal	The measurement of the impact of the Action on inequalities, through monetary indicators (poverty rates or Gini coefficient), might be impacted by external factors (e.g. economic situation)	<b>M</b>	<b>H</b>	Potential undermining external factors should be considered when evaluating the overall effects of the Action.

### Lessons Learnt:

The results achieved by the various phases of the EUROsociAL programme have enriched the identification of the present Action. Practice under EUROsociAL+, feedback from the involved stakeholders and external evaluations of the programme (the most recent one conducted in October 2021<sup>19</sup>), have highlighted a number of successful features, that can inspire the design of this Action.

In terms of scope, the interest of the countries of the region in receiving EU support for the design and implementation of public policies addressing inequalities and promoting social cohesion is confirmed. There is a general perception of the EU and its Member States as like-minded, trustworthy and efficient partners. Demands have kept increasing during and post COVID-19. New areas of interest for social policies have emerged, notably in the fields of health (including mental health) and education, the latter being closely linked with employability. The emphasis put on gender equality under EUROsociAL+, as a stand alone component but also effectively mainstreamed across all interventions, has been a success and should be further strengthened. Work on the economic autonomy of women has received particular attention. Care policies, at the crossing of social policies and gender equality, have gained traction in both LAC and EU. As far as good governance is concerned, work on fiscal policies and on transparency have been particularly successful, as well as on inclusive access to justice, with important potential to strengthen social contracts.

In terms of implementation, in-country dialogue associated to short-term technical assistance has proved to be a successful methodology. In-country dialogue (“mesas país”) should be promoted in all countries, especially at strategic times (e.g. after elections), with the twofold objective of defining strategically a roadmap and showing results. They also contribute to the EU-LAC policy dialogue. Multi-country interventions, through work with networks and trilateral

<sup>19</sup> Mid term evaluation of the EUROsociAL+ programme, October 2021. There was also a mid term (2013) and a final (2016) evaluation of EUROsociAL II, as well as a mid term (2008) and final (2010) evaluation of EUROsociAL I.

cooperation among partner countries, should be encouraged. They have a proven emulation and cross-fertilization effect and may lead to structural reforms.

Partners have particularly valued the ability of the EU, through EUROsociAL+, to provide targeted and tailor-made assistance and to react quickly to new demands. Flexibility and demand driven interventions have brought good practices. They should however be balanced with increased EU added value, strategic approach and visibility, in a Team Europe spirit. In the same vein, even though efforts have been made to have access to expertise coming from a variety of EU Member States, it should be scaled up and diversified. This would allow to reflect better the diversity of models and experiences that the EU can offer. In view of the inclusion of the Caribbean, considering its specificities, expertise from Northern and Central Europe must be mobilized too. So as to increase the capacity for quick interventions, under EUROsociAL+ consultants have sometimes been mobilized. Preference should be given to peer-to-peer learning, through exchanges among public administrations. This is particularly appreciated by counterparts and reflects better the Team Europe added-value.

The speed at which partner countries may fully reap the benefits of the programme(s) may vary according to a number of factors, among them institutional capacities, or the experience in dealing with similar instruments. It is therefore important to have mechanisms allowing for flexibility and differentiated methodologies. This is particularly important for the work with the Caribbean in the upcoming period, as a new actor in the dynamics for dialogue fostered in the latest years.

Related to the above and as a side effect of the demand-based approach, EUROsociAL+ has been particularly active in those LAC countries with stronger administrations and broader fiscal space. However, the support proposed may also be very relevant for countries with more limited institutional and financial capacity. Under this new Action, a mechanism should be set up to guarantee some geographical balance of the interventions.

Reporting on results achieved should be systematized and made more agile. It is essential for the EU to be able to have continuous and quick access to information. The role of the programme Director and the programme Office have been key in that sense for EUROsociAL+. In view of making interactions with the EC more agile, the latter could be based in Brussels in future editions.

Due to its regional nature, the Action is normally managed by the EC at headquarter level. However, the involvement of EU Delegations is paramount for the success of the interventions. EU Delegations should be associated at all times to the actions concerning their countries. Important progress has been made under EUROsociAL+, but this strand must still be strengthened, for the EU to effectively steer actions (promoting synergies with other EU instruments and with interventions funded by EU MS), capitalize on their results and get adequate visibility.

