

ROOM DOCUMENT 2



## 17<sup>TH</sup> STEERING GROUP MEETING

# Follow up on the Ministerial and LAC Action Plan Towards Climate Resilience and Neutrality

**6 October 2023**

National Convention Centre, San Jose, Costa Rica

### FOR DISCUSSION AND GUIDANCE

This note is prepared as a background document for the 17th Steering Group meeting of the Latin America and the Caribbean (LAC) Regional Programme (LACRP) which includes a discussion on potential avenues to follow up on the Ministerial and the Implementation of the Action Plan towards climate resilience and neutrality.

### FOR DECISION

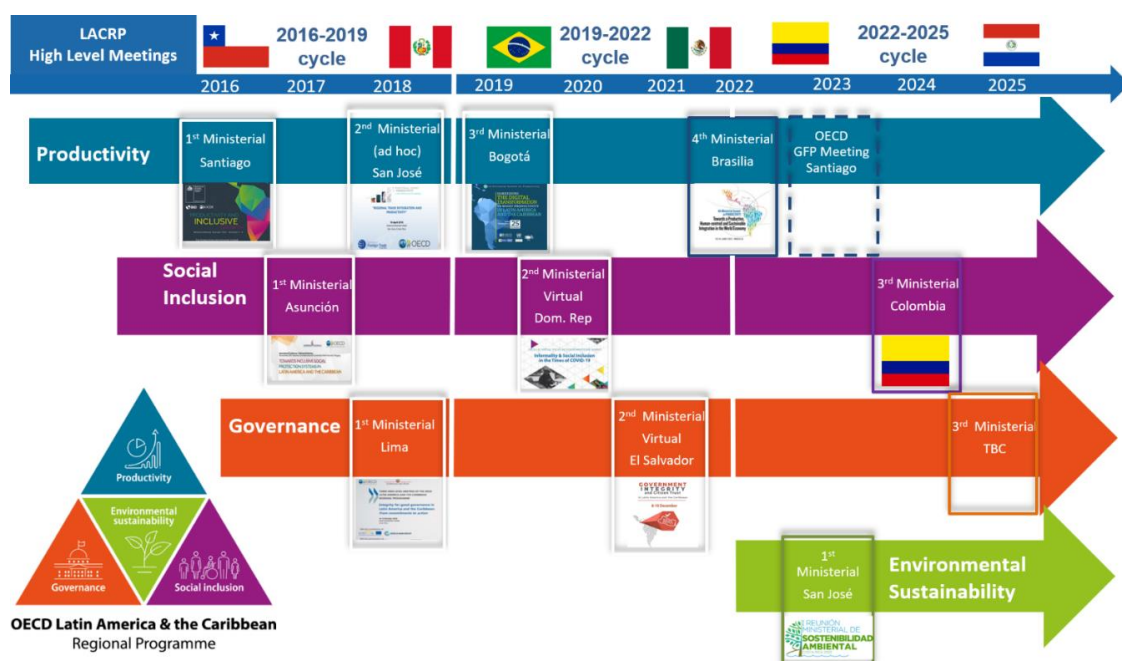
Adoption of the *LAC Action Plan Towards Climate Resilience and Neutrality* as a LACRP Tool for policy advice and the promotion of good practices for Environmental Sustainability in the region.



## FOLLOW UP ON THE FIRST LACRP MINISTERIAL SUMMIT ON ENVIRONMENTAL SUSTAINABILITY AND THE LAC ACTION PLAN TOWARDS CLIMATE RESILIENCE AND NEUTRALITY

### INTRODUCTION

The creation of the fourth, “environmental sustainability” priority in 2022 constitutes a major milestone for the OECD Council, the Latin America and the Caribbean Regional Programme (LACRP). Up to that date, the Programme had held one Ministerial Summit per year for each of the other three priorities: increasing productivity, enhancing social inclusion, strengthening institutions and governance, and ensuring environmental sustainability (see image below).



