

NDICI-Global Europe: Americas and the Caribbean

Main elements of the DRAFT regional MIP

This document provides an outline of what is envisaged in the future multiannual indicative programme (MIP) for the Americas and the Caribbean 2021-27. INTPA B and the EEAS have organised initial consultations with Commission DGs and services, the EIB, INTPA Thematic Units, and EU Delegations. Next steps will include consulting EU member states, Latin America and Caribbean Ambassadors in Brussels civil society and local authorities, the private sector, and the UN-WBG-IMF.

1. Basis for programming

The partnership with the Americas and the Caribbean is central to the EU's ambitions to ensure a stronger Europe in the world. This diverse geographic space includes 35 countries, four of the EU's strategic partners (United States, Canada, Mexico and Brazil) and 5 G20 members. It represents 33% of global GDP and more than 20% of its population. In an increasingly contested world, the association of the EU with this like-minded group of countries is of geostrategic relevance. Together, the EU and its transatlantic partners are a global force for democracy and fundamental freedoms, sustainable development and rules-based multilateralism. Representing more than a third of the UN membership, Europe and the Americas and the Caribbean can have a decisive influence in shaping the post-COVID world order.

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

Equally, the regional MIP will seek to advance the external dimension of the European Commission's internal policy priorities, notably the Green Deal, digital transformation, sustainable growth and decent jobs, security and better management of migration. EU cooperation with the Americas and the Caribbean will be guided by the 2030 Agenda and the Sustainable Development Goals (SDGs), the Paris Agreement, the Addis Ababa Action Agenda and the new European Consensus on Development.

Consistent with such global policy aims, the regional MIP will focus on moving forward the EU's specific policy objectives and strategic interests vis-à-vis the Americas and the Caribbean, building partnerships on areas of shared interest with regional groups and countries throughout the hemisphere.

Building on country partnerships, the regional programme will be a central vehicle for a stronger and more strategic engagement with Latin America and the Caribbean (LAC), as called for in the 2019 Joint Communication to the European Parliament and the Council “European Union, Latin America and the Caribbean: joining forces for a common future”, and the accompanying Council Conclusions (May, 2019). It will put into action the shared ambition between the EU and LAC governments to work together towards a sustainable recovery from the COVID-19 pandemic, as declared by the EU – LAC ministerial meeting, which took place in Berlin 14 December 2020. It will also support LAC countries that will not benefit from a full country MIP.

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

The agreements at sub-regional level, i.e. the Caribbean protocol of the future agreement between the EU and the Organisation of Africa, Caribbean and Pacific States (EU-OACPS Agreement), the EU-Caribbean Partnership Agreement (EPA), the EU-Central America Association Agreement and, once concluded, the EU-Mercosur Agreement, constitute an important basis for the regional MIP. It will also seek to help implementation of the Agreements with those countries that will be supported through the regional MIP, including the EU-Chile Association Agreement and the EU-Mexico Global Agreement.

2. Priority areas of the EU's cooperation with the partner region

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

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

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

Pan-American window

1. Green transition
2. Digital transformation
3. Sustainable and inclusive economic recovery
4. Democratic governance, security and migration
5. Social cohesion and fighting inequalities

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

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

Countries supported under this window include Argentina, Brazil, Chile, Costa Rica, Panama, Uruguay and Venezuela. While the precise allocation is still to be identified, it will also contribute to the EU's engagement with the US and Canada, including public diplomacy, people-to-people contacts and policy outreach.

Caribbean window

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

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

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

The regional MIP will support public diplomacy at the regional level as well as in countries without MIP. The EU's ambitious agenda for the region will require sustained public

diplomacy engagement to build trust, enhance the understanding of the EU and its policy priorities and ultimately facilitate future cooperation in all policy areas.

3. Justification and context

The chosen priorities seek to strengthen the EU's engagement with the Americas and the Caribbean in a context of recovery from the COVID-19 pandemic. The countries in the region have been particularly hard hit by the sanitary crisis and LAC, already facing a difficult conjuncture before the crisis, is facing its worst recession on record. The pandemic has aggravated existing structural challenges such as inequality, informal employment and insecurity. The social unrest and political instability that have marked the regional context in recent years could well worsen as economic hardship it set to continue and possibly worsen, thus undermining democracy, the enjoyment of human rights and the attainment of the SDGs. It is also in the EU interest to support LAC countries to make a green, digital and socially fair recovery, which will contribute to the region's long-term prosperity and stability.

