



Experiences of the **European Union**

**Regional
Development
Cooperation**

with **Latin America**

**on climate change,
renewable energies
and water**

International
Cooperation
and Development

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Foreword

Experiences of the European Union Regional Development Cooperation with **Latin America** on climate change, renewable energies and water

Building on long-standing relations, solid historical, cultural and economic ties, Regional EU development cooperation with Latin America is based on bi-regional dialogue in particular through bi-annual Summits of Heads of State and Governments and subsequent political Declarations.

Over recent years, significant progress has been made in Latin America region where many countries reached a middle income status, despite the fact that severe inequalities remain, very often linked to significant levels of poverty. The EU is committed to cooperating with Latin American countries to contribute to tackling the challenges related to eventually eradicating poverty and fighting against social inequalities. This is at the heart of the EU development policy.

Latin America is highly prone to natural disasters and vulnerable to climate change. One of the greatest challenges faced by the region is the sustainable management of its rich and economically-important natural resources. While most Latin American development is based upon the region's natural resources, the effects of climate change are increasing visible, with substantial and in many cases irreversible effects on economic activities, populations and ecosystems. Vulnerable segments of the population will be hit earliest and hardest. Environmental degradation is evident and has a direct impact on the region's sustainable development, and consequences for socio-economic development and the populations' well-being.

Latin American governments are already active and willing to address the effects of climate change; be it at mitigation or at adaptation. The support provided by

the EU on climate change issues is widely acknowledged, leading to the substantial sharing of both experience and technical expertise.

Since 1994, the EU has contributed with more than EUR 1 billion for regional (continental) cooperation to Latin America in a number of programmes of cooperation.

Since 2008, environment, climate change and sustainable development have risen higher in the bi-regional agenda following the Summit of Heads of State and Governments held in Lima, Peru. Available funds for cooperation on these key themes increased substantially throughout the years since the launch of the EU EUROCLIMA programme, in 2010, which aims at facilitating the integration of climate change strategies into public policies and their implementation, in Latin America.

The 2014-2020 Multiannual Indicative Regional (continental) Programme for Latin America aims, amongst other things, to foster environmentally sustainable development and to improve countries' capacity to cope with climate change and natural disasters. At a crucial moment in the international agenda, when significant summits addressing climate change are taking place, the EU confirms, once again, its will to continue and foster the cooperation with Latin America on these issues.

This publication illustrates some of the results and outcomes of the EU Regional programmes for Latin America in the fields of climate change, renewable energies and water.

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Introduction

Policy Context

The European Union (EU) and Latin America have a fruitful and long-established relationship, which has grown steadily stronger in economic, political and social spheres, reflecting the region's growth performance, development potential and the will of both parties to strengthen their ties. The EU is currently the region's main cooperation partner, its leading source of foreign investment and its second most important trade partner.

Latin America countries and the European Union share values and have similar objectives in terms of socio-economic development for their peoples. Moreover, the regional EU development cooperation in the Latin America region is based on the recognition that the challenges facing the region require capacities to be mobilised jointly on both sides of the Atlantic Ocean.



A strong strategic partnership has been built, with regular Summits of Heads of State and Government. Summit Declarations identify political priorities and constitute a framework for mobilising common efforts and developing concrete actions of cooperation.

Many of the EU regional programmes for Latin America respond to priorities agreed at bi-regional level. This was the case of the EUROCLIMA programme following the EU-LAC Summit held in Lima, Peru, in 2008. The Latin American Investment Facility (LAIF) was officially launched in 2010 at the Summit held in Madrid, Spain.

A number of financial instruments fund implementation of EU cooperation programmes and, through them, address the Millennium Development Goals (MDG)¹. One of them is the Development Cooperation Instrument (DCI)² which covers several geographical regions, including Latin America. While the overarching aim of the DCI is poverty alleviation, development cooperation actions address a wide range of themes, including good governance, democracy, sustainable development, regional integration, social cohesion, and the fight against inequalities.

Through the DCI, the EU has successfully supported Latin American countries' efforts to reduce poverty and enhance social cohesion, allocating higher development funding for the region in 2007-2013 than in previous periods. Following the adoption of the DCI for 2014-2020, the region will benefit from an even larger increase in financial allocation for regional (continental) cooperation programmes EUR 805 million, against EUR 556 million in 2007-2013.

Sectoral Context

One of the region's strongest assets is its environment, being home to a rich variety of ecosystems and biodiversity. However, natural resources are increasingly under threat from biodiversity loss, deforestation, land degradation, water pollution, over-exploitation of natural resources and accelerating urbanisation, with dire consequences particularly for the poorest and more vulnerable segments of society.

Environmental degradation and climate change seriously affect economic growth, harming the poor especially and seriously threatening the current and future livelihoods of vulnerable communities. This is particularly relevant in Latin America where projections suggest that the effects of climate change will be substantial due to geographic location, distribution of human settlements and infrastructure, and reliance on fragile natural resources for economic activities and livelihoods. Reconciling environmental sustainability with economic growth constitutes a major challenge in Latin America.

In recent years, EU regional programmes for Latin America have given specific and substantive attention to the promotion of sustainable development and poverty reduction through programmes and projects to combat the effects of climate change, promote renewable energy and improve water management.

This Publication

This publication aims to provide an insight into the outcomes and impact of European Union regional cooperation programmes with Latin America in the fields of climate change, water and renewable energies. EU programmes addressing these issues take into account the region's specificities and priorities and pursue tangible and sustainable results



■ Climate Change

The first section of this publication describes two regional cooperation initiatives addressing climate change. EUROCLIMA promotes mainstreaming of climate change mitigation and adaptation strategies into national and sub-national policies and development plans in Latin American countries. The CLIMACAP project (Integrated Climate Modelling and Capacity Building in Latin America) aims to deliver improved modelling capacity in local institutes and universities to enable Latin American decision makers to better grasp the economic, environmental, social impacts of policy choices in relation to energy and land use, thus promoting well-designed mitigation and adaptation strategies.

■ Renewables Energies

Section two describes the successful case of EURO-SOLAR, a regional programme focusing on community-based development through access to renewable energies. The programme focuses on creating an enabling environment for poverty reduction in remote and vulnerable rural communities, by providing equipment for renewable energy production and Internet connectivity. It brings new and improved opportunities in education, healthcare services, communication, as well as new forms of technology and increased productivity.

■ Water

Among the most important challenges facing the region's water sector is that of improving water quality and availability, as well as reducing climate change impact on infrastructure and available resources. The third section describes two thematic projects for sustainable water management. RALCEA, the Latin American Network of Knowledge Centres in the Water Sector, gathers together an extensive network of research and knowledge centres whose mission is to share knowledge, build capacity and strengthen synergies in the water sector in the region. The WATERCLIMA project was devised to improve management of the region's watersheds and coastal areas, taking into account potential climate change impact. Both projects aim to provide a solid technical basis to support policymaking in the water sector in Latin America.

■ Investment Support Programmes

The Latin American Investment Facility (LAIF) is an innovative financial mechanism that blends loans and grants to leverage finance for investment in a variety of sectors, including energy, environment and social infrastructure. The mechanism, described in section four of this publication, has been used to implement a large number of sustainable development and environmental protection projects, many of which relate to climate change, water and renewable energies.

¹ <http://www.un.org/millenniumgoals/>

² https://ec.europa.eu/europeaid/development-cooperation-instrument-dci-2014-2020-multiannual-indicative-regional-programme-latin_in

Climate Change

EUROCLIMA Programme

Beneficiaries	18 Latin American countries
Budget	2010-13: Total EUR 5.2 million - EU Contribution EUR 5 million 2014-16: Total EUR 12.6 million - EU Contribution EUR 11.5 million
Duration	6 years (2010-2016)
General aim	Contribute to poverty reduction by reducing environmental and social vulnerability to climate change and strengthening the capacity to adapt, and to create opportunities for sustainable growth

www.euroclima.org



This is an on-going regional programme originating from the Lima Declaration, which was adopted at the V European Union-Latin America and Caribbean Summit of Heads of States and Governments in 2008. EUROCLIMA was launched in 2010 as a joint regional programme for Latin America focused on climate change and fostering structured dialogue, knowledge sharing, and enhanced synergies and coordination.

In January 2013, three years into EUROCLIMA implementation, the Santiago Declaration, adopted at the EU-CELAC Summit in Chile, reiterated the importance of actions to fight climate change, underlining the need to continue sharing

experiences and information between countries and regions. With Latin American countries confirming their interest in progressing with these themes, EUROCLIMA has redoubled its efforts, building on results achieved, to strengthen the region's resilience to climate change and to promote low-emission strategies.