In preparation for the **First LAC Ministerial Summit on Environmental Sustainability**, the [Latin American Economic Outlook 2022: Towards a green and just transition](#) was released at the end of 2022, and three regional dialogues<sup>1</sup> and two expert workshops were undertaken during 2022 and 2023 (see Annex 1) with the objective of identifying the key, most relevant sectoral priority actions to strengthen resilience (adaptation) and advance towards climate neutrality (mitigation), as well as other horizontal, cross-cutting complementary policies. Following the experience of the [Action Plan on Integrity for Good Governance](#)<sup>2</sup> prepared for the first LACRP Ministerial Summit on Governance held in Lima in 2019, the report **Key Policy Priorities towards Climate Resilience and Neutrality in**

<sup>1</sup> Regional Dialogue on Environmental Sustainability (November 2021), Mitigation Policies/ Climate Finance and Technology Transfer (October 2022), Adaptation Policies (March 2023).

<sup>2</sup> Endorsed by the Steering Group of the OECD Latin America and the Caribbean Regional Programme (LACRP) at its 7th meeting in Lima, Peru on 19 October 2019. It consists of a comprehensive agenda that could help countries in the design, advancement and implementation of National Integrity and Anti-Corruption Strategies. The set of recommendations derive from Annex I of the Key Issues Publication [Integrity for Good Governance in Latin America and the Caribbean : From Commitments to Action](#)

# OECD Latin America & the Caribbean Regional Programme



*Latin America and the Caribbean in Latin America and the Caribbean (LAC)* launched in San José, puts together a set of 40 key policy recommendations, which constitute the [LAC Action Plan Towards Climate Resilience and Neutrality](#)<sup>3</sup>.

The Action Plan aims to support countries from LAC in the design and implementation of national strategies for a comprehensive inclusive, sustainable and resilient growth agenda in line with the commitments on [the Paris Agreement](#), [Our Sustainable Green Future](#) and [Accelerating the Clean, Sustainable, Renewable, and Just Energy Transition](#) adopted in the IX Summit of the Americas; the [Ibero-American Charter on the Environment](#) adopted at the XVIII Ibero-American Summit; and the climate and sustainability commitments contained in the Third [EU-CELAC Summit Declaration](#).

This note proposes to the Steering Group four avenues to make the first LAC Ministerial on Environmental Sustainability and its Action Plan the beginning of an enhanced collaboration with countries and partners in the region in the design and implementation of environmental sustainability agendas. The Annexes provide (1) a brief account of the consultation process and policy dialogues undertaken in preparation of the Ministerial Summit, (2) the list of the Policy Briefs prepared by the OECD secretariat; (3) a list of the most relevant OECD legal instruments which LAC countries may be interested in adhering and (4) a list of other possible projects of interest.

## PROPOSED WAY FORWARD

1. **Consolidation of a LAC Regional Policy Network on Environmental Sustainability.** The OECD counts with 13 [LAC regional policy networks](#) (RPNs), linked to relevant OECD committees, which meet at least once a year in a LAC country to share policy experiences. Most of these networks are jointly coordinated with other partner organisations in the region. Some of them conduct detailed peer reviews. In parallel to the process of preparation of the Action Plan on Integrity for Good Governance, two regional networks emerged<sup>4</sup>, still active today. A dedicated network would constitute the most effective way to maintain an environmental/ climate change policy community in LAC, foster peer learning and exchange of data/information as well as the best policy practices in the implementation of the *Action Plan Towards Climate Resilience and Neutrality in LAC*. *Subject to a Steering Group mandate and resources, the OECD is open to partner with other international organisations in the creation or consolidation of existing efforts of a LAC Environmental Sustainability Regional Policy Network.*
2. **A baseline assessment and the development of a platform for monitoring the progress in the implementation of the Action Plan and for dissemination of good practices.** *The Action Plan Towards Climate Resilience and Neutrality in LAC* proposes 15 key adaptation policy measures to enhance resilience, 15 mitigation measures to effectively advance towards a net zero pathway, and 10 cross-cutting horizontal policy measures (see summary table below). *Subject to resources, the OECD Secretariat will conduct a baseline assessment, supported by a questionnaire sent to countries, to identify key environmental indicators and adopted policy measures as well as good*

<sup>3</sup> The first draft of the Action Plan was presented at the 16th Steering Group for consultation with Members and international partners. A rich number of comments was received by the deadline set on September 1st 2023.