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

The priority areas of the regional MIP are fully consistent with the Commission's overarching policy priorities. They also support current efforts at renewing and making more strategic the EU partnership with the Americas and the Caribbean, bringing it to its full potential. The regional MIP will support the EU's leadership on key global challenges, such as climate change, environment, sustainable development and a rules-based international order. It will contribute directly to shared multilateral commitments, including the Agenda 2030 and the, the Paris Agreement and the Convention on Biological Diversity. The regional MIP will allow the EU to pursue its strategic interests in areas such as security, trade and investment and to advance the external dimension of relevant EU policies.

In line with the NDICI-Global Europe Regulation, at least 85% of all new actions will have gender equality and women's empowerment as a principal or significant objective, and at least 5% of these actions will have gender equality as the main objective. The regional MIP for the Americas and the Caribbean will significantly contribute to targets on climate change (30% of overall NDICI expenditure), human development, and social inclusion (20% of overall expenditure), while also contributing to the target on migration (10% of overall expenditure). Considering the multi-dimensional nature of development, the NDICI allows for cooperation with all countries, regardless of their level of income, while respecting the EU's commitment to countries most in need with an Official Development Assistance (ODA) target of at least 93%.

The regional MIP will be part of a comprehensive support to the EU's engagement with the Americas and the Caribbean. Actions supported under priority areas will complement and add value to cooperation and Team Europe Initiatives taken forward at the national level, as

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

The priority areas have been defined taking into account the experience of regional cooperation under the Multi-Annual Financial Framework (MFF) 2014-2020. An independent evaluation of LAC regional programmes emphasised the strong EU added value and innovative approach of regional cooperation programmes and highlighted contributions in areas like environment and climate change (Euroclima+), support to policy reforms fostering social equality (EUROsociAL+), inclusive growth and SMEs (AL-Invest 5.0 and ELAN), security (EL PAcCTO, COPOLAD and others) and links of programmes to global challenges. Following up on recommendations made in the evaluation, the regional MIP will promote gender equality and a rights-based approach and aim to strengthen internal EU coordination, including with EU Delegations, and with Member States. It will enhance the role of EU Delegations and their ownership in the implementation of regional programmes and promote a joined-up approach among EU services. A coordinated Team Europe approach will be taken forward with Member States, the EIB and other European institutions, in the form of Team Europe Initiatives on shared priorities.

A Team Europe approach will be central to achieving the priorities of the regional MIP, pooling resources to achieve greater impact, better leveraging the comparative advantages of different European actors (EU, EU Member States, European Investment Bank, European Development Financing Institutions) and ensure a stronger EU presence in the region. Taking forward this approach, the regional MIP will support Team Europe Initiatives on high priority areas, such as the green and digital transition, at the regional and country level. By involving several EU Member States and their agencies in conception, funding and implementation, LAC regional programmes have in a certain way been precursors of the Team Europe approach.

The regional MIP will also build on the experience of the Partnership Instrument (PI) for its relevant part under the former MFF. The PI, responding to the increased need for EU foreign policy and diplomatic capability, provided a highly relevant tool to further the EU's strategic interests and strengthen partnership with strategic and like-minded partners in the Americas. With the PI now partially integrated into the geographic NDICI-Global Europe, the regional MIP will ensure the continuation of relevant expertise, logic and modalities of the instrument.

DETAILS:

- **EU support per priority area, countries with no MIP and proposals of Team Europe Initiatives**
- **Support measures and EFSD+**

DETAILS: EU support per priority area, countries with no MIP and proposals of Team Europe Initiatives

1. Pan-American window

Priority area 1: Green Transition

Objective 1: To increase ambition and effectiveness of climate action in Latin America and the Caribbean, in line with the commitments under the Paris Agreement.

Objective 2: To strengthen conservation of biodiversity and advance the sustainable management of forests, freshwater and marine ecosystems.