Synergies with EU-funded bilateral and regional programmes and Team Europe Initiatives in LAC should be sought, such as with El PAcCTO 2.0 in the field of access to justice, as well as COPOLAD III; programmes under the umbrella of the EU-LAC Digital Alliance and EUROCLIMA+ on just transitions; or programmes fostering inclusive economic growth through private sector development. Exploring possibilities for synergies under research & innovation networks (eg. Red Clara under the EU-LAC Digital Alliance), global partnerships (eg. on education) and Erasmus +, particularly for the TVET part, could also be considered.

The Action should ensure complementarities with global initiatives such as SOCIEUX+, which also mobilises peer to peer expertise from EU Member States in the areas of social protection and decent work. Systematic information sharing about the actions in the pipeline and ongoing in LAC countries must be established to ensure complementarity and avoid overlaps. Additionally the programme will also ensure complementarity with the global project 'Improving synergies between Social Protection and Public Finance Management', implemented by ILO, UNICEF and the Global Coalition for Social Protection Floors, which combines longer term support and ad hoc demand technical advisory services in a set of countries including LA countries (i.e. Paraguay, Ecuador, Peru and Colombia).

To address gender-based violence, this Action will draw on the results achieved by the Spotlight Initiative, launched in 2017 by the EU and the UN to combat violence against women and girls, and currently being implemented in 26 countries and 6 regions. The Spotlight initiative achieved important results in LAC in terms of prevention of violence against women, of access to services and on data collection and management. As an example, the Spotlight Caribbean Regional Programme focused on the integration of comprehensive sexuality education in the formal school curriculum in alignment with international standards; the Latin America Regional Programme supported the integration of women's human rights in the education system across Central America; El Salvador programme worked with hospital networks to improve and expand the provision of services for women and girl survivors of violence, including the strengthening of care services for trans women; the Spotlight Latin America Regional Programme developed a course

jointly with ECLAC and CLACSO to train participants to better measure the prevalence and incidence of gender based-violence, and in the implementation of public policies to address it.

As for youth, complementarities could be found with the EU Youth Empowerment Fund, a new pilot initiative worth €10 million that will provide direct financial support to youth-led initiatives in partner countries focusing on the implementation of the Sustainable Development Goals at local level, in particular on environment and climate change and the inclusion of vulnerable and marginalised youth.

Besides, synergies should be contemplated with the EU-ILO projects funded by the EU via DG EMPL on decent work “Innovative solutions for formalization in Latin America and the Caribbean”, on occupational safety and health in global supply chains “Vision Zero Fund - Improving Safety and Health in the Global Coffee Supply Chain”, as well as the results in LAC of the “Future of work” project.

Finally yet importantly, synergies with the EFSD+ blending and guarantee operations could be promoted. The EFSD+ Open architecture has 5 adopted Proposed Investment Programmes (PIPs) for LAC related to human development that could complement this Action, once fully operational in the medium run<sup>20</sup>. Further opportunities with EFDIs and private sector could be further explored under the Global Gateway and related Investment Agenda.

### 3.5 The Intervention Logic

The underlying intervention logic for this Action is that, if innovative social policies and responsive measures in the social sector are supported, accompanied with dialogue, and further developed in the LAC region, then this will be conducive to strengthening social contracts, because it will be reducing horizontal and vertical inequalities including gender, and leading ultimately to **more just and inclusive societies** in the region.

The Action is based on the general assumption that support to social inclusion and equality measures will foster **social cohesion**, understood as the reduction of gaps and promotion of well-being for all the population. Building on UN sources, social inclusion is defined as a central principle that facilitates certain enabling mechanisms, such as egalitarian social ties and mechanisms for the redistribution of risk and participation, which in turn create conditions conducive to this type of social cohesion<sup>21</sup>. It implies a decrease in inequality, but also the promotion of human rights, gender equality, non-discrimination and tolerance. A socially cohesive society is one where all groups have a sense of belonging, participation, inclusion, recognition and legitimacy.

Broadly accepted methodologies build on **social inclusion** measures and interventions to support the processes that ensure equal opportunities, normally following two lines of action. Considering this logic and in line with the human rights based approach to development, then:

**Outcome 1** of the Action, on the one hand, focuses on how to ensure access and empowerment of the *right-holders*, with an emphasis on the most vulnerable segments of the population, especially women. Such efforts include policies and actions that promote, on the one hand, equal access to public services. LAC countries seem to be progressively moving towards streamlining and universalisation in their social services, i.e. increased coverage, rather than fragmented schemes only targeting the most vulnerable population. The action will accompany and support this trend in a region that has already made advances in this regard, while ensuring that the systems reach the most vulnerable population with effective measures that are adequate and well targeted. Investing in social protection and integral care systems is also important to address shortages and fulfil this sector's economic and job creation potential, promoting decent work in a sector that is often characterised by informality, difficult working conditions and low wages, particularly impacting women. Investing in quality care also means improving women's participation in the labour market and gender equality, in particular gender pay and pension gaps since women still bear the main brunt of care responsibilities. The interventions proposed under Outcome 1 will also contribute to opening up comprehensive pathways to social integration, notably through providing counselling, education and training, and offering support in the path towards formal, decent employment.