<sup>4</sup> The [OECD-IDB LAC Integrity Network](#) and the Anti-Corruption [Law Enforcement Network](#)



*practices already implemented in the region. All this will be disseminated in a dashboard, which could help policymakers in their implementation process.*

Adaptation: towards greater resilience				
Communities		Infrastructure	Water	Biodiversity and Ecosystems
Mitigation: towards net zero				
Energy	Transportation	Cities	Agriculture	Sustainable Tourism
Cross-cutting, horizontal policies				
Climate governance	Planning & Strategic environmental assessment (SEA)	Environmental information	Climate Finance	Technology Transfer
Green Jobs	Circular Economy	Sustainable Ocean Economy	Gender Equality	Environmental Education

- Consolidation of improved datasets for evidence-based policy making.** The first edition of [Environment at a Glance in Latin America and the Caribbean: Spotlight on climate change](#), launched in July 2023, constitutes a major milestone of the Environmental Sustainability Priority of the Programme. The online report and platform present indicators for LAC countries, comparable with OECD countries, on the progress made in reducing greenhouse gas emissions, improving air quality, and protecting natural habitats. It describes the level of exposure to climate-related hazards and some of the main policy instruments used to address climate change. It also presents a digest of selected environmental trends in LAC countries with a focus on climate change, and its interconnection with air quality and biodiversity. It reveals where progress is still insufficient and notably where better data are needed. Much more could be done in this field to match the detailed account that [Environment at a Glance](#) provides for OECD members as well as other initiatives such as the [International Programme for Action on Climate \(IPAC\)](#). *Subject to resources and in partnership with other regional organisations, the OECD will expand the scope of this tool. The OECD is already engaged in a fruitful dialogue with UNECLAC to further advance together in the coordinated gathering of key indicators. Other partners are welcome to join.*
- Region-wide capacity building activities and targeted implementation support for interested countries / sub-regions.** The OECD is ready to support LAC countries interested in the implementation of specific or all (subject to financial support) key policy recommendations contained in the Action Plan and when relevant in partnership with other regional institutions. In particular, the OECD could (1) conduct country policy reviews that provide tailored policy recommendations based in the country specific circumstances; (2) advice on the adherence to legal instruments in the field of environment, which set out agreed core principles and provide guidance to decision- makers on the elements to consider when reforming their and implementing their environmental policies; (3) provide tailored implementation support, through specific policy advice and capacity develop support across the LAC region.



## ANNEX 1

### Brief report on the consultation process and preparatory activities for the Ministerial summit

#### *Regional Policy Dialogues*

The [1<sup>st</sup> LAC Regional Policy Dialogue on Environmental Sustainability](#) was held in November 2021, prior to the Enhancing Green Transition in LAC project started. With about 100 participants, the two-day virtual event discussed common priorities for an enhanced regional co-operation in the field of environmental sustainability. Climate change mitigation and adaptation came high on the prioritisation survey and therefore upcoming work in 2022 has been focusing on these topics.



The [2<sup>nd</sup> LAC Regional Policy Dialogue on Environmental Sustainability](#) was held virtually on 18-20 October 2022, and focused on “Enhancing Climate Finance and Promoting Technology Transfer in the LAC Region”. The meeting was attended by almost 140 participants from 13 LAC countries, representing public administration, academia, private sector and other international organisations active in the region.



The [3rd LAC Regional Policy Dialogue on Environmental Sustainability](#) was held virtually on 9-10 March 2023, and focused on “Addressing Climate Change Adaptation in LAC”. The meeting was attended by 155 participants from public administration, academia, civil society and international organisations active in LAC.



#### *Expert workshops*

A first [Expert Workshop on Priorities on Climate Neutrality and Resilience](#) in LAC was organised on the 31 August 2022 assembling over 120 experts who brought to the forefront suggestions on designing and implementing effective climate action to deliver on their national and joint environmental and climate commitments.