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

Priority area 2: Digital transformation and innovation

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

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

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

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

Priority area 3: Sustainable and inclusive economic recovery

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

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

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

Priority area 4: Democratic Governance, Security and Migration

Objective 1: Strengthen democratic governance and to enhance transparency, integrity, accountability and capacity of LAC democratic environment

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

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

Priority area 5: Social cohesion and fighting inequalities

Objective 1: Strengthening social contracts, guaranteeing inclusive participation in public policies

Objective 2: Improving equitable revenue collection, effective and efficient allocation and use of public resources to finance key social sectors, reducing inequalities

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

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

2. Caribbean window

Caribbean-EU Partnership for a Green Deal

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

Objective 2: Caribbean countries scale up their inclusive green transition

Caribbean-EU Partnership for Economic Resilience and Trade

Objective 1: The Caribbean private sector grows in a sustainable manner and both partners benefit from trade opportunities of the Economic Partnership Agreement (EPA).

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

Caribbean-EU Partnership for governance, security and human development

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

3. Priorities for countries supported under the Regional MIP

- The EU will deepen its cooperation with **Argentina**, a G20 member and a like-minded country with strong economic and cultural ties to Europe. Priorities for cooperation will include (i) fostering economic modernisation to advance a green and socially inclusive recovery, (ii) supporting the digital transition. At multilateral and regional level, a broad partnership on strategic issues of shared interests will be sought, including Mercosur, while advancing triangular cooperation and dialogue on international partnerships for development.
- The EU will further strengthen its strategic partnership with **Brazil**, one of the world's biggest economies and a key global player, promoting closer dialogue and cooperation in areas of mutual interest. Priorities for cooperation will include (i) contributing to an environmentally sustainable and socially inclusive economic recovery and (ii) promoting digital transformation
- The EU will deepen its relations with **Mexico**, a strategic partner and key regional and global player, based on a modernised EU-Mexico Global Agreement (signature still pending). Priorities for cooperation will include (i) promoting a green recovery (ii) social cohesions and fighting inequalities and (iii) democratic governance, including human rights, security, justice and migration.
- **Chile** is an important and like-minded partner for the EU in Latin America. Chile shares the EU's high ambition on climate change, a strong commitment to multilateralism and is a stable investment and trade partner. The main cooperation priorities areas will include: (i) governance and human rights, (ii) green deal/sustainable growth/jobs (iii) digitalisation, science & technology, education, culture. The EU will also continue to support the constitutional process.
- **Uruguay** is a stable democracy with a strong commitment to multilateralism. EU Cooperation 2021-2027 will respond to the 2021-2027 "Uruguay 2050" Development Strategy, which is closely aligned with EU policy priorities, proposing a transformation toward a sustainable economic model. Priorities will include: (i) to promote a green transition and an inclusive economic recovery based on sustainable use of natural resources; and (ii) to ensure a digital transformation aligned with European digital market framework and standards (regulatory framework, inclusive employment creation).

- The EU-**Panama** partnership is based on shared values and important political, economic and cultural ties. Cooperation will seek to further enhance this partnership and cooperation with a focus on tackling global challenges. In this context, key areas for engagement are: (i) digital transformation and (ii) climate and environmental action, including water security.
- **Costa Rica** is a like-minded partner and regional champion on climate change and environmental action. The limited MIP, complemented by the regional MIP, will support efforts to further develop the EU's close partnership with Costa Rica, deepening cooperation based on priority areas of mutual interest. Main priorities for cooperation will include: (i) decarbonisation and Climate Change, based on the National Decarbonisation Plan; (ii) digitalisation; and (iii) migration management.
- In the context of the protracted multi-dimensional crisis in **Venezuela**, the regional programme will support transformative bottom-up and nascent democratic processes, by strengthening the social fabric and promoting the re-establishment of confidence and dialogue at local and community level. The engagement will translate into three main priorities of support: (i) protecting and promoting human rights, human dignity and inclusion, (ii) promoting civic values, conflict prevention and resolution, and democratic participation, and (iii) support to community resilience, strengthening sustainable access to basic services, local productive capacities/income generation, and promoting sustainable socio-economic management of natural resources.