**Outcome 2** of the Action, on the other hand, intends to reinforce the capacities of the *duty-bearers* to mobilise the resources and to deliver support. It will target systems and structures, with the primary aim of creating more effective

<sup>20</sup> Namely: (1) Cardano Development/FMO First Mover Health Investors Fund; (2) COFIDES/AECID TIF II (Triple Bottom Line Inclusive Finance in Latin America), (3) EIB Gates Foundation Human Development; (4) FMO Nasira+: a new chance guaranteed for underserved entrepreneurs and clean energy access (5) IFC Better Futures Program (BFP).

<sup>21</sup> Definition proposed by ECLAC and AECID, in *Social cohesion and inclusive social development in Latin America A proposal for an era of uncertainties*, 2022

gender based responses for people at risk of exclusion by removing societal barriers, improving service delivery, changing attitudes and raising awareness. Activities will thus address public finance management and mechanisms to open up to citizens' participation in the decision-making processes and policies that foster those services.

**Outcome 3**, as a complement to the above, brings an element of novelty and adaptation to new global trends. It seeks to shape fair digital and green transitions, through the promotion of partnerships with the private sector, civil society, academia and other actors (individually or in multi-stakeholders' collaborations) to foster innovative solutions with social impact, facilitate the transfer and upscaling of social innovation.

The intervention logic builds on the external assumption that there is **political will in the LAC countries** to engage in the dynamic of policy dialogues and policy reforms promoted by the Action. In this sense, activities should have a demand-driven approach to match the priorities of partner countries and respect their own paths for policy reforms, while ensuring a strategic framework that aligns LAC and EU policies and common values, and sets the direction of the goals and results to be achieved with our partnership, also in the broader context of our global commitments.

While trying to ensure geographical balance in the execution of activities, the Action will work on a principle of 'variable geometry' – involving those countries that are willing to enter into closer cooperation arrangements with their regional LAC and EU partners. Methodologies will have to be flexible enough to tailor the support to each country's context and needs, while fostering and leveraging regional dynamics whenever possible. In this sense, activities will encompass the support to the creation or functioning of relevant regional networks.

The suggested methodology to implement the action will be the **transfer of expertise and best practices** through the mobilisation of technical assistance and through peer-to-peer learning, making the best of the Team Europe experience and added value, while valorising also trilateral cooperation schemes with LAC countries, drawing on their capacity and experience as expertise providers. This should be complemented ideally with actions with a **demonstrative effect** or with a potential of structural impact or **scaling up effect**. In this sense, the concept of a so-called "social accelerator" to foster private sector and IFIs investments in social sectors of high impact in LAC, particularly in view of supporting resilience or innovation for fair green and digital transitions. Such work on social innovation and investment on public social services such as health or education, and for better governance through e.g. digital services, could potentially help as "catalyser" for other initiatives such as the EFSD+ PIPs, or the follow up of other initiatives such as the ones in education, health resilience and pharma matchmaking, or other.

The Action will also contribute to the **EU-LAC policy dialogue**, by providing space for a dialogue with LAC partners on addressing inequalities and fostering social cohesion, with a whole of government approach. The three main policy enablers that will guide the activities to be promoted through this Action are: 1) a human-rights driven approach with an emphasis on good governance, access to rights and basic services for the most vulnerable (notably the poorest 40% income households), and empowerment of people; 2) gender equality and empowerment of women and girls at the very centre, with a view to give a push to gender-responsive social policies and to unleash the huge potential for women's contribution to society and economy in LAC, triggering a broader work on social policies for the reduction of inequalities and addressing the intersectionality with other forms of discrimination; and 3) further work on fostering the social dimension of the green and digital transitions, by reinforcing the concept of "just transitions" and building on its potential, while mitigating its risks and negative effects on the most vulnerable.