Description

EUROCLIMA aims to facilitate the integration of climate change mitigation and adaptation strategies and measures into public policies and plans at national and sub-regional levels in Latin America.

18 Latin American countries (including Cuba) participate in the programme through national Focal Points designated by each government, who drive and facilitate implementation of the programme and ensure its findings are considered in policymaking and when taking political decisions at national and regional levels. Focal Points constitute one of EUROCLIMA's main strengths: they identify needs and priorities; they guide and facilitate programme implementation; they foster participation, establish synergies and leverage complementarities; and they promote the exchange and application of knowledge created by the programme.

During the period 2014 – 2016, EUROCLIMA plans to forge ahead with its three core areas of activity:

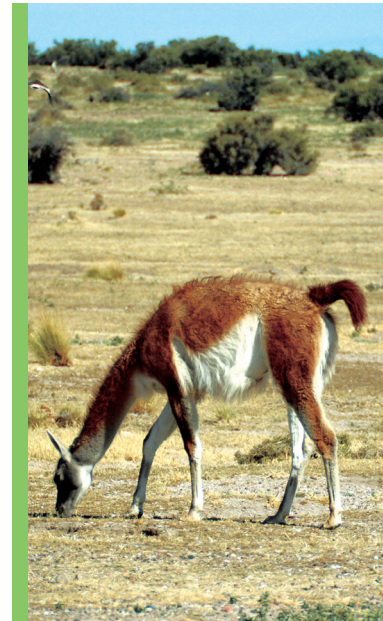
- **Exchange of information and experiences:** raising awareness and knowledge about climate change among key actors at a national, sub-regional and regional level. This is achieved through EU-Latin American networking and interactive discussions, by developing institutional capacity with training courses, thematic studies, etc., and by promoting the use of EUROCLIMA research results for political advocacy.

- **Development of adaptation and mitigation measures with co-benefits** based on an overview of best practices. This entails developing strategic sets of measures, assessing market demand and drawing up financing plans for investment in specific sectors through pilot projects.

- **Sustainable agriculture:** further strengthening the agriculture sector to mitigate the effects of, and adapt to, climate change. This centres on disseminating and deepening knowledge on desertification, land degradation and drought and applying biophysical and bio-economic models for agricultural systems and policy analysis.

The programme is managed and coordinated by the European Commission - Directorate-General for International Cooperation and Development, Regional Programmes Latin America and Caribbean Unit. Four partners are implementing the programme; their responsibilities are outlined in the table below.

Partners	Responsibilities
United Nations Economic Commission for Latin America and the Caribbean (ECLAC)	Designs and provides a set of climate change adaptation and mitigation measures with co-benefits to be implemented in Latin America
Inter-American Institute of Cooperation for Agriculture (IICA)	Reinforces agriculture sector capacity in Latin America to adapt to climate change and mitigate its effects, thereby contributing to food security in the region
Joint Research Centre of the European Commission (JRC), through the Institute for the Environment and Sustainability (IES)	Disseminates knowledge on desertification, land degradation and droughts (DLDD) and applies biophysical and bio-economic models for agricultural systems and policy analysis for Latin America
United Nations Environment Programme (UNEP), through its Regional Office for Latin America and the Caribbean (ROLAC)	Supports high-level policy dialogue, promotes national debate and legislation on climate change, enhances the role of civil society and raises public awareness



Key Outcomes

During the years 2010-2013, the programme focused on three main components. The outcomes achieved for each component are described below.

■ **Policy dialogue, communication and coordination component:** regional meetings and other international events were organised, including side events at the COP (Conferences of the Parties on climate change) of the UN-FCCC (United Nations Framework Convention on Climate Change) in Cancun, Durban, Doha and Lima, and support to the Regional Dialogues of Latin America and Caribbean on Climate Finance (2012, 2013 and 2014). Moreover, in coordination with the region's governments, bi-regional dialogue between the EU and LA has been strengthened through research (with thematic studies giving rise to methodological guidelines, manuals, inventories and tools for formulating climate change policies), capacity building (with a constant information exchange, electronic newsletters and various events) and networking between the key officials in the region and with experts from the EU and LA.

■ **Socioeconomic component:** studies on the social and economic impact of climate change in vulnerable sectors were carried out, leading to a deeper understanding of the impact of climate change on poverty, inequality and employment. Capacity building courses for public officials were held on techniques for analysing the socioeconomic impacts of climate change. Finally, a climate change network was created to exchange information and share outcomes, with hundreds of members from the academic, government and business sectors and from civil society.

■ **Biophysical sciences component:** the scientific component provided tools and scientific information on climate change to Latin American governments and scientific and technical institutions. More specifically, research, capacity building and networking focused on five main topics:

Water: specialised software was developed to model future natural resources scenarios (REFRÁN-CV), as was a Geographic Information System (GIS) to improve the spatial coverage of meteorological observations in the region, integrated with the AQUAKNOW platform.

Agriculture: a freely available platform, BioMa, was developed to analyse climate change impact on farm production.

Bioenergy and biofuel: a scientific-technical bio-energy network of Latin American and European experts was set up to promote information and experience exchange in order to exploit the region's biomass potential.

Soils: the Latin American and Caribbean Soil Bureau Network was promoted, together with an updated detailed Soil Atlas of Latin America and the Caribbean and a website dedicated to the soils of the region.

Desertification, Land Degradation and Drought: fundamental information on biophysical data of the region, phenological information on vegetation indices, standardised precipitation rates, and mapping of risks and drought hazards. These factors are vital for understanding and monitoring climate change in order to take decisions on adaptation and mitigation.



Highlights

Impact and ownership at all levels - regional, national and local - are key to ensuring the sustainability of the programme. A national workshop organised in Costa Rica by the Ministry of Environment with the contribution of the Technical Assistance team illustrated well the synergies that can be achieved. A study on NAMAs (Nationally Appropriate Mitigation Actions) in urban areas, carried out at regional level, was found to be equally applicable at local and national levels. Events such as these ensure strong and long-lasting impact at all levels.

Another experiences in Chile also proved the utility of organising national capacity building sessions. In this case, the national workshop was co-organised by an NGO, Adapt-Chile, and the EUROCLIMA Focal Point, again with the contribution of the Technical Assistance team. It concerned the application of the adaptive capacity to climate change tool at national and local levels.



All EUROCLIMA activities have underlined the need to integrate climate change as a cross-cutting issue at national level and to illustrate how science and policy can jointly address climate change impacts and opportunities.

EUROCLIMA also focuses on building capacities and sharing knowledge by supporting regional initiatives such as the Climate Finance Dialogue, and by providing institutional capacity building and making South-South cooperation a guiding principle for all activities.

Success Stories

The European Commission's Joint Research Centre prepared the first *Soil Atlas of Latin America and the Caribbean* in the framework of the EUROCLIMA programme. The Atlas unifies existing information on the different soil types in map form, accompanied by explanatory texts, high quality photographs and descriptive graphics, all of which was made possible by the creation of the Latin America and Caribbean Soil Bureau Network.

The main types of soil are described, together with their basic characteristics and formation processes, all with a special focus on climate change. The Atlas enables users to distinguish between different soil types and also describes general trends at a regional and global level.

The Atlas is extremely useful for rural development in the region. It supports the objectives of the EU Thematic Strategy for Soil Protection on conserving a non-renewable natural resource that is vital to human development and is currently under threat. Climate change, desertification and biodiversity loss all have a negative impact on soils, which is why the *Soil Atlas of Latin America and the Caribbean* is an invaluable tool for an extensive scientific community, for society and for all those local and regional stakeholders who can use it to formulate and implement climate change policies.



Climate Change

CLIMACAP Project

(Integrated Climate Modelling and Capacity Building in Latin America)

Beneficiaries	Latin American countries, primarily Argentina, Brazil, Colombia, and Mexico
Budget	EUR 750 000 (EU Contribution)
Duration	3 years (2012-2015)
General aim	To strengthen modelling capacity to support climate change mitigation strategies in key Latin American countries and regional groupings

www.climacap.org

Description

The CLIMACAP project, which was launched in December 2012, supports the formulation of effective climate change mitigation policies by strengthening the modelling capacity of Latin American countries, with the aim of supporting evidence-based policy at national and regional levels, while enhancing the representation of Latin America in global models.

CLIMACAP is comprised of a consortium of research establishments in Europe, Argentina, Brazil, Colombia and Mexico. It works in close collaboration with the Latin American Modelling Project (LAMP) initiative, financed by the US agencies for environmental protection (US EPA) and for international development (USAID).

A climate change mitigation policy needs to integrate knowledge from all sectors that are potential sources or sinks of greenhouse gases (GHG). Consequently, CLIMACAP brings together experts and models in energy issues, land use (including agriculture and forestry) and other related economic sectors.