[Detailed allocation for HICs including US&Canada to be identified later.]

- The EU-**US** transatlantic partnership remains the most important and strategic relationship for the EU and for its Member States. Engagement with the US will seek to advance the overall priorities of the (2020) "Joint Communication: A new EU-US agenda for global change", and the accompanying Council Conclusions. Building on the previous cooperation under the Partnership Instrument, the NDICI-Global Europe instrument will contribute to put this ambitious agenda into practice, focusing on key priorities such as public diplomacy, people-to-people contact, dialogue and strengthening the transatlantic trade and investment partnership.
- **Canada** is an essential partner in advancing the EU's own political objectives, being a G7 member and a global convening power with considerable influence. Cooperation with Canada under the Global Europe instrument will support public diplomacy and outreach activities, people-to-people contacts, policy dialogue and cooperation activities on shared priorities, facilitating market access and playing level fields to EU companies interested in the Canadian market

4. Proposals of continental / multi-country Team Europe Initiatives

A number of **LAC continental / multi-country** Team Europe Initiatives (TEI) will be supported through the regional MIP. The TEIs will cover issues of strategic priority on which the EU could have a transformative impact and become the partner of reference by joining forces with the EU Member States, EIB and the European Financing Institutions (EFIs). The initial list is as follows:

- Green Deal with a Green transition TEI and an Amazon basin specific TEI
- EU-LAC Digital Alliance TEI
- Justice and security TEI
- Inclusive and equal societies TEI (tbc)

Two of the proposed Team Europe Initiatives for the **Caribbean sub-region** are multi-country: Barbados and OECS, and Guyana/Suriname linked to the Amazon initiative, both focusing on the green deal dimension.

DETAILS: Support measures and EFSD+

1. Support measures

Measures in favour of civil society

Complementing actions under thematic programmes¹ and country MIPs, civil society engagement will form part of all the priority areas under the regional MIP: the green and digital transition (e.g. *awareness and action*); trade and economic recovery (e.g. *dialogue platforms*); security and migration (e.g. *rights-based approach*); democratic governance, social cohesion and fiscal policies (e.g. *oversight*). Team Europe initiatives funded under the regional MIP will also include a civil society dimension, for instance through strengthening the role of civil society actors in protecting the Amazon, as stakeholders in policy dialogue and awareness raising.

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

Pan American window

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

Regional cooperation facility

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

Public Diplomacy

To match the EU's ambitious agenda for the region, the regional MIP will support strategic public diplomacy initiatives to allow for sustained engagement with key stakeholders, target audiences and partners. This engagement will go beyond the life cycle of specific cooperation projects and will be key to enhance the image and understanding of the EU and its policies, thus building trust, promoting EU interests and facilitating future cooperation.

Caribbean window specific

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

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

2. Support to investments under the EFSD+

¹ Thematic programmes on human rights, civil society organisations and global challenges

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

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

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

Guarantees will help leverage resources and strengthen relations with multiple stakeholders, from Member State agencies and regional development banks, national and sub-national governments to private sector, while advancing work on innovative financial modalities, such as green or social bonds.

- **Sovereign & sub sovereign non-commercial guarantees:** Areas likely addressed through the EIB dedicated windows (under negotiation) include: (i) resilient and climate-friendly infrastructure; (ii) sustainable energy; (iii) access to finance (iv) water & sanitation. Inclusion of inequalities and social cohesion, health, security or migration will be encouraged. Other sectors will be considered when in line with regional and/or national priorities.
- **Private sector guarantees and sub sovereign commercial:** Areas considered through the “open architecture window” are: (i) green transition (including sustainable energy, sustainable transport, green agriculture, biodiversity, marine and forest conservation, water and sanitation, circular economy); (ii) sustainable and inclusive economic recovery with a focus on access to Finance (MSME financing with a focus on women, youth); (iii) sustainable Cities (urban development & infrastructure); (iv) digital transformation (digital infrastructure, innovation, connectivity, digital economy); (v) human development (including health), migration, democratic governance, citizen security. Other sectors are also possible when in line with regional and/or national priorities.