A key feature of the overall intervention logic is that gender equality and empowerment of women and girls should be an anchor to support the development of more inclusive social policies in a broad sense and to address the intersectionality of gender with other forms of discrimination. Following this logic, the action puts gender equality at its centre, but also devotes a specific attention to the most vulnerable groups, particularly the bottom 40% income population, as well as youth, indigenous and disabled people, and migrants. The methodology will thus take into consideration the conditions for the fulfilment of the **G2 (Gender) and I2 (Inequality) markers**.

The latter may eventually imply the use of the Distributional Impact Assessment (DIA) tool when relevant and possible. Applying the DIA can indeed help to achieve a better targeting and results-oriented reporting, but it might make the new interventions less agile and heavier to implement. Hence, it would be advisable to apply it in a pilot manner to a targeted number of interventions, to be selected carefully according to criteria such as their potential to be replicated. DIA assessments could be applied ex ante and ex post for selected programmes to establish how/where to develop services and whether vulnerable groups have been well targeted. This would imply having a group of experts and/or technical assistance support to conduct the eventual assessments.

### 3.6 Logical Framework Matrix

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

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

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action. The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

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

Results	Results chain (@): Main expected results (maximum 10)	Indicators (@): (at least one indicator per expected result)	Baselines (values and years) <sup>22</sup>	Targets (values and years)	Sources of data	Assumptions
<b>Impact</b>	To contribute to tackle gender and other inequalities, reduce poverty and social exclusion, and enhance social cohesion within and between LAC countries	<ol style="list-style-type: none"> <li>1. Gini Coefficient (regional level)</li> <li>2. Relative and Absolute Poverty (regional level, disaggregated by sex, ethnicity and age when possible)</li> <li>3. Share of income bottom 40% compared to the rest of the population (regional level)</li> </ol>	<ol style="list-style-type: none"> <li>1. 0,452 (2021)</li> <li>2. 32.3% and 12.9% respectively (2021)</li> <li>3. 7.8%<sup>23</sup> (2021)</li> </ol>	Decrease in the value of the three selected indicators as compared to the baselines (2030)	Publications from reliable international sources (World Bank, ECLAC, UNDP, World Inequality Database, etc.)	<i>Not applicable</i>

<sup>22</sup> Source: ECLAC regional data. The data available for the baselines at regional level often covers only Latin America and does not contemplate the Caribbean. It may be complemented at a later stage with further analysis of data on the Caribbean.

<sup>23</sup> Data found: Bottom 50% national income share.

<b>Outcome 1</b>	1. Improved access to social rights, social services and justice for vulnerable groups in all their diversity, notably women, children and youth, and the bottom poorest 40% income or wealth's households	1.1. Number of people directly benefiting from EU supported interventions that aim to reduce social and economic inequality (disaggregated by sex, ethnicity and age when possible) ( <b>GERF 2.39</b> )	1.1. 0 (2023)	1.1. To be determined	EU interventions monitoring and reporting systems	Political will in LAC countries
<b>Outcome 2</b>	2. More inclusive, accountable and transparent public institutions, that promote equity driven and gender-responsive public finance models to reinforce social policies and protection systems, with special emphasis on women, children and youth, and the bottom poorest 40% income or wealth's households	2.1. Proportion of total governments' spending on essential services, i.e.: education, health and social protection expenditure as % of GDP ( <b>RMIP Indicator</b> )*  2.2. Proportion of countries with systems to track and make public allocations for gender equality and women's empowerment ( <b>SDG 5.c.1 / GAP III Key outcome indicator</b> )	2.1. RMIP baseline for LA / Caribbean (average) on the 2016-2018 period: - Education: 3.6% / 4.5% - Health: 2.6% / 3.3% - Social protection: 1.7% / 2.9%  2.2. To be determined in inception year	2.1. To be determined  2.2. To be determined	EU interventions monitoring and reporting systems  ECLAC social and fiscal panoramas for LAC	Political will in LAC countries  Conducive PFM situation  Macroeconomic context allowing for domestic revenue mobilisation
<b>Outcome 3</b>	3. New solutions fostered and investments unlocked, to boost social innovation, resilience of social systems, and just, socially responsible and inclusive green and digital transitions	3.1. Number of gender-responsive initiatives in the digital and green economy sectors with EU support ( <b>adaptation GAP III Key outcome indicator</b> )	3.1. 0 (2023)	3.1. To be determined	EU interventions monitoring and reporting systems	Political will in LAC countries.  Private sector interest in fostering just transitions and working on corporate social responsibility