One of the project's main objectives is the comparative analysis of models and scenarios for the horizon year 2050, so as to be able to evaluate the economic effects of GHG reduction strategies and plans in key Latin American countries, the costs arising from potential mitigation measures in specific sectors, and possible ways to meet emissions reduction thresholds.

Key Outcomes

CLIMACAP will produce a special issue of the journal *Energy Economics*. This publication of the special issue is the culmination of a close collaboration between Latin American, European and US researchers, academics, policy makers and the private sector. This collaboration not only results in a peer-reviewed evidence base for decision makers, but also builds capacity and linkages. To date four workshops have been held in Amsterdam (the Netherlands), Bariloche (Argentina), Bogota (Colombia) and Cuernavaca (Mexico). These meetings have addressed matters related to selecting emissions scenarios to model and the mechanics of the models to be applied by CLIMACAP and LAMP teams, and have resulted in a deeper knowledge of energy and sustainable development policies, as well as improved modelling capacities.

The project produces a wide evidence base for policy makers and researchers, through publicly available products and reports. This includes reports on policy reviews and data gathering, scenario-modelling policy briefs, the special issue of the journal, databases, as well as modelling tools and improved models available in the different countries. These and other products can be accessed online via the COMMEND (Community for Energy, Environment and Development) portal (www.commend.org) as well as the CLIMACAP website (www.climacap.org)





Lessons Learned

Models can often oversimplify reality, which is why the 'reality check' of preparing a knowledge base for policy makers and other key stakeholders is such an effective way to build modelling capacity. It is critical to foster institutional support, on which the project's technical results depend to a large extent, from a very early stage. Continuous exchange of experiences and knowledge, and close collaboration with initiatives such as LAMP, complement direct training as an effective and balanced means of building modelling capacity.

Success Stories

Energy Economics

CLIMACAP and LAMP prepared a special issue of the journal *Energy Economics* with articles on the definition of baseline scenarios, climate policies, technology deployment, agriculture and land use, the macroeconomic impacts of climate policies, climate policy scenarios and energy investment opportunities in Latin America. It is an opportunity to present project outcomes and products to policy makers so that they can use these tools to make decisions based on the most up-to-date knowledge and scientific advances.



Capacity building for energy and climate modelling

Generally speaking, modelling capacities are developed in the project through collaborative work and on-going knowledge exchange, although in some cases specific training courses and other capacity building events are organised on a regional scale. This is the case of the capacity building event held in Bariloche, Argentina, between June 9 and 20, 2014, where the central themes were energy policy and sustainable development, and modelling using the Long-range Energy Alternatives Planning System (LEAP) model.



Renewable Energies

EURO-SOLAR Programme

Beneficiaries 8 Latin American countries, 600 communities, 300 000 people

Budget EUR 35.2 million – EU Contribution EUR 27.8 million

Duration 7 years (2007-2013)

General aim Promotion of renewable energies to improve living conditions in rural communities

www.programaeuro-solar.eu



The supply of electricity from renewable energies is a key element not only in sustainable development and the fight against climate change but also in poverty alleviation, since it helps promote equal opportunities in education, health, and productivity.

The general aim of the EURO-SOLAR Programme is to improve socio-economic conditions in rural communities in Latin America by providing access to electricity from renewable energies, and access to information and communication technologies (ICT). To achieve this aim the beneficiary rural communities have been provided with a renewable source of electricity (600 electricity generating units) and an Internet connection.

The Programme's specific aim is to provide communities with an independent, decentralized infrastructure for electricity and Internet connectivity and to use them for community development, improving education, healthcare and access to information, as well as for social and productive uses.

Description

EURO-SOLAR has been set up as an integrated programme: it entails not just the installation of equipment but has also capacity building actions aimed at community members to ensure equipment is well managed and maintained and to support the development of services for education, healthcare and information technology, as well as social and productive activities.

The EURO-SOLAR kit comprises three systems:

- **Electricity generation:** 5 m² photovoltaic panels have been installed in 70% of the communities, while in the remaining communities, 30% solar power is complemented by wind turbines. The kit also has twelve gel batteries, a shed to protect the batteries, a control panel and electrical power supply, a safety fence around the enclosure and a battery charger. The energy source is clean, pollution-free, and uses renewable natural resources.

- **Communication:** This is an essential element of the Programme that enables the beneficiary communities to connect with the rest of the world. The system consists of five laptops, a projector, a multifunction station (printer, fax and scanner), a satellite antenna, a modem for satellite or Wi-Fi connection, and an Internet access subscription.

- **Healthcare:** This system comprises two basic healthcare measures needed by communities: a water purifier to supply fresh, clean water and a refrigerator for medical use, so that vaccines, serum and medicines can be kept at the correct temperature.





Residents of communities in which EURO-SOLAR has been implemented use these systems to develop the three components of the Programme:

■ **Education and information and communication technologies:** Facilitating access to quality education for children, young people and adults, thereby encouraging their intellectual, economic, social and cultural development. EURO-SOLAR reduces the digital divide and isolation in the entire community, while for the school children it enhances their quality of education by providing classrooms with lighting, facilitating access to technology, supplying IT equipment and printed and multimedia materials (videos and documentaries) and by improving IT knowledge. The ultimate objective of this component is to reduce the region's perennial problems, such as early school withdrawal, illiteracy, poor academic results and child labour.

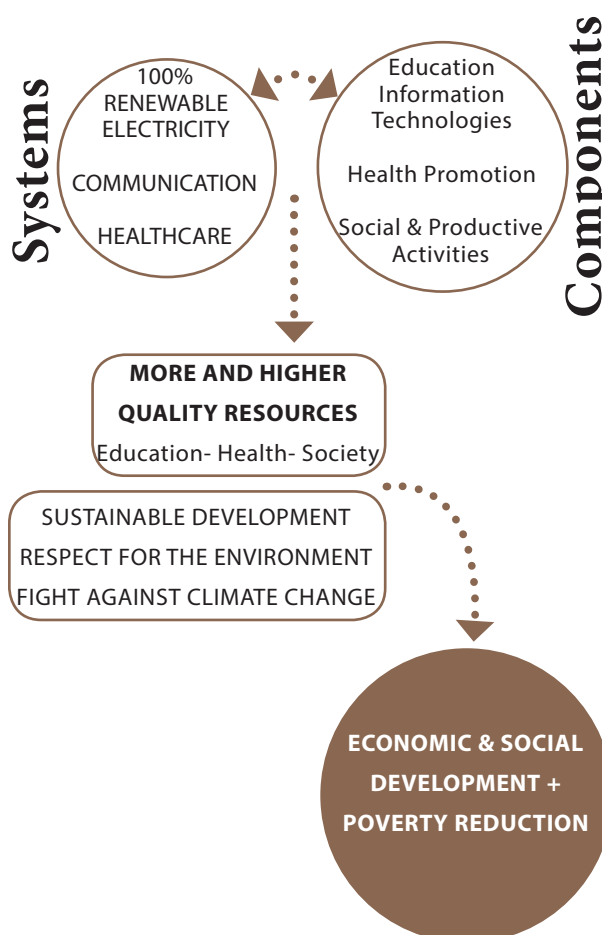


■ **Health promotion:** Promote real improvements in healthcare through responsible participation at community, individual and family level, increased awareness and adoption of healthier lifestyles. An Internet connection reduces the healthcare isolation of communities by providing them with distance learning on health promotion and by enabling tele-medicine. Moreover, the presence of electricity and the kit's health system means that medical refrigerators can be used to maintain the cold chain needed for certain medicines and vaccines, and clean water is available for treating patients.

■ **Social and productive activities:** Each of the kit's three systems (electricity, communication and healthcare) interacts with this component in a synergetic manner. Electricity allows many of the community's tasks to be performed faster, which gives people more time to take part in other social and productive activities. Also, access to information and communication technologies facilitates access to information to explore new market or employment opportunities. The Programme's healthcare system enables communities to live more healthily, which leads to higher productivity and a social setting in which further health-related actions can be implemented.

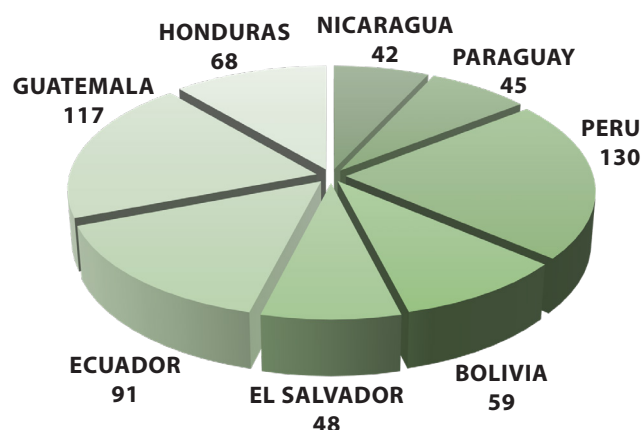
Renewable energy is a clean and sustainable energy ideal for disadvantaged and remote rural communities as it can be implemented in a decentralised manner. It is significantly cheaper than conventional energy from fossil fuels when considering fuel costs, and it helps to enhance education, healthcare and productive activities, as well as meeting other basic needs. This type of renewable energy initiative helps reduce poverty levels and achieve enhanced human development.