A **Capacity-Building Workshop on Environmental indicators** was organised on 4 July 2023. It conveyed leading experts to exchange on the concrete challenges of the LAC region on environmental data and information collection, treatment and analyses. It was also the opportunity to launch the [Environment at a Glance in Latin America and the Caribbean: Spotlight on climate change](#).



## **ANNEX 2**

### **OECD Publications and Policy Briefs prepared on the occasion of the 1<sup>st</sup> Ministerial Summit on Environmental Sustainability**

#### **Publications**

- [Latin American Economic Outlook 2022 \(ES\)](#)
- [Key Policy Priorities towards Climate Resilience and Neutrality in Latin America and the Caribbean in Latin America and the Caribbean \(ES\)](#)
- [Harnessing the Potential of Foreign Direct Investment to Advance the Low-Carbon Transition in Latin America and the Caribbean \(ES\)](#)

#### **Brochures**

- [Latin America and the Caribbean Action Plan Towards Climate Resilience and Neutrality](#)
- [OECD Latin America and the Caribbean Regional Programme \(ES\)](#)

#### **Policy briefs**

- [Mainstreaming Environment & Climate Change – Basis for Reforms Towards a Green Transition \(ES\)](#)
- [Using and adapting regulatory policy tools for green and just transition \(ES\)](#)
- [Corporate Sustainability and Resilience \(ES\)](#)
- [Well-being Frameworks and Policy Practice for the green transition in LAC \(ES\)](#)
- [Towards a Sustainable Ocean Economy in Latin America and the Caribbean \(ES\)](#)
- [Transport Decarbonisation \(ES\)](#)
- [Education for greener and fairer economies and societies \(ES\)](#)
- [Trade and Environmental Sustainability \(ES\)](#)
- [Green production transformation \(ES\)](#)
- [Climate Change and Energy Transition \(ES\)](#)
- [Green Finance \(ES\)](#)
- [Governing the green transition and building a new social contract through enhanced international co-operation \(ES\)](#)
- [Harnessing the green transition to boost formal job creation and build stronger social protection systems \(ES\)](#)

## **ANNEX 3**



## Relevant OECD Legal Instruments related to Environmental Sustainability

(adherents from Latin America and the Caribbean below)

1. Decision of the Council concerning the Mutual Acceptance of Data in the Assessment of Chemicals ([OECD/LEGAL/0194](#))



2. Decision-Recommendation of the Council on Compliance with Principles of Good Laboratory Practice ([OECD/LEGAL/0252](#))



3. Recommendation of the Council on Establishing and Implementing Pollutant Release and Transfer Registers (PRTs) ([OECD/LEGAL/0440](#))



4. Declaration on Green Growth ([OECD/LEGAL/0374](#))



5. Recommendation of the Council on Environmental Compliance Assurance- ([OECD/LEGAL/0494](#))



6. Recommendation of the Council on Environmental Information and Reporting ([OECD/LEGAL/0471](#))



7. Recommendation of the Council on Water ([OECD/LEGAL/0434](#))



8. Recommendation of the Council on Good Practices for Public Environmental Expenditure Management ([OECD/LEGAL/0345](#))





9. Recommendation of the Council on Environmentally Sound Management of Waste  
([OECD/LEGAL/0329](#))



10. Recommendation of the Council on the Use of Economic Instruments in Promoting the  
Conservation and Sustainable Use of Biodiversity ([OECD/EGAL/0326](#))



11. Recommendation of the Council on Integrated Coastal Zone Management  
([OECD/LEGAL/0268](#))



12. Recommendation of the Council on the Integrated Pollution Prevention and Control  
([OECD/LEGAL/0256](#))



13. Recommendation of the Council on the Assessment of Projects, Plans and Programmes with  
Significant Impact on the Environment ([OECD/LEGAL/0172](#))



14. Decision-Recommendation of the Council concerning Chemical Accident Prevention,  
Preparedness and Response ([OECD/LEGAL/0490](#))