<b>Output 1 relating to Outcome 1</b>	1.1. Strengthened policies and mechanisms for the empowerment and advancement of women and girls	1.1.1. Number of people benefitting from EU-funded interventions to counter sexual and gender-based violence <b>(GERF 2.37 / GAP III Key indicator)</b>  1.1.2. Number of policies/ mechanisms for the empowerment and advancement of women and girls developed with EU support	1.1.1. 0 (2023) 1.1.2. 0 (2023)	1.1.1. To be determined  1.1.2. To be determined	EU interventions monitoring and reporting systems  COM (GAP III indicator)	Political will in LAC countries
<b>Output 2 relating to Outcome 1</b>	1.2. Improved policies and mechanisms to ensure inclusive access to rights, social services and justice, particularly for women, children and youth, and vulnerable groups, including at the territorial level as relevant	1.2.1. Number of education and skills services which have been created/ improved/ made more accessible with EU support, with a gender/ age/ vulnerable groups lens <b>(RMIP Indicator)*</b>  1.2.2. Number of health services created/ improved/ made more accessible with EU support, with a gender/ age /vulnerable groups lens <b>(RMIP Indicator)*</b>	1.2.1. 0 (2023) 1.2.2. 0 (2023)	1.2.1. Increase by 15% tbc (RMIP target in 2027)  1.2.2. Increase by 10% tbc (RMIP target in 2027)	EU interventions monitoring and reporting systems  COM (GAP III indicator)  Assessments with DIA methodology when relevant	Political will and available fiscal space
<b>Output 3 relating to Outcome 1</b>	1.3. Reinforced policies and mechanisms to enhance social protection systems, to become more inclusive, shock-resilient, and better equipped to ensure adequate coverage of the poor and the most vulnerable people	1.3.1. Number of countries which have benefitted from EU support to strengthen their social protection systems <b>(GERF 2.31, RMIP Indicator)*</b>	1.3.1. 0 (2023)	1.3.1. 15 tbc (RMIP target in 2027)	EU interventions monitoring and reporting systems	Political will and available fiscal space

<b>Output 1 relating to Outcome 2</b>	2.1. Policies and mechanisms to enhance efficient, transparent and equity driven public finance management, oriented to increase the progressive aspect of taxation and the distributional impact of spending, to collect more and spend better, to reduce social and gender gaps, and to provide for additional fiscal space to finance adequate gender and social policies and reforms	2.1.1. Number of countries supported by the EU to strengthen revenue mobilisation, public financial management and/or budget transparency ( <b>GERF 2.19, RMIP indicator</b> )*	2.1.1. 11 out of 18 supported countries (RMIP baseline,2021)	2.1.1. 90% of supported countries (target RMIP)	EU interventions monitoring and reporting systems ECLAC Fiscal panorama for LAC DIA Fiscal Incidence Analysis	Favorable economic context and political will
<b>Output 2 relating to Outcome 2</b>	2.2. Strengthened capacity of authorities and mechanisms to design, implement and monitor gender-responsive, results oriented, performance-based budgeting.	2.2.1. Percentage of new actions supporting public finance management reforms that include a gender budgeting component, disaggregated for LAC ( <b>RMIP/GAP III Indicator</b> )*	2.2.1. 12 actions in LAC (RMIP baseline, 2021)	2.2.1. 20% of new actions tbc (RMIP target in 2027)	COM (GAP III indicator)	Favorable economic context and political will
<b>Output 3 relating to Outcome 2</b>	2.3. Effective social dialogue, consultation and representation mechanisms are promoted to foster inclusive and participatory policy design and implementation, allowing for multi-stakeholder alliances and participation including underrepresented groups.	2.3.1. Number of government policies developed or revised with civil society organizations participation through EU support ( <b>GERF 2.29, RMIP indicator</b> )*  2.3.2. Number of processes fostering effective public consultation and representation mechanisms supported by the EU ( <b>RMIP indicator</b> )*	2.3.1. 3 (RMIP baseline at the national level, 2021)  2.3.2. 0 (RMIP baseline, 2021)	2.3.1. 9 (RMIP target for 2027, tbc), involving youth and women’s rights organisations  2.3.2. 7 (RMIP target for 2027, tbc)	EU interventions monitoring and reporting systems COM (GAP III indicator)	Context and political will conducive to opening democratic spaces