Systems and components of the EURO-SOLAR Programme and its impact on community development:



Main Operational Actions

Number of beneficiary communities



■ Identification of the programme's beneficiary communities

A participatory process was set in motion to select the beneficiary communities from those that had expressed an interest in forming part of the programme. After extensive fieldwork and data analysis, **almost 600 communities in eight Latin American countries were finally chosen.** The selection criteria placed special emphasis on transparency, with a methodology based on the population, poverty levels, accessibility and community commitment. As part of the fieldwork involving technicians and social scientists, informative workshops were held on the benefits and commitments that the Programme involved.

■ Installation of kits and implementation of the three components

The installation of the EURO-SOLAR kit involved preparing community buildings to house the power generation, communication and healthcare systems. It also involved training some members of the communities to run, maintain and repair the equipment, and providing capacity building for using the equipment in line with the priority action areas: education, healthcare, access to information technologies, generation of productive activities and gender equality.



The European Commission-supported EURO-SOLAR Regional Programme which has a duration of 7 years and benefited the eight most disadvantaged Latin American countries (Bolivia, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Paraguay and Peru) through various projects with a total investment of EUR 35.2 million

■ Capacity building of beneficiaries and community strengthening

Experts of the EURO-SOLAR Programme carried out capacity building actions to set up what are known as Local Community Organizations (LCO). In this way, each community takes full ownership of the kit and can manage the resources generated by its applications and services, as well as being responsible for the proper use and maintenance of equipment. In order to aid and foster the activities of the LCO, rules for the use of the kit were established in each community.

These training and capacity-building actions resulted in the creation of a dynamic of ownership of, and commitment to, the Programme by community members. They have been the drivers in developing its three key components: education and ICT, promotion of healthcare, and social and productive activities.

■ Exchange of experiences and best practice to replicate the Programme

The high level of cultural and territorial diversity presented an opportunity for replicability. To this end, the Programme facilitated the exchange of experiences and knowledge through appropriate channels of communication and coordination mechanisms. Also, a *Technical Handbook on the Replication of Renewable Energy and Rural Development projects* was developed to facilitate the replication of future projects, based on the EURO-SOLAR experience. Finally, the visibility component acted as a key driver for developing renewable energies in the countries of the region.

Lessons Learned

The EURO-SOLAR Programme has had a very positive impact on the communities where it has been implemented, improving living conditions and access to basic services. It has strengthened their self-management, consolidated improvements to healthcare, education and access to global communication networks, and opened up new productive and social opportunities.

One key success factor was the engagement and communication between potential beneficiary communities and local and national authorities and agencies during the initial stages. Awareness raising and information exchange between the communities on the aims and scope of the Programme facilitated all the other processes required for its proper implementation.

With regard to community ownership, one important aspect was the setting up of Local Community Organi-

zations for managing and maintaining the equipment. This process facilitated community members' ownership of these activities and their active participation in the Programme. Capacity building for community members resulted in improved skills in managing the installation, reducing their dependence on third parties and thereby enhancing their self-sufficiency.

The experience of the Programme has shown that installing electricity and internet in remote communities is a fundamental issue for the needs of their inhabitants in terms of education, socio-economic development and healthcare. However in some of the communities this type of action had to be accompanied by other initiatives aiming to cover other more basic needs, such as food security, basic healthcare, access to drinking water, access to markets, functional communication channels and accessibility, etc. Covering these needs was considered necessary, otherwise the results of programmes like EURO-SOLAR may deviate to some extent from their initial aims, or may run up against social and cultural barriers. An important lesson learned is that these risks should be considered in the preliminary stages of implementation and if necessary the project should be accompanied by measures in order to ensure the medium- and long-term sustainability of the Programme.

On the subject of Programme sustainability it is also important to stress the need for the public sector to manage project outcomes in an on-going manner, and for permanent capacity building and training to ensure residents continue to have leadership in running and maintaining the equipment.

Success Stories

The **education and information technologies component** has been successful in a great many communities.



At the *Torani School* in Peru, 60 schoolchildren have learned how to use the computers, thereby enhancing the quality of their education and broadening their educational horizons.

The community, which now has a renewable, non-polluting and free electricity supply, can communicate with the rest of the world despite their insular remoteness, since they live on floating islands on Lake Titicaca.

In the parish of *Puerto Murialdo*, in the Ecuadorian Amazon, an info centre has been opened thanks to the Programme where students attend computer classes, have Internet access, and can supplement their education with the available IT equipment. Educational activities have also helped residents to promote their community's tourism, agricultural and cultural assets.

In Bolivia, the *Universidad Católica Boliviana "San Pablo"* (UCB or Catholic University of Bolivia) has set up a "virtual community of villages" in collaboration with EURO-SOLAR through online trainings. Course contents are accessible via the Internet and are hosted in a virtual library, although the first part is face-to-face training. The initiative covers fields such as health, education, territoriality, productivity, communication, development, etc. The on-line training began with a course entitled "Introduction to Municipal Environmental Management", targeting municipal employees in Bolivia and other key members of the country's rural communities.

The **health promotion component** in *El Salvador* is implemented through a health training programme consisting of visits from health promoters to educate communities about four issues: community participation, health promotion and development, basic care, and monitoring community epidemics. They use video, and the projector and computers supplied in the EURO-SOLAR kit as their main medium of dissemination and capacity building.

In *six communities of La Libertad* in Guatemala, the EURO-SOLAR health kit has contributed to improvements in the medical care network. It also enabled medicines to be properly stored, thus supporting vaccination campaigns.

The third component, **social and productive activities**, is showcased at *Las Selvas* in Honduras, where community members have set up a savings account in a bank and a revolving fund to cover the monthly operating costs of EURO-SOLAR. This is a successful example of using the kit and promoting income generation activities to help ensure the sustainability of the EURO-SOLAR Programme.

In the community of *Guajaybi*, Paraguay, training courses have been held for farmers and members of the agricultural cooperative in a EURO-SOLAR classroom equipped with computers and a projector. Thanks to this system, many partners could be trained without having to travel great distances, thereby avoiding production losses. Training is also held remotely through videoconference which enables knowledge and applied technology to be exchanged with other EURO-SOLAR beneficiary communities.

Training provided on the maintenance and management of EURO-SOLAR kit's electric and electronic equipment has also strengthened social and productive activities. This is the case in Nicaragua, where participants were also given training in more general energy issues, such as the use and management of power sources, solar panels and systems, basic elements of electricity, battery charging, etc. This training ensures that the communities can acquire the kits and use the equipment properly, but also provides job skills outside the context of the Programme.

Sustainable Water Management

The RALCEA Programme

(Latin American Network of Centers of Excellence in Water)

Beneficiaries 18 Latin American countries

Budget EUR 2.5 million - EU Contribution EUR 2.25 million

Duration 4 years, 8 months (2010-2015)

General aim To reduce poverty and strengthen intergovernmental cooperation by improving governance in the water sector at a regional and continental level

Description

RALCEA is a programme funded by the European Union to create a Latin American Network of Centers of Excellence in Water (RALCEA is the Spanish acronym) to facilitate direct collaboration and information exchange between scientific institutions in Latin America. RALCEA focuses on two main aims:

- To promote evidence-based policymaking, based on the best available scientific and technical knowledge.
- To strengthen capacity in the water sector by creating a network of centres of excellence.

The network acts as bridge between governmental stakeholders, with national Focal Points representing them, and scientific institutions, with their Centres of Excellence.

Together with EUROCLIMA Programmes (Water Component), RALCEA aims to strengthen regional collaboration and promote capacity building and scientific-technical cooperation between water sector research institutions, while facilitating decision-making and action by key actors at national and regional levels.



Both programmes are in line with the European Union Water Initiative (EUWI) launched at the Johannesburg World Summit for Sustainable Development in 2002.

Key Outcomes

RALCEA's activities and outcomes fall into three differentiated thematic areas: stakeholder mapping and capacity building, regional water balance, and water quality and sanitation.

■ Stakeholder mapping and capacity building

This RALCEA thematic area aims to design and implement a regional capacity building strategy for water sector institutions, and to identify the specific needs and interests of the various stakeholders in the region. The first step in the process was a thorough stakeholder analysis and mapping exercise.