15. Recommendation of the Council on Countering the Illegal Trade of Pesticides  
([OECD/LEGAL/0446](#))





## ANNEX 4

### Additional Projects of Potential Interest related to specific sectors/ areas of the Action Plan

Adaptation: towards greater resilience				
Communities		Infrastructure	Water	Biodiversity and Ecosystems
Mitigation: towards net zero				
Energy	Transportation	Cities	Agriculture	Sustainable Tourism
Cross-cutting, horizontal policies				
Climate governance	Planning & Strategic environmental assessment (SEA)	Environmental information	Climate Finance	Technology Transfer
Green Jobs	Circular Economy	Sustainable Ocean Economy	Gender Equality	Environmental Education

Adaptation: towards greater resilience				
Communities	Infrastructure	Water	Biodiversity and Ecosystems	

- [Sustainable Infrastructure Programme:](#) The Sustainable Infrastructure Programme in Asia (SIPA) aims to help selected Central and Southeast Asian countries scale up energy, transport and industry infrastructure investments, and shift them towards infrastructure projects consistent with low-emission, resilient development pathways and the Sustainable Development Goals. SIPA supports governments at all stages of infrastructure development, from planning and design to financing and delivery: Strategic infrastructure planning and project evaluation; Multi-dimensional project evaluation; National policy frameworks; Sustainable finance and responsible business conduct. In the context of the cross-regional peer learning, for instance, there could be a possibility, subject to additional funding to consider organising a joint seminar between the countries of LAC and South East Asia (SEA)/Central Asia(CA) on sustainable infrastructure and finance mobilisation, or alternatively a SIPA Conference on capacity building for LAC Countries in sustainable infrastructure development.

Mitigation: towards net zero				
Energy	Transportation	Cities	Agriculture	Sustainable Tourism

- [Energy / Climate Finance:](#) [Clean Energy Finance and Investment Mobilisation programme \(CEFIM\)](#) aims to strengthen domestic enabling conditions to attract finance and investment in renewable energy, energy efficiency and decarbonisation of industry ("clean energy") in emerging economies. CEFIM has worked with [Colombia](#), Egypt, India, Indonesia, the Philippines, South Africa, Thailand and Viet Nam. The programme is designed to provide support according to the needs of each partner country, complementing existing national efforts and bilateral or multilateral co-operation to accelerate the clean energy transition. Subject to additional funding a specific project could be undertaken for interested countries in the LAC region.



- Decarbonisation of Transportation. The ITF and the IDB completed the [Decarbonising Transport in Latin American Cities \(DTLA\)](#) project in early 2022. The project aimed to help policy makers in three Latin American cities (Bogotá, Buenos Aires and Mexico City) achieve their CO2 reduction ambitions for the transport sector. It provided local policy makers with better quantitative evidence on the actual impact of CO2 mitigation measures. The ITF developed strategic transport models for each of the three cities, which allow decision makers in the cities to test and select the most effective policy measures for achieving their transport CO2 reduction goals to 2050. Subject to resources, the project could be extended to other countries and cities. The project also encompassed systematic and inclusive policy dialogue, which could be extended to the wider LAC community. This dialogue aims to encourage the implementation of collectively-developed mitigation pathways and brings together governments, private sector, sectorial organisations, multilateral development banks and research institutions.
- Greening Cities. Cities are home to half of the world's population and characterise many of today's environmental challenges but at the same time demonstrate the ability to provide solutions. The OECD has been assessing and providing guidance on how cities can contribute to improve the economic performance and environmental quality of, and thus enhance the contribution of, urban areas to national growth, quality of life and competitiveness. In both developed and developing countries, as summarised in the OECD reports [Green Growth in Cities](#) and [Urban Green Growth in Dynamic Asia](#). Moreover, to respond to long-term and complex challenges of climate change and biodiversity loss in cities, the OECD is developing a policy framework to enhance climate resilient and 'nature-positive' cities. Subject to resources, a regional project in Latin America could develop case studies and knowledge sharing initiatives for the region.
- Sustainable Tourism: Sustainable tourism development is an ongoing key area of focus for the work of the OECD Tourism Committee, and its Working Party on Tourism Statistics. The OECD could build on this work to support LAC countries, either collectively or individually, to build a more resilient and sustainable tourism economy. Possible areas of work could include: (1) A Tourism Policy Review with a focus on promoting tourism as a driver of sustainable economic development. This could for example look at recent tourism trends and policy performance in the region, highlighting good practices, policies and reforms, and identifying lines of action for the future. (2) A Thematic review on topic of common interest across the region – focusing for example a building stronger, diversified and better managed destinations; supporting the shift to more sustainable models of tourism development; or strengthening tourism data to better measure and monitor progress, including through the use of new data sources, tools and indicators. (3) Policy dialogue or webinars on topics of common interest across the region – focusing for example on tackling tourism workforce issues or strengthen tourism SMEs for the digital and green transition, or the topics mentioned previously.
- Impacts of new green standards and regulations. New international green standards and regulations – such as the European Green Deal - may have impacts especially on trade. LAC countries will need to assess the impact in the short and long term and invest additional resources to comply with – and embrace the opportunities created by- new standards. Early adopting standards that comply with new international green regulations can put LAC countries at the forefront of sustainable production practices and due diligence processes. LAC countries can take this as an opportunity to adopt more sustainable practices and due