<p><b>Output 1</b> relating to <b>Outcome 3</b></p>	<p>3.1. Policy measures, initiatives and investments to foster social innovation are developed with the involvement of public, non-governmental, and private actors to identify opportunities in support to social public policy goals</p>	<p>3.1.1. Number of initiatives and investments supported / implemented with EU support</p>	<p>3.1.1. To be determined</p>	<p>3.1.1. To be determined</p>	<p>Baseline and endline studies conducted and budgeted by the EU-funded intervention</p>	<p>Political will in LAC countries.  Private sector interest in investments with social impact</p>
<p><b>Output 2</b> relating to <b>Outcome 3</b></p>	<p>3.2. Policy measures, initiatives and investments are developed to create inclusive opportunities for fair green and digital transitions, particularly for women, youth, and vulnerable groups</p>	<p>3.2.1. Number of jobs supported/sustained by the EU, disaggregated for green jobs and by sex and age of the job holder <b>(RMIP/GERF indicator)*</b></p> <p>3.2.2. Number of people [by targeted group] who have benefited from institution or workplace based VET/skills development interventions supported by the EU on: (b) only VET/skills development for digitalisation, disaggregated by sex and age <b>(GERF 2.14b, RMIP indicator)*</b></p> <p>3.2.3. Status of digital skills and literacy strategies at regional and national level, developed or improved with EU support <b>(RMIP indicator)*</b></p>	<p>3.2.1. 0 (RMIP baseline, 2021)</p> <p>3.2.2. 0 (RMIP baseline, 2021)</p> <p>3.2.3. To be determined</p>	<p>3.2.1. 50.000 tbc (RMIP target for 2027)</p> <p>3.2.2. 50.000 tbc (RMIP target for 2027,)</p> <p>3.2.3. 7 tbc (RMIP target for 2027)</p>	<p>EU interventions monitoring and reporting systems COM (GAP III indicator)  DIA methodology eventually applied on selected programmes</p>	<p>Political will in LAC countries.  Private sector interest in corporate social responsibility and fair transitions</p>

## 4 IMPLEMENTATION ARRANGEMENTS

### 4.1 Financing Agreement

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

### 4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 84 months from the date of adoption by the Commission of this Financing Decision.

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

### 4.3 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures<sup>24</sup>.

#### 4.3.1 Indirect Management with (a) pillar assessed entity(ies)

A part of this action may be implemented in indirect management with one or various entity(ies), which will be selected by the Commission's services using the following criteria:

- Pillar-assessed entities, preferably EU Member State(s) agency(ies) in Team Europe approach.
- Capacity to mobilise expertise (public and/or private as required) on the key topics covered by this Action.
- Experience working in one or various of the key domains covered by the specific objectives of this Action, preferably in Latin America and/or the Caribbean.
- Experience in the organisation of policy dialogues, preferably in Latin America and/or the Caribbean.
- Capacity to access regional networks and/or mechanisms to convene key stakeholders of both LAC and EU regions with a multi-actor approach (including non-state actors and private sector if needed).

The implementation by the above-mentioned entity(ies) entails the achievement of the Specific Objectives 1, 2, and 3 as described in section 3.1.

An underlying goal of the part under indirect management is to mobilise the widest possible Team Europe support and expertise for the implementation of the Action, working closely with the EU Member States (MS) involved in the regional TEI, and attracting additional EU MS and EFDI's engagement if possible. The aim is also to capitalise the added value and accumulated experience gathered in recent years through all our flagship programmes in this sector, notably the EUROsociAL programme in its different editions. So far, a consortium composed of EU MS has been the legal entity responsible for the implementation of the EUROsociAL programme(s) in Latin America, and more recently in the Caribbean. The EU MS agencies that conformed the consortium are part of the TEI "Inclusive and Equal Societies" and have been a key implementer for the delivery of the EU's development assistance in this domain in the latest years, as well as important partners in promoting EU-LAC bi-regional relations.

<sup>24</sup> www.sanctionsmap.eu. Note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy, the OJ prevails.

#### 4.3.2 Direct Management (Grants)

##### **Grants: (direct management)**

##### **(a) Purpose of the grant(s)**

The purpose of the grant will be the implementation of a set of the activities conducive to the achievement of the Specific Objectives 1 and 3 as mentioned in section 3.1., indicatively targeting actions with demonstrative effect or with a potential of structural impact or scaling up effect (for example, through the creation of a “social accelerator”).

##### **(b) Type of applicants targeted**

To be eligible, the potential applicants must be established in a Member States of the EU or in a country eligible under the Neighbourhood, Development and International Cooperation Instrument (NDICI).