In the First Regional Workshop at Viña del Mar (March 2013) Focal Points prioritised actions and agreement was reached on activities to be implemented at a national level in each country.

Between 2013 and 2014, a total of 8 courses were held to enhance skills for the development of the water sector in Latin America, including training of trainers (staff from the RALCEA Centres of Excellence) and capacity building for Focal Points and national governmental staff. Around 900 Latin American professionals in the water sector took part in training courses.

The schedule was as follows:

“Integrated water resources management” Cochabamba (Bolivia), October 2013.

Understanding the focus of Integrated Water Resources Management, considering local problems and the experiment developed to incorporate IWRM in planning processes..

“Training Trainers on the Culture of Water” Salinas (Ecuador), October 2013.

Capacity building and strengthening for social workers in their role as learning facilitators in projects targeting the rational and responsible use, care, conservation and protection of water.

“Multicriteria problems in pilot river basins. Planning and evaluation” Bogota (Colombia), November 2013.

To provide conceptual and methodological tools to facilitate participation and negotiation processes towards integrated water resources management.

“Experience exchange workshop on social adoption methodologies of water management practices”

Federal District (Mexico), December 2013.

To promote an experience exchange process among researchers, government agencies and NGOs in Mexico in order to find out about and discuss social ownership mechanisms for water and sanitation technologies.



“Stakeholder mapping – Application of multicriteria methodology” Lima (Peru), March 2014.

Capacity building of professionals and technical officers of decentralised bodies of the National Water Authority to assess the most serious problems affecting six pilot basins, thereby contributing to the implementation of water resources management schemes.

“Stakeholder mapping and management of hydrographic basins” Panama (Panama), April 2014.

To improve the performance and effectiveness of those participating in the application of integrated water resources management in river basins throughout Panama.

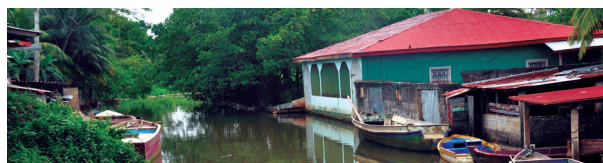
“Strategies for the governance, monitoring and management of aquifers” Guanacaste (Costa Rica), April 2014.

Capacity building for the sustainable management, monitoring and analysis of aquifers, and integrated water resources management.

“The effective governance of water” (Argentina), April 2014.

Capacity building for smart water governance in a way that involves the population and integrates the interests of all stakeholder groups in the management of water resources.

The Closing Workshop of this thematic area was held in Lima (Peru) in June 2014, providing an opportunity to assess the degree to which the training and capacity building held contributed to institutional strengthening. The main conclusions reached were that networking has driven the development of synergies between members of the network, providing concrete responses to actual governmental needs. Centres of Excellence have been strengthened in terms of their capacity to deliver improvements to the government sector and to society in general. More robust water sector institutions have enhanced capacity building processes and peer-to-peer exchange of knowledge in the regional context of Latin American countries.



■ Regional Water Balance

The purpose of this thematic area was to study the variability of the Regional Water Balance in the context of climate change. Three types of actions were undertaken.

Research

■ Improvement of Latin American meteorological databases for climate variability studies. The databases are now available on-line through the website AQUAKNOW.

■ Development of the open software REFRAN-CV for regional climate variability analysis based on improved meteorological time series analysis of ground data and satellite data.

■ Publication of a report on *Extreme event frequencies of precipitations*, the result of the analysis of regional climatological frequency maps and national maps (Argentina, Barbados, Bolivia, Brazil, Chile, Colombia, Cuba, Honduras, Jamaica, Mexico, Panama, Paraguay, Peru, Trinidad and Tobago, Peru, Uruguay and Venezuela).

Regional Projects

■ CANICULA, a project aiming to create an integrated regional monitoring system of the variability of the hydro-meteorological phenomenon of the midsummer drought in Central America and the Caribbean (Regional Midsummer Drought Monitoring Project). RALCEA Focal Points of Central American countries identified this as a priority in the Regional Water Balance thematic area.

■ Proposal of a Latin America Agroclimatic Observatory to support decision makers.

■ Development of tools for climate risk management in drought areas to support vulnerable communities.

Capacity Building on Methodologies

■ 6 courses and workshops were held and 10 tutorials delivered, all of which are available online through the website AQUAKNOW.



■ Water Quality and Sanitation

This thematic area focused on improving knowledge in the areas of water quality and sanitation in the region, particularly with regard to treatment and reuse, salinisation, anthropic contamination, urban drainage systems, hydrological modelling, and monitoring and sampling methods.

Activities in this thematic area responded to priorities defined by Focal Points and fell into in three categories:

Capacity Building Seminars

- “Wastewater treatment technologies for reuse”, Santa Cruz de la Sierra, Bolivia, August 2013.
- “Tools for water resources management”, Guatemala, with videoconference broadcast, November 2013.
- “Water indicators for decision making”, Panama, December 2013.

Regional Projects

- YPACARAÍ aims to prevent and remediate eutrophic water bodies through diagnosis and analysis. This is a pilot project at Lake Ypacaraí in Paraguay.
- CLA is a pilot project in 5 representative river basins in Latin America. Its aim is to harmonise sampling and data analysis methods, create an online monitoring system and build a database. The project is being developed by the CICESE (Centro of Excellence of Mexico) with the participation of Cuba, Mexico, Colombia and Chile and could easily be replicated in other countries of the region.

- The project “Manejo de Agua Residuales y Su Reutilización” is being developed by Chile and Peru to improve wastewater treatment in Lima (Peru). It responds to an important need in the region and could be replicated in other countries with RALCEA partners.

Publication of a Case Study Guide

This is an analysis of available water treatment technologies and best practices.

Finally, the European Union provided participants with an open access Internet tool: AQUAKNOW. It allows users to share publications, lessons learned from experience and research outputs (data, information, scientific databases and e-learning tools and courses) and it is a tool for dialogue among experts in the sector

Lessons Learned

The launch of RALCEA initiated a process of continuous improvement in capacity building and training, based on solid fundamentals and a good number of tools, manuals and methodologies developed by the programme. Links between the political and scientific sectors have been strengthened with the aid of cases studies reflecting best practices in capacity building. Sustainable water management has been promoted based on shared knowledge and experiences, by creating a common space where efforts can be combined and actions channelled through an innovative joint identification process of actual needs. In short, RALCEA has brought together groups of experts



and their knowledge for joint and mutual capacity building, and now provides solid and firm foundations on which to build integrated water resources management at a regional level. The integrated management process has been driven step by step to achieve effective implementation and consolidation at a regional level. The RALCEA programme also demonstrated that focusing on identifying high level technical and management institutions and enabling them to work together on actual issues attracts greater commitment and support from governments themselves, facilitates ownership and increases opportunities for replication.

Success Stories

Agualimpia (Peru): Sustainability of community drinking water and sanitation systems in rural areas

The Agualimpia-FOMIN (Multilateral Investment Fund) project served to bridge the divide between the Municipality of Taricá and the communities to whom it provides water and sanitation services. These services had been run-down and poorly operated, and the institutional framework for the sector was weak. A Technical Unit was set up within the municipality to provide comprehensive management, operational and maintenance support. The main thrust of the project, however, was to support Taricá Municipality and the Sanitation Services Administrative Boards (JASS in Spanish), representing the interests of residents, to strengthen the institutional framework of the rural water and sanitation sector. The administrative boards are known as JASS, the Spanish acronym for the term.

A number of concrete results were achieved, with improved water access in the rural localities of Taricá and rising quality levels in sanitation. The following are particularly worthy of note:

- The municipal Technical Unit responds to demands from JASS and monitors the quality of water and sanitation services provided to communities.
- 20 rural drinking water and sanitation systems were assessed and diagnosed.
- 6 drinking water and sanitation systems were optimised with investment from local government and the community, benefiting 4 091 rural residents.
- 20 administrative boards were formally established in the municipality of Taricá.
- 20 JASS were trained in administration, operation and maintenance of water and sanitation systems.

- The non-payment rate was reduced from 75% to 25% of households in the 6 JASS prioritised by the project.



CIRA-UNAN (Nicaragua): The integrated management of water resources as a climate change adaptation and vulnerability reduction tool: Ramsar Moyúa, Playitas and Tecomapa wetlands case study

This Nicaraguan lake system is affected by soil, forest and water resource degradation with profound impacts on the population and their livelihoods.

The Integrated Management Plan, enacted as a Municipal Ordinance by the Municipal Council, was designed to mitigate and correct these negative impacts, reversing environmental degradation through the integrated management of water resources. At the same time, the plan acts as an adaptation tool against climate change and water variability in the wetlands.

