

## **Latin American Economic Outlook 2022: Towards a Green and Just Transition**

### **Challenges and opportunities of the European Green Deal**

Ministry of Foreign Trade | 3 October, 14:00 | San José

In the framework of the 1st Ministerial Summit on Environmental Sustainability

The *Latin American Economic Outlook 2022: Towards a Green and Just Transition* explores options for the region to recast its production models, transform its energy matrix and create better jobs in the process. It argues that, for this transition to be just, stronger social-protection systems and open dialogue must help build new, sustainable social contracts. In support of this ambitious agenda, the report presents an array of financing options, including green finance, and advocates for renewed international partnerships.

As mentioned in the report, the EU Green Deal may have implications for LAC countries, potentially affecting trade between the two regions. Due to increased demands for traceability, transparency, compliance and due diligence, as well as low-carbon, organic and sustainable production and reinforcement of the circular economy, LAC countries will need to adapt to these new international environmental standards and regulations.

For LAC countries, it is therefore crucial to assess the repercussions of these regulations on their trade relations with the European Union (EU), especially since many LAC nations are significant suppliers of agribusiness products to the EU. LAC countries have emphasised the necessity to: i) cultivate the capacity to adhere to these regulations, particularly among vulnerable producers, and ii) communicate on transition periods and establish plans to ensure compliance.

EU-LAC cooperation in advancing the just green transition calls for a balanced approach involving investment, collaboration, and technical assistance. This enables countries to adapt to new international regulations and norms. Innovative peer exchanges and fresh data are crucial for a comprehensive understanding of LAC countries' ability to confront the impacts of this green transition, particularly concerning trade.

This event aims to facilitate knowledge sharing and peer learning on EU Green Deal regulations, their trade consequences, opportunities for LAC countries and the role of international cooperation in adapting to these new standards. Special focus will be placed on the regulation on deforestation-free products, as one of the most recent and ambitious to promote sustainable consumption. The report recognises the challenge for LAC countries in the implementation of traceability and due diligence systems in supply chains, as well as in the collection of geographic co-ordinates of land where products were produced. A presentation will shed light on the status of EU technical guidelines and implementing regulations, bilateral and regional dialogues with third countries and transparency tools.

The discussion will also shed light on the ramifications of the green transition in LAC and the need to align LAC exports with EU Green Deal criteria. The discussion will be based on conclusions from the LEO 2022 flagship report and ongoing dialogues related to innovative financial mechanisms, capacity building, technology transfer, and the establishment of transition periods, among other topics.

Options discussed will include the joint development of projects with the involvement of key actors, such as the private sector. Potential collaborations include technology and capacity building to leverage

investments in green sectors to stimulate job creation, and co-operation on research and innovation across sectors.

## DRAFT AGENDA

### 14:00 – 14:20 | **Opening remarks**

- **Manuel Tovar** | Minister of Foreign Trade, Costa Rica
- **Ragnheiður Elín Árnadóttir** | Director, OECD Development Centre
- **Pierre-Louis Lempereur** | EU Ambassador to Costa Rica

### 14:20 – 15:00 | **Main messages *Latin American Economic Outlook 2022***

- **Sebastián Nieto Parra** | Head of LAC Unit, OECD Development Centre
- **Sebastián Rovira** | Economic Affairs Officer, ECLAC
- **Alicia Montalvo** | Manager of Climate Action and Positive Biodiversity CAF, Development Bank of Latin America and the Caribbean

### 15:00 – 16:00 | **Panel discussion. Implications of the EU Green Deal: the case of the regulation on free deforestation products**

**Moderator: Silvia da Rin Pagnetto** | Director CES, OECD

- **Rita da Costa** | Head of Development in Transition Unit, OECD Development Centre
- **Claudia Uribe Pineda** | Chief, Office for LAC, International Trade Centre
- **Sylvanie Jardinet** | Senior Official of development Cooperation, European Commission

### 16:00 – 16:20 | **Q&A**

### 16:20 – 16:30 | **Closing remarks**

- **Adriana Castro** | Director of Foreign Trade, Ministry of Foreign Trade, Costa Rica