The type of applicants targeted for the Action are mainly legal entities, economic operators, international organisations, and NGOs, preferably from EU or LAC regions, that have the aim to facilitate partnerships to foster just transitions and to promote social rights and innovation in LAC, while building collaborations for that purpose between EU and non-EU actors at multiple levels (national, (sub)regional, bi-regional, etc.), and from a multi-stakeholder perspective (i.e. including public entities, private sector, and other non-governmental actors as relevant).

The implementation of this part of the Action may require a type of implementing body with specific characteristics and competence in thematically relevant areas, as well as experience in the mobilisation of private-public networks in both regions. Having an already existing network of private sector entities or social innovation actors within both regions - EU and LAC- will be an element to consider when choosing the implementing entity.

The EU experience in other actions such as ELAN shows that it takes time for a network such as the one required for this part of the Action to grow and gain trust and commitment from its members. Building upon existing structures, networks and acquired knowledge could allow to reach the expected results in the different countries where the network was active in a much quicker and timely manner. The selection of implementation entity will take this element into account for an eventual selection of applicants under the criteria of technical competence and specialisation, as well as established networks, when needed to meet the specific characteristics of the Action.

#### 4.3.3 Direct Management (Procurement)

Procurement may be mobilised on *ad hoc* bases for the implementation of this Action in order to provide horizontal support to the coordination of the overall objective and to contribute to the achievement of the Specific Objectives 1, 2, and 3 as described in section 3.1., providing mainly technical assistance and services to respond to the needs in terms of coordination, technical assistance support, specific assessments (eg. distributional impact assessments, etc.), or follow up on the achievement of the selected DAC markers of the Action.

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

The alternative implementation modality in indirect management could be used if the implementation modality in direct management cannot be implemented (and viceversa) due to circumstances outside of the Commission’s control, or due to unsuccessful results in the calls and/or procedures leading to the contract signature.

The possibility of an eventual contribution to a relevant Regional Blending Facility/Platform could be considered as a fallback option if the contracting under the foreseen indirect management modality is unsuccessful. This contribution may be implemented under indirect management with Lead Finance Institutions.

#### 4.4 Scope of geographical eligibility for procurement and grants

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

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

#### 4.5 Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)	Third-party contributions (amount in EUR)
<b>Implementation modalities</b> – cf. section 4.3		
<b>Objective 1: Improving access to social rights, gender equality and empowerment of vulnerable groups</b> , composed of:	<b>20 000 000</b>	<b>TBD</b>
Indirect management with pillar assessed entities, preferably EU MS or EU agency, or international organisation- cf. section 4.3.1. Direct management: Grants – cf. section 4.3.2. / Procurement – cf. section 4.3.3.	20 000 000	
<b>Objective 2: Enhancing inclusive, accountable and transparent public institutions</b> , composed of:	<b>10 000 000</b>	<b>TBD</b>
Indirect management with pillar assessed entities, preferably EU MS or EU agency, or international organisation- cf. section 4.3.1. Direct management: Procurement – cf. section 4.3.3.	10 000 000	
<b>Objective 3: Promoting inclusive social innovation, resilience and just transitions</b> , composed of:	<b>30 000 000</b>	<b>TBD</b>
Indirect management with pillar assessed entities, preferably EU MS or EU agency, or international organisation- cf. section 4.3.1. Grants (direct management) – cf. section 4.3.2. / Procurement (direct management) – cf. section 4.3.3	30 000 000	
<b>Grants</b> – total envelope under section 4.3.2.	15 000 000	N.A.
<b>Procurement</b> – total envelope under section 4.3.3.	2 000 000	N.A.
<b>Evaluation</b> – cf. section 5.2 <b>Audit</b> – cf. section 5.3	To be covered by another Decision	N.A.
<b>Totals</b>	<b>60 000 000</b>	<b>TBD</b>

## 4.6 Organisational Set-up and Responsibilities

The Team Europe Initiative “Inclusive and Equal Societies” will be the general framework for the strategic coordination and Team Europe collaboration among the different Actions that are implemented by the EU partners, jointly or bilaterally, so as to ensure the synergies among the different actions.

The overall coordination of this particular Action will be ensured by the European Commission, in collaboration with the EEAS and other relevant EU institutions if applicable. It will count with the support from the main counterparts and implementing entities, and eventually mobilise dedicated technical assistance, so as to ensure that the projects/programmes conducted under this Action liaise with all relevant stakeholders, are well coordinated internally and closely monitored, so that the concrete results and best practices can be disseminated widely.