The plan encompasses management of the lake system, conservation of water sources and forestry resources, delivering environmental education and awareness and promoting economic sustainability. The project's main achievements in its three core dimensions can be summarised as follows:

- *Economic:* development of sustainable tourism; promotion of productive agro-forestry, organic farming and agrosilvopastoral systems; sale of environmental services; and development of family nurseries and orchards.
- *Conservation:* recovery and protection of water sources; restoration and development of forestry resources; soil rehabilitation and conservation; and biodiversity protection and rehabilitation.
- *Environmental education and awareness:* Community awareness and mobilisation, strengthening the knowledge and capacity of the local population.

Sustainable Water Management

WATERCLIMA Programme

Beneficiaries 33 countries of Latin America and the Caribbean

Budget EUR 7 million (EU Contribution)

Duration 4 years (2014-2018)

General aim To help improve the management of hydrographic basins and coastal areas by increasing the resilience of Latin America and Caribbean countries to the consequences of climate change

Description

This is a recently launched programme, funded through the EuropeAid thematic programme for Environment and Sustainable Management of Natural Resources including Energy (ENRTP). The Call for Proposals was launched in 2014, taking into account lessons learned and needs identified during programmes such as EUROCLIMA and RALCEA.

WATERCLIMA has two specific components: the management of drainage basins and coastal zone management. For each component, very precise outcomes have been defined and actions prioritised based on local, national and regional strategies.

Without losing sight of overarching sustainable development and poverty reduction aims, the programme specifically seeks to enhance hydrological and coastal management from a qualitative and quantitative viewpoint, while also addressing climate change mitigation and adaptation. Emphasis is placed also on local specificities and on choosing methodologies and management tools that are relevant and applicable to the local context.



WATERCLIMA aims to support the execution of well-defined actions with clear, tangible and measurable outcomes that will bring concrete benefits to the local population.

Three specific targets have been set for WATERCLIMA:

To combat poverty and inequality by improving management of water resources and coastal zone environments to achieve smart, sustainable and inclusive growth.

To reduce climate change vulnerability and impacts on coastal zones and water resources by designing and implementing climate change adaptation measures.

To strengthen common regional dialogue on the integrated management of water resources and coastal zones, and to disseminate results and methods.

Latin America is characterised by a very high number of cross-border river basins, a coastline of considerable length and great diversity in dynamics and characteristics. The coastal zones are also linked to and shaped by river basins, and both are home to large swathes of the population, whose livelihoods tend to depend on the resources associated with these habitats. These intrinsic characteristics, coupled with their environmental, social, cultural and economic importance, call for robust and integrated management of water resources.

Water is a vital resource, essential for human development. It is therefore a strategic frontline in the struggle against poverty, inequality and climate change, and in efforts to strengthen environmental protection and regional, national and local good governance.

Latin America Investment Facility (LAIF)

Beneficiaries

All countries eligible for the Development Cooperation Instrument in Latin America: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay and Venezuela

Budget

EU Contribution EUR 196.6 million (2010-2013)

Duration

Since 2010

General aim

Financing of key infrastructure projects in the transport, energy, environment and social infrastructure sectors, and support to the development of the private sector in Latin America, specifically by supporting SMEs

Description

The main aims of the Latin America Investment Facility (LAIF) are twofold: to promote additional investment in infrastructure for key sectors such as transport, energy, environment and climate change mitigation and adaptation; and to support the growth of the social and private sectors, strengthening Latin American Small and Medium Enterprises (SMEs) in particular by making available a range of financial instruments.

The following types of operations are financed under LAIF:

- Investment co-financing in public infrastructure projects.
- Loan guarantee cost.
- Interest rate subsidy.
- Technical assistance (financed as part of a specific operation or as a global envelope made available to eligible financial institutions).
- Risk capital operations (again, for specific investments or as a global envelope).

LAIF operates by providing non-refundable financial contributions to support loans to partner countries from the European Investment Bank (EIB) and other development financing institutions, whether European, multi-lateral or national. Latin American financial institutions can participate in LAIF through consortia led by European institutions. LAIF funding encourages beneficiary governments and public institutions to carry out essential investment that might otherwise be postponed due to lack of resources.

Strategic aims of LAIF

Development of SMEs

Supporting their creation and growth and thereby contributing to sustainable development

Improving connectivity

Through transport and energy infrastructures based on sustainability and energy efficiency

Fight against climate change

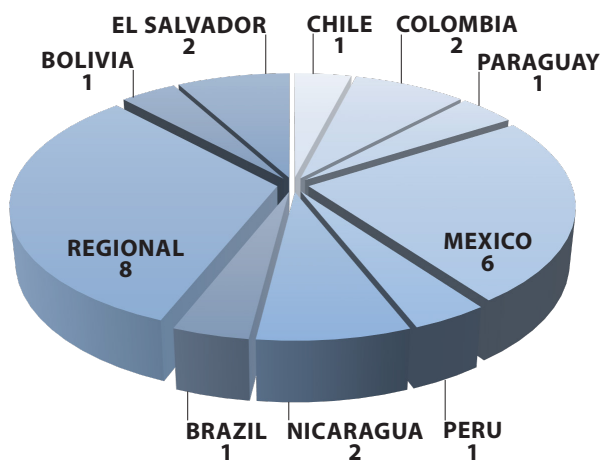
Supporting mitigation and adaptation measures and promoting environmental protection



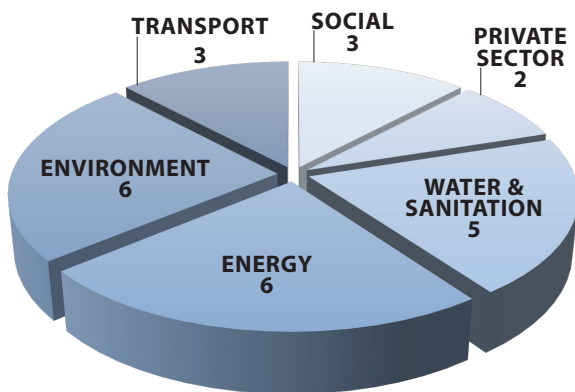
Key Outcomes

Between 2010 and 2013 a total of 25 operations were approved, amounting to EUR 196.6 million in EU funding. These operations accounted for a total investment of about EUR 5 billion provided by financial institutions, the EU, other donors, and the countries themselves. This initiative exerts a multiplying effect by mobilizing financial resources that otherwise would not be invested in implementing projects, thereby reactivating the economy and growth.

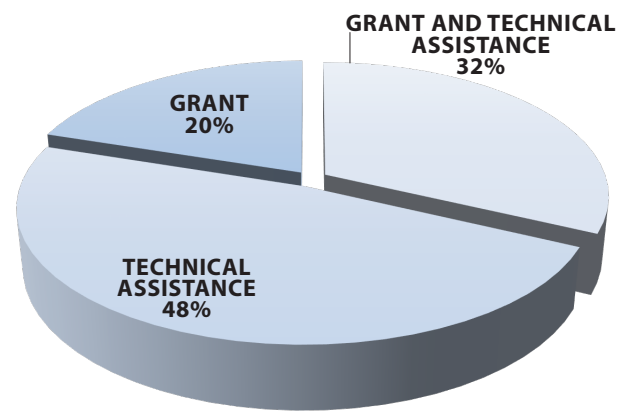
The pie chart below shows the number of operations per country



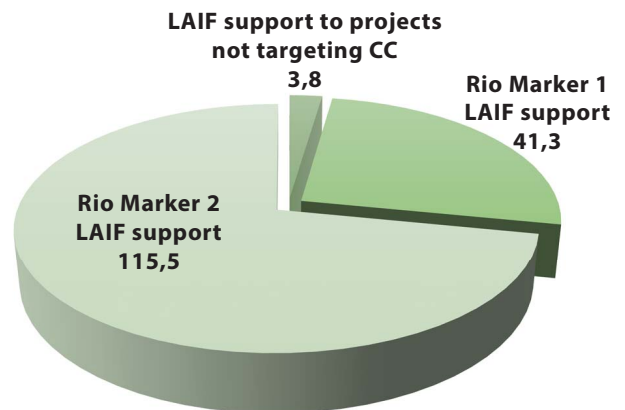
The next graph illustrates the number of operations per sector



This chart shows the type of support provided for the transactions approved by LAIF in the period 2010-2013



With specific regard to the fight against climate change, the "Climate Change Window" (CCW) is a particularly relevant mechanism that represents a significant move forward in the EU's fulfilment of its climate change commitments. With the CCW, projects proposed for LAIF funding are evaluated according to their contribution to climate change mitigation and/or adaptation as defined by the Rio Convention on Climate Change. This is measured by what is known as Rio markers, which run from a scale of 0 (contribution to climate change mitigation/adaptation is zero) to 2 (contribution to climate change mitigation/adaptation is the principal objective). Of the 20 operations approved between 2010 and 2012, 10 were rated as Rio Marker 2 (with a cumulative contribution of EUR 115.5 million) and 9 were rated at Rio Marker 1 (with a contribution of EUR 41.3 million).



