



ECONOMIC RESILIENCE, GREEN AND JUST TRANSITION

CHAIR'S SUMMARY

5 October 2023

Background

The [First Ministerial Summit on Environmental Sustainability](#) of the [OECD Latin America and the Caribbean Regional Programme \(LACRP\)](#) took place on 05 October 2023 in San Jose, Costa Rica. The Summit gathered Ministers and senior officials from Environment, Trade and other sectorial ministries from OECD and LAC countries, international organisations, private sector and civil society representatives, to have a timely and pertinent discussion about the environmental sustainability challenges and opportunities of the region, and how they interact with the productivity, social inclusion, and governance agendas (see [List of Participants](#)).

The Ministerial Summit was opened by Mathias Cormann, OECD Secretary-General, Manuel Tovar, Minister of Foreign Trade of Costa Rica, Ruben Ramirez Lezcano, Minister of Foreign Affairs of Paraguay, and Myriam Ferran, Deputy Director General, DG International Partnerships, European Commission. Two public panels followed. The panel ***Towards a green and just transition in Latin America and the Caribbean*** was introduced by the OECD Director of the Development Centre and moderated by the Ambassador of Costa Rica to the OECD, Elias Soley, with the participation of the Minister of Environment of Costa Rica, and representatives from the EU-LAC Foundation, Inter-American Development Bank and the private sector. The second public panel ***Key Priorities for Climate Action in Latin America and the Caribbean*** was introduced and moderated by Mathilde Mesnard, Deputy Director of Environment at the OECD, and counted with the participation of Ministers from Romania and Ecuador, and representatives CAF and ECLAC.

The ***High-Level conclusion of the public sessions and opening of the Ministerial*** featured the remarks of Stephan Brunner, First Vice-President of Costa Rica, and Ulrich Knudsen, OECD Deputy Secretary General. Eight LAC Ministers/Vice-Ministers led the discussions. A total of 608 participants registered in the [OECD-events.org/lac-green-transition](https://events.oecd.org/lac-green-transition) virtual platform. More than 350 people participated in person during the public sessions and close to 250 people followed the streaming in English and Spanish. Replay of the public sessions, PowerPoint presentations, policy briefs and other supporting material are available in the Ministerial Summit's website.

Three closed Ministerial roundtables were held in which LAC and OECD country representatives, as well as international organisations, discussed and shared policy experiences. The first: ***Promoting sustainable development (economic, social, and environmental) through trade and investment***, considered the impact of trade and investments as key drivers of the green transition. The second session focused on ***Leveraging biodiversity protection and restoration to create jobs and business***. As a follow-up to the Belem Amazonian Summit in August 2023, and with a view to UNFCCC COP30 in 2025, the session discussed the potential of job and firm creation from nature-based solutions, and the development of sustainable bioeconomy strategies. The third session: ***Towards a sustainable ocean economy*** discussed, inter alia, governance challenges related to the region's ocean economy, with a view to improving regulation, enhancing financing mechanisms and international cooperation to harness the potential of the blue economy.

The publication [Towards Climate Resilience and Neutrality in Latin America and the Caribbean](#), launched during the Ministerial, highlights the main challenges and actions to address climate change in the region. It provides 40 policy recommendations, presented in the form of an [Action Plan](#), building on policy dialogues among LAC and OECD experts under the OECD LAC Regional Programme. The Action Plan is intended to help support LAC countries meet international commitments such as those under the Paris Agreement, as well as regional and national commitments expressed in the declarations Our Sustainable Green Future and Accelerating the Clean, Sustainable, Renewable, and Just Energy Transition, adopted at 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.



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The Ministerial Summit was framed in the OECD-Costa Rica Environmental Sustainability Week, with 10 side events from 2 to 6 October. These included the [OECD Initiative for Policy Dialogue on Global Value Chains, Production Transformation and Development](#), the [EU-LAC round table on Cooperation for Energy Transition organised by the Organisation of Ibero-American States](#), the [Ibero-American and Caribbean Network for Regulatory Policy XII Ordinary Meeting](#), and the insightful [OIJ event titled "The Youth Side of Environmental Sustainability,"](#) providing a platform for young voices. The business sector was actively involved through an event titled "[Enhancing the Contribution of Businesses to Economic Resilience and Green Transition.](#)" Business at OECD (BIAC) issued a [Statement](#) in the context of the Ministerial. Additionally, the [EU-LAC Multi-Actor Dialogue Forum convened by the EU-LAC Foundation](#) to address crucial topics such as Just Green Transition, Inclusive Digital Transformation, and Social Cohesion. A symposium, "[Advancing a Just Transition to a Greener Future with Decent Jobs in Latin America and the Caribbean,](#)" organised by the ILO, provided valuable insights from governments, businesses and trade unions. The Trade Union Advisory Council (TUAC) also issued a [Statement on the Ministerial](#). Finally, after the Ministerial, discussions continued around "[Circular Economy: Opportunities to Drive the Climate Agenda and Economic Development.](#)" These events saw participation from a diverse spectrum, including international organisations, delegates from OECD and Latin American countries, representatives from both public and private sectors, as well as civil society.

The following is the Chair's Summary delivered by Franz Tattenbach, Costa Rica's Minister of Environment and Energy, on behalf as well of the Ministry of Trade of Costa Rica, at the 17th Steering Group of the OECD LACRP held on 6 October 2023.