diligence processes in line with international green standards. To achieve this, EU and LAC can strengthen co-operation and capacity building on areas including sustainable agriculture, the adoption of eco-friendly practices throughout the value chains and the transition to circular and resource-efficient production processes.

Cross-cutting, horizontal policies				
Climate governance	Planning & Strategic environmental assessment (SEA)	Environmental information	Climate Finance	Technology Transfer
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- Sustainable Ocean for All Initiative: Innovative Finance for the sustainable ocean economy. A plethora of innovative financing instruments are emerging for investing in the ocean, including blue bonds, ocean-to-debt swaps, and innovative insurance schemes. Building on its expertise on blue finance, the OECD could conduct a regional study to assess the scope and nature of these innovative instruments in the LAC region, key bottleneck for their further expansion, and opportunities to grow the financing available for investing in a sustainable ocean economy in the region.
- Green jobs in LAC. The intensification of the effects of climate change is a clear call to action for all governments in LAC to accelerate the green transition towards more sustainable societies. LAC countries have joined and reaffirmed national and international commitments to move towards a low-carbon economy. This will involve ambitious policy reforms, with a direct impact on labour markets. If well managed, these policies could bring an opportunity to create more formal jobs in the region. This project will 1) conduct a comprehensive analysis of the potential effects of LAC's policies for the green transition on its labour markets, particularly on informal workers, women, and youth; and 2) analyse what policies are needed to create new formal job opportunities in the context of the green transition, including the provision of better skills and investments in lifelong learning, complemented with stronger social protection systems, with particular attention to vulnerable groups.
- Job creation and value addition in the ocean economy. The ocean economy is expanding globally and LAC countries will need to develop the right mix of technical and entrepreneurial skills to harness the benefits of expanding ocean-economy sectors and markets, and to generate and retain greater shares of value added by moving up on ocean economy value chains. The OECD could conduct a regional study for the LAC to map the current skill and technology demands across both the whole ocean and blue (i.e. sustainable) economy sectors and their trends over time. The study would also provide policy advice on effective ways to reinforce training, re-training and upskilling systems in the LAC region to tap into high value-added sectors and segments of the sustainable ocean economy, based on a global benchmarking. In-depth country analysis could also be developed based on the requests and needs of specific countries.

## OECD Latin America & the Caribbean Regional Programme



- Just Transition Platform. The platform will facilitate knowledge sharing and peer learning on just transition pathways, assess existing initiatives, and encourage the development of transformative international partnerships aimed at advancing the low carbon transition at both the national and international level, while transforming the development models of both regions. It build upon the work from the [Equitable Framework and Finance for Extractive-based Countries in Transition \(EFFECT\)](#) provides a flexible policy toolbox for policy makers in fossil fuel producer and mineral-rich developing countries to seize the transformational opportunities linked to sustainable, low-carbon growth. EFFECT identifies ways of mitigating the transition's impacts on fossil fuel industries, workers and poor households, and of preventing the risks of high-carbon lock-in and stranded assets.