LAIF support targeting climate change actions (in millions of euros)



Lessons Learned

The success of this innovative financial mechanism reflects its value as a tool to address the challenges facing the region directly. Projects designed to improve transport and energy infrastructure, better environmental protection and support climate change mitigation/adaptation bring with them significant technological progress, increased competitiveness and cutting-edge innovation, all the while contributing to sustainable development and poverty reduction. The effectiveness, outcomes and high added value of this financial instrument all serve to enhance and extend the positive effects of European Union development policies.



Success Stories

CLIMATE CHANGE

Among the actions promoted in relation to the fight against climate change, two initiatives in particular stand out: The Climate Change Programme, and the Facility for Performance Based Climate Finance in Latin America.

Climate Change Programme

Geographic scope	Regional
Financial institutions	KfW and CAF
Total cost	EUR 303 million
LAIF Contribution	EUR 3 million
Type of aid from LAIF	Technical assistance

This is a regional programme that aims to foster investment in areas such as renewable energies, environmental protection in SMEs, sustainable transport and integrated water resources management, with the aim of protecting the environment.

The actions it supports are selected based on energy audits, carbon footprint monitoring, viability studies for infrastructure related to climate change and water resources thus encourage future public or private investments.





WATER

Water and Sanitation Investment Programme

Geographic scope	Regional
Financial institutions	KfW and CAF
Total cost	EUR 200 million
LAIF Contribution	EUR 4 million
Type of aid from LAIF	Technical Assistance

The Water and Sanitation Programme aims to improve living standards and reduce sanitation-related diseases in a group of towns and cities, by increasing public and private investment in water and sanitation infrastructure. Investments are also expected to reduce negative impacts on the environment and increase both the availability and the quality of water supplied.

Initially, the projects selected in Uruguay and Colombia will focus on feasibility studies, the preliminary design of waste water sludge treatment and reuse systems, and the design of rainwater drainage systems. In Ecuador, the focus is on an environmental sanitation programme for community development, and in Brazil the project is to develop a risk management system to enhance flood monitoring in Manaus.

RENEWABLES ENERGIES

National Sustainable Electrification and Renewable Energy Programme (PNESER)

Geographic scope	Nicaragua
Financial institutions	EIB, BID and BCIE
Total cost	EUR 308.8 million
LAIF Contribution	EUR 7 million
Type of aid from LAIF	Investment grant

The main objective of the National Sustainable Electrification and Renewable Energy Programme (PNESER) is to contribute to an efficient and sustainable electricity system in Nicaragua. It does this through a variety of related activities: rural electrification and grid extension, power normalization in urban centres, bringing electricity to remote areas using renewable energies, energy efficiency schemes, and strengthening the transmission and distribution grid in rural areas. This has brought indirect benefits to the country's population in terms of reducing poverty and contributing to sustainable development.



Perspectives on EU Regional Cooperation with Latin America

The European Union (EU) partnership with Latin America (LA) is founded on close historical and cultural ties, extensive cooperation in higher education, strong and growing trade and investment flows, and a bedrock of shared values and aspirations. Over the years, the two regions have progressively built up a broad-based relationship of equals, founded on mutual respect and dialogue. A bi-regional Strategic Partnership was established in 1999 when the first EU-LAC Summit took place in Rio de Janeiro, Brazil. During the period 2002-2013, the EU committed over EUR 4 billion of programmable development cooperation in Latin America, accompanying and supporting the region's own successful development efforts.

The funds earmarked for regional cooperation in Latin America have been growing and priorities have been tailored to evolving needs, also in light of the major political and socio-economic developments in the region. In the period 2007-2013, the funds available for regional cooperation grew in comparison with previous years, and a stronger emphasis was placed on sustainable development, environmental protection and climate change.

Over time Latin America as a region has changed considerably and made substantive progress: the middle class is growing rapidly, almost half of the countries have now achieved Upper Middle Income Country (UMIC) status, and taken as a whole the region has continued its progress in consolidating human rights and democracy. Countries in the region wield rising influence in multilateral negotiations on global economic and sustainability issues.



This creates a historic opportunity for the continent to make sensible progress to eradicate poverty and to tackle the major challenges it faces. Economic growth and macro-economic stability in recent years is due in part to exports of natural resources from a region rich in biodiversity, giving a higher profile to matters related to climate change and sustainable development. **However, considerable challenges persist, and the development gains of many Latin American countries remain fragile:**

- Despite improvements, inequality remains very high. The facts point to the need for more sustainable and equitable growth and enhanced social cohesion.

- Crime rates are among the highest in the world. Security forces must confront very powerful and highly organized international criminal networks, using significant economic, human and social resources that could otherwise enhance development.

- Economic growth in Latin America has been based to a large extent on external demand for natural resources and raw materials. Economic diversification and steps to move up the value chain are vital to achieve stable long-term growth. Efforts are required to promote more sustainable use of natural resources, innovation, job creation, training and competitiveness, and to support Micro, Small and Medium Enterprises (MSME), foster open markets and a favourable investment climate.

- One major challenge is social inclusion and territorial integration, tackling the rural-urban divide and reconciling environmental sustainability and economic growth. The region is highly vulnerable to climate change and is exposed to serious problems of biodiversity loss, deforestation and pollution/environmental degradation. However, it also boasts an enormous variety of opportunities to apply strategies aimed at environmental sustainability and reducing greenhouse gas emissions, such as renewable energies and energy efficiency.

- Latin America is also stepping up its efforts to enhance governance, vital for restoring citizens' confidence in their States and institutions, to promote and protect human rights and gender equality, and to create opportunities for young people.

None of these challenges can be properly addressed without provision of adequate public financial resources, which in turn entails greater fiscal equity, increased capacity and efficiency in public administrations, and reforms to improve public finance management systems. These efforts will be needed to combat inequality, raise levels of social cohesion and meet the growing social demand for quality public services.

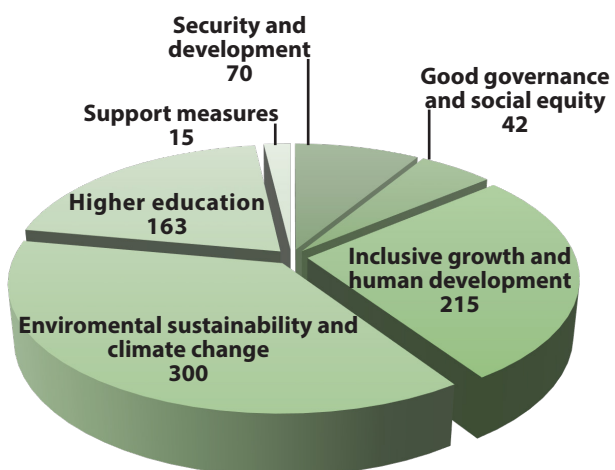
In light of these challenges, cooperation established for the period 2014-2020 calls for a general strengthening of the region in line with the EU's "Agenda for Change". Development cooperation aid focuses on two priorities framed in the general context of combatting poverty and striving to meet the Millennium Development Goals: Human Rights, Democracy and Good Governance on the one hand, and Inclusive Growth and Sustainable Development on the other.

Multiannual Indicative Regional Programme for Latin America for the period 2014-2020. The *Multiannual Indicative Regional Programme for Latin America* for the period 2014-2020 comprises a major component: the Multiannual Indicative Programme for Continental Cooperation with Latin America, with a budget of EUR 805 million for which all the Latin America countries (Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay and Venezuela) are eligible. This is complemented by a specific indicative programme for sub-regional cooperation with Central America, with a budget of EUR 120 million, for which Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama are eligible.

The European Union's 2014-2020 regional programmes for continental Latin America will support development efforts by working in the following priority areas:

- **The security-development nexus:** Reinforce the capacity of states to ensure public security conditions that are conducive to inclusive development.
- **Good governance, accountability and social equity:** Enhance accountability and the capacity of institutions and public administrations to provide high quality public services.
- **Inclusive and sustainable growth for human development:** Poverty reduction through more inclusive and sustainable economic growth in Latin America.
- **Environmental sustainability and climate change:** Reduce poverty in the most vulnerable populations by fostering environmentally sustainable development and improving their capacity to cope with climate change and disasters.
- **Higher Education:** Promote mobility of students and academic staff, and foster cooperation between higher education institutions to strengthen capacities and improve quality of education.