Chair's Summary

A whole-of-government approach that adopts environmental issues as a transversal axis of public policies is needed to mitigate the effects of climate change and create a more sustainable and inclusive economic model. The green transition must go beyond the energy sector. It involves other sectors such as agriculture, conservation, sustainable use of biodiversity, and the circular economy.

Likewise, this transition must be just, with a human rights approach, a gender perspective, and intersectionality, based on territories and communities. To achieve this transition, it is essential to generate broad consensus among the different sectors of society. In addition, the mobilisation of public and private resources is indispensable, along with international cooperation mechanisms.

Latin America's green transition agenda must also be an opportunity for economic growth. Trade and foreign direct investment (FDI) are key tools to make this possible. With the fiscal challenges facing the region, it is clear that foreign direct investment (FDI) must be part of the strategy to achieve the goals set to decarbonise our economies. Incentives should be promoted to ensure that FDI delivers specific outcomes that are aligned with our sustainability agendas. Conditions must be created for FDI to contribute directly to green job creation, technology transition, and to help our countries achieve the decarbonisation targets set out in our NDCs. As shown by the OECD, one example of this potential that exists is FDI associated with clean energy in the region, which shows us that this is possible. More in-depth assessments need to be made in our countries on the potential for FDI to contribute to green transition agendas in this and other areas such as the bioeconomy and the circular economy. We have a very relevant partner in this in the OECD.

The share of trade in environmental goods has not grown significantly in recent years in our region. This is a very relevant global market that grew by 82% between 2007 and 2021. Trade cooperation and integration is key to boosting a greater flow of trade in environmental goods and services in the region. We must work together to remove barriers to trade and liberalise trade in these goods and services so that we can promote greater participation of the region in this market. There are positive examples from which to advance this agenda: the environmental chapters of our trade agreements, new trade agreements with sustainability goals such as the Agreement on Climate Change, Trade, and Sustainability, and also multilateral initiatives at the World Trade Organisation (WTO) level that should be taken advantage of.

The economy of the Latin American region is highly connected to natural resources. Fifty percent of the world's biodiversity is in the region, 12% in Central America, 6% in Costa Rica. This advantage should be analysed in greater depth in order to define regional strategies that make visible the opportunities we have as a region to create economies of scale that enhance value chains associated with economic activities based on nature, such as the development of new materials and products associated with health and wellbeing.

The region aspires to a green, emission-free, resilient, and equitable economy. The green transition is a structural challenge that LAC will have to face. The estimated cost of inaction in the face of climate change is evidence of the benefits of early adoption of adaptation and mitigation policies, especially at a time when the region is experiencing the consequences of climate change with greater frequency and intensity.

The region must harness the potential of the green transition to build a more inclusive, sustainable, and resilient future. The region has a unique natural wealth. There is, therefore, a high potential for job creation and business development in high-value sectors. The bioeconomy can generate economic growth and sustainability, as they are focused on the conservation, restoration and sustainable use of biodiversity and

ecosystem services. Nature-Based Solutions (NBS) are key to combating the impacts of climate change in the region.

The region needs to prioritise strategic actions to strengthen community resilience. This includes investing in civil protection infrastructure and constantly updating our National Adaptation Plans. Adaptive infrastructure is required to cope with the impacts of climate change, developing regional and national taxonomies for Adaptation projects. Funded projects must have adaptation components, and we must prioritise resilient construction and equipment. In addition, water resource management must be comprehensive and based on climate risk analysis.

It is crucial to take advantage of the renewable energy sources that abound in our region. We must create policies and attract investments that encourage the massive use of renewable energy in all sectors. Foreign direct investment plays a critical role in our transition to a low-carbon economy. We must mobilise more investment in renewable energy and promote the creation of green jobs and the development of green skills. Foreign direct investment can help us reduce emissions. It is important to attract investment in cleaner and sustainable technologies. In addition, we must promote sustainable resource extraction and the active preservation of biodiversity.

We must promote active preservation and reforestation policies in collaboration with the private sector. This is essential to protect our biodiversity and the ecosystem services it provides. Promoting bioeconomy and circular economy strategies has the potential to create businesses and jobs.

It is crucial to maintain the health of marine ecosystems. Work must be done to combat pollution from agrochemicals, transport, and plastic, among other elements, and pressures on marine biodiversity. The ocean represents 70% of the planet and plays a vital role for all living things. The ocean is suffering the effects of the current environmental crisis caused by climate change, biodiversity loss, and pollution.

Productive activities based on innovation and profitable growth that contribute to the sustainability of the ocean and its resources must be strengthened. To achieve this, countries must strengthen the links with innovation, technology, and science. The Blue Economy must be inclusive, resilient, and sustainable. Gender disparities persist in the region, i.e. low participation of women in activities related to oceans and fisheries, despite their involvement in productive processes. Mobilising finance will be required to scale up investments. Innovation, technology, and science must be coupled with the ocean economy. The fisheries sector must be integrated into circular economy processes.

It is important to continue international commitments to ocean conservation through initiatives such as the High Ambition and People Coalition, of which we are Co-Chairs together with France and the UK on marine biodiversity. The HAC continues to move forward, with the launch of the 30X30 Solutions Toolkit and the Technical and Financial Exchange Platform on 17 October in Nairobi. Both tools aim to support HAC member countries in the search for technological solutions to achieve Goal 3 of the Kunming-Montreal Strategic Framework. The Oceans Treaty, known as BBNJ, is a good example of the evolution towards the conservation and sustainable use of marine biodiversity in areas beyond national jurisdiction. BBNJ is one of the most interesting and inclusive challenges that has been agreed in recent years.