For the governance of the interventions, the European Commission will set a light and effective coordination mechanism -indicatively in the form of a Steering Committee, joint or by programme-, to be defined together with the implementing partners. This coordination structure(s) will provide directions for effective implementation, ensuring that the activities are consistent with the planned objectives and expected outcomes. They will establish a yearly work plan for activities, exchange on strategic matters, and report on progress. When appropriate, the organisational set-up may include an active and meaningful participation of key stakeholders, including rights holders such as youth, women organizations and organizations representing vulnerable and marginalized groups.

In terms of implementation, programme offices may be set up for the sound management of the respective programmes, and to ensure the efficient and constant communication and coordination of the key implementing partners with the European Commission. These offices should preferably be based in Brussels.

EU Delegations in Latin America and the Caribbean shall be closely involved in the implementation for the aspects that concern their respective countries. Among other things, they shall be actively involved with priority setting at the national, regional and sub-regional level, and provide inputs for effective implementation when necessary. Implementing partners shall ensure that the relevant EU Delegations are informed and involved in the strategic discussions for the preparation and follow up of the actions, as well as in the monitoring of the related results in the countries that fall within their competences. They shall also be informed and closely involved in any communication and visibility actions.

As already mentioned above, an underlying goal of the Action is also to mobilise the widest possible Team Europe support and expertise for the implementation of the activities and also for the advocacy around them (including at country level), working closely with the EU Member States (MS) involved in the regional TEI, and attracting additional EU MS and EFDI’s engagement if possible.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission and the EEAS will participate in the above governance structures set up for governing the implementation of the action.

## 4.7 Pre-conditions

N.A.

## 5 PERFORMANCE MEASUREMENT

### 5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports.

Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix.

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

Monitoring and evaluation will assess gender equality results and the implementation of the rights-based approach working principles (and be based on indicators that are disaggregated by sex, age and disability when applicable).

Implementing partners will provide information on the proposed arrangements for the monitoring and reporting on the indicators that have been defined for the logframe matrix of the Action, including the definition of baselines and data collection. Some of the baselines and targets will need to be determined at the moment of contracting or during the inception phase. In such case, implementing partners shall conduct the relevant studies or surveys to collect data and report. The use of the Distributional Impact Assessment methodology in selected occasions, to assess the impact of interventions on inequalities, may have to be foreseen. This should be envisaged in the proposals under the implementing partners' responsibility, indicating any implications in terms of budget or implementation, as well as in terms of division of duties with other implementing partners involved in the Action. When relevant, partners will also need to take into account the monitoring systems that are foreseen in the context of the Team Europe Initiative.

### 5.2 Evaluation

Having regard to the importance of the action, a mid-term and final evaluation(s) will be carried out for this action or its components via independent consultants contracted by the Commission.

The mid-term evaluation is envisaged will be carried out for problem solving and learning purposes, in particular with respect to the adequacy of the actions and the policy support scheme in view to undertake a possible continuation of the programme and also to ensure the sustainability of the results.

The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that: a) the Commission has conducted actions in the past in this domain and may be interested on their measurable impact, and b) there may be innovative actions to assess.

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

The Commission shall inform the implementing partner at least 1 month in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination<sup>25</sup>. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

<sup>25</sup> See best [practice of evaluation dissemination](#)

Evaluations shall assess with appropriate expertise to what extent the Action is taking into account the human rights-based approach as well as how it contributes to gender equality and women's empowerment and disability inclusion.

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

### **5.3 Audit and Verifications**

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

The financing of the audit may be covered by another measure constituting a Financing Decision.

## **6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY**

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

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

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

## Appendix 1 REPORTING IN OPSYS

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

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

The present Action identifies as:

<b>Action level</b>		
<input type="checkbox"/>	Single action	Present action: all contracts in the present action
<b>Group of actions level</b>		
<input type="checkbox"/>	Group of actions	Actions reference (CRIS#/OPSYS#): <Present action> <Other action>
<b>Contract level</b>		
<input type="checkbox"/>	Single Contract 1	<foreseen individual legal commitment (or contract)>
<input type="checkbox"/>	Single Contract 2	<foreseen individual legal commitment (or contract)>
	(...)	
<input checked="" type="checkbox"/>	Group of contracts 1	Indicatively and subject to contractual negotiations: - up to two contributions agreements, if possible with a Team Europe approach, for an amount of EUR 43 000 000, - a grant, for an amount of EUR 15 000 000, - procurement, for an amount of EUR 2 000 000.