The figure below provides a breakdown of the total amounts (million euros) allocated to the different areas of cooperation in Component 1 (Multiannual Indicative Programme for Continental Cooperation with Latin America, 2014-2020).



Environmental sustainability and climate change



Climate change and environmental sustainability will receive not only a considerably greater contribution compared to previous periods, but also more than other sectors of regional development cooperation in Latin America. This reflects the growing importance of the environment and, in particular, climate change, and the need to strike a balance between environmental sustainability and economic growth. Although the region boasts a wide range of ecosystems and great biodiversity, environmental degradation is widespread, adversely affecting more vulnerable populations in particular. Unplanned urban growth, social inequality and high vulnerability to climate change in rural areas further exacerbate these problems. However, many opportunities exist for reducing greenhouse gas emissions by using renewable energies and a wide range of measures and strategies for climate change adaptation and environmental sustainability have been shown to be successful in the region.

The environmental sustainability and climate change priority axis of the Multiannual Indicative Regional Programmes for Latin America 2014-2020 aims primarily to reduce poverty of vulnerable groups of people by fostering environmentally sustainable development and improving their capacity to cope with climate change and natural disasters. The EU is committed to promoting exchange and cooperation on environmental and climate change related challenges, strengthening regional networks, and bolstering the capacity of Latin America countries to mitigate and adapt to climate change. These initiatives will be sustained by innovative financing mechanisms to support biodiversity conservation and climate change mitigation and adaptation.

Thanks to the European Union's regional programmes, development in Latin America will be more climate-resilient and environmentally sustainable, protecting and benefitting the most vulnerable populations. Public policies for sustainable development will be strengthened, taking biodiversity, ecosystems and disaster risk management into account, resulting in low-emission, climate resilient and environmentally sustainable investments, greater territorial cohesion and reduced vulnerability

Regional programmes in Latin America call for a sustained effort to achieve high levels of environmental sustainability and a firm commitment from the region's stakeholders to the fight climate change, thereby helping to reduce poverty and contributing to increased sustainable economic growth

Annex

The present annex illustrates a few examples of actions of cooperation which are financially supported by the European Union as part of its cooperation with Latin America countries in the fields of environment, climate change, management of water, river basins and coastal areas, and related areas, and which complement EU regional programmes actions in the region.

■ Honduran Biological Corridor Project (PROCORREDOR)

With an EU contribution of EUR 25 million and a duration of 7 years (2006-2013), this project aims to improve environmental management in protected areas belonging to the Honduran Caribbean Biological Corridor, building local and institutional capacity to achieve optimal levels of environmental protection and regeneration.

The project improved access to water for 33 000 residents, and regenerated and improved environmental management in an area covering 529 000 hectares. A wealth of landscapes and ecosystems (tropical rainforest, wetlands and beaches), ethnic diversity, and local economies based on tourism and small-scale farming, livestock, fishing and forestry activities, are assets that must be protected and preserved in order to reduce poverty levels and promote sustainable development. Protecting the environment and natural resources is of utmost importance for the subsistence of the resident population and for local development.

■ Sustainable management of natural resources in the Lake Poopó basin

With an EU contribution of EUR 10.9 million, and a duration of 6 years (2010-2015), the project was launched in Bolivia, in the Department of Oruro. The project contributes to the sustainable management of natural resources in the Lake Poopó

basin, to reduce poverty, build the capacities of local institutions for enhanced local development, and better manage and protect natural resources and ecosystems. The context is one of intense environmental degradation, contamination from mining activities, overexploitation of natural resources, and high poverty levels. The project aims to address these problems and mitigate their impact on productive activities of the Lake Poopó basin and on the already impoverished rural communities in the area.

■ Effective conservation and management of marine biodiversity to improve living conditions for the artisanal fishing sector in communities of the tri-national ecosystem of the Gulf of Fonseca (ECOPECSA)

With an EU contribution of EUR 1.4 million and a duration of 47 months (2011-2015), the purpose of the ECOPECSA Project is to preserve marine biodiversity and improve living conditions in 46 communities of El Salvador, Honduras and Nicaragua reliant on fishery and seafood farming. The project's scope is wide, including reforestation, coastal area management and conservation, capacity building for members of fishing cooperatives, protection of sea turtles, environmental education workshops, gender equality and the inclusion of women in society and the economy.

The project also makes an important contribution to climate change adaptation and to disaster risk assessment, reduction



Annex

and management in 44 communities in 19 municipalities in the three countries of the Gulf of Fonseca. Disaster risk management entails identifying socio-natural risks, climate variability, poverty, underdevelopment and lack of opportunities, all of which endanger the health and survival of these communities.

■ Low Emission Capacity Building Programme (LECBP)

With an EU contribution of EUR 18 million, and a duration of 8 years (2010-2017), this programme is implemented through a collaboration between the European Union and the United Nations Development Programme (UNDP).

It is a global initiative to drive national climate change mitigation actions. A total of 25 countries take part in the programme, including Argentina, Chile, Colombia, Costa Rica, Ecuador, Mexico and Peru. The aim is to build public sector capacity through formulating low emission development strategies, preparing Nationally Appropriate Mitigation Actions (NAMAs), gathering data for national inventories of greenhouse gas emissions, developing indicators and producing reports. Participating countries receive guidance and technical support from the UNDP through its Global Support Unit.

■ Stimulating the adaptation to and mitigation of climate change in coastal areas to reduce the vulnerability of the population with fewer resources (ADMICCO)

With an EU contribution of EUR 2.3 million, and a duration of 4 years (2011-2014), the principal objective of this project is to promote climate change adaptation and mitigation processes in vulnerable coastal cities. ADMICCO has developed and consolidated participatory territorial management tools and encouraged authorities,

experts, business leaders and civil society to exchange knowledge and experience to strengthen their capacities for climate change adaptation and mitigation.

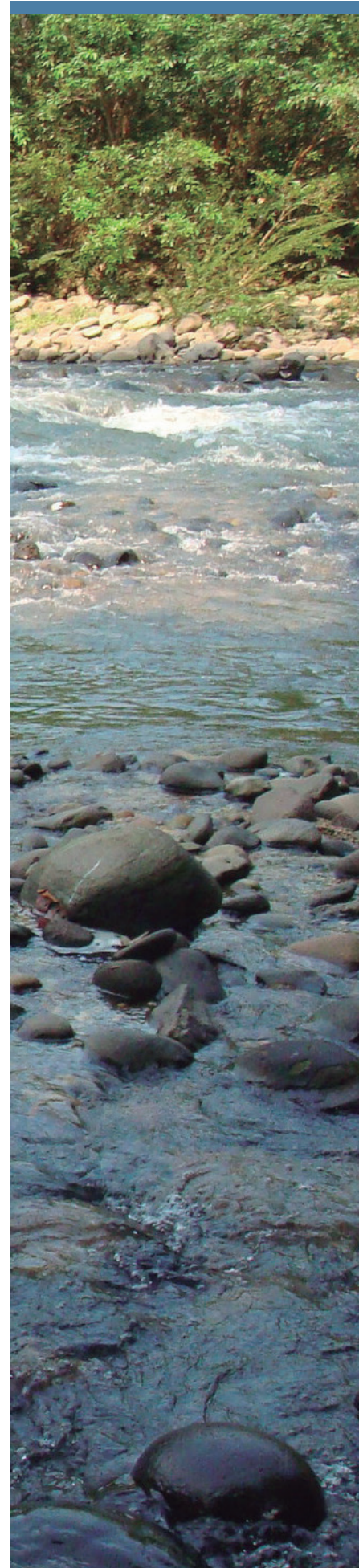
The project covers eight coastal cities of Peru, Chile and Ecuador. Local authorities and officials have integrated climate change risk management into local development processes, while civil society has also been involved in rationalising resource use in response to future climate change scenarios.

■ Capacity development for natural hazards risk reduction and adaptation (CATALYST)

With an EU contribution of EUR 0.85 million and a duration of 3 years (2011-2013), the project was designed to strengthen capacity in disaster risk reduction (DRR) and adaptation for natural hazards. It leveraged the work of experts to promote information exchange and best practices in order to strengthen and expand on the work of existing networks and increase awareness regarding risks and natural disasters. CATALYST targeted diverse geographical regions including in Central America and the Caribbean.

■ URBAN LEDS

With an EU contribution of EUR 6.7 million, and a duration of 42 months (2012-2016), this project has the objective of enhancing the transition to low emission urban development in emerging economy countries. It offers selected local governments in Brazil, India, Indonesia and South Africa a comprehensive methodological framework (the GreenClimateCities methodology) to integrate low-carbon strategies into all sectors of urban planning and development. URBAN LEDS makes available resources and tools as well as capacity building and technical and financial assistance.



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