Partners in development

European Union–Latin America/Caribbean
Development cooperation guide

Update 2015
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*Update 2015*

Directorate-General for International Cooperation and Development
European Commission
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The European Union, Latin America and the Caribbean: Partners in international cooperation and development

Deep-rooted historical and cultural bonds are at the origin of the current robust political, development and economic cooperation between the European Union (EU) and Latin America and the Caribbean (LAC).

The achievements in LAC during the last two decades in terms of democracy consolidation, growth and employment creation as well as poverty reduction have been remarkable. The EU is proud to have contributed to this progress and to continue as a reliable partner of the region in the years to come, in dealing with the global challenges of poverty and inequality. This happens through support in key sectors such as inclusive growth, security and rule of law, energy, climate change and sustainable development, since the EU remains today the most important development partner and foreign investor in the region, as well as among its most important trade partners.

The transformation of the region as a whole has been such that some of the partner countries which were net aid recipients a few years ago, are now emerging donors. The EU has been adapting its policy to this new reality in order to respond to the evolving needs of all partners in the region.

This guide is published during a very special and exciting year, as 2015 is the European Year for Development as well as the deadline for meeting the millennium development goals (MDGs) and for shaping the next set of objectives. In addition, 2015 is the year of the Second EU-Community of Latin American and Caribbean States (CELAC) Summit. We have therefore an unparalleled opportunity to engage with citizens, to showcase our strong commitment to contribute to eradicating poverty worldwide and to inform our constituencies about how money is used to make a difference in the lives of so many.

To illustrate the EU’s commitment in the region this e-book gives you an overview of ongoing cooperation programmes in LAC and points out the priorities of EU development policies. There is a particular focus on personal human stories that illustrate what EU development cooperation concretely means to people and how it can change their lives. I invite you to read the success stories published on the European Year for Development dedicated website.

I look forward to working closely with our LAC partners and supporting the drive towards eradication of poverty and sustainable development.

Jolita Butkeviciene
Follow Jolita Butkeviciene on

Foreword by the Director for Latin America and Caribbean

European Commission Directorate-General for International Cooperation and Development

Jolita Butkeviciene
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Relations between the EU and the regions of LAC

The EU is currently an important economic and political partner for LAC: it is the leading development cooperation partner and foreign investor in the region and the second trade partner.

Building on longstanding cooperation between Europe and LAC, the EU has created and consolidated links with the region since the late 1950s. Since then, the relationship between the two regions has evolved substantially, currently reflecting the increasing importance and growing potential of the LAC region, as well as the will of both parties to further strengthen that relationship.

A wide range of agreements with individual countries and groups of countries in the region have been concluded, including the EU-Cariforum Economic Partnership Agreement, the Joint Caribbean-EU Partnership Strategy and bilateral agreements with Argentina, Brazil, Chile and Mexico. Strategic partnerships have been established with Brazil and Mexico. An association agreement with Central America, as well as trade agreements with Colombia, Ecuador and Peru have been concluded and are entering into force progressively. The EU and LAC have also enjoyed privileged relations since the first bi-regional summit, held in Rio de Janeiro (Brazil) in 1999, which established a strategic partnership. The Community of Latin American and Caribbean States (CELAC), launched in 2010, allows the EU for the first time to engage in a strategic partnership with all 33 LAC countries.
### Objectives and priorities of EU cooperation in LAC

In the current rich dialogue environment, the EU’s relations with LAC are based on political relations, trade and development. **In terms of development cooperation, the overall aim of the EU is to contribute to eradicate poverty and promote sustainable economic and social development, including the achievement of the MDGs and the promotion of the post-2015 agenda on sustainable development goals.**

The majority of LAC countries are considered as middle-income countries (MICs). According to the recent EU policy orientations that prioritise bilateral development cooperation during 2014–20, the focus lies on those countries of the region most in need and where EU policies will have most impact.

At the same time, all LAC countries will still benefit from enhanced regional cooperation and thematic programmes, for example in the areas of human rights and global public goods. During this period, the EU will pay particular attention to the security-development nexus, environmental sustainability and climate change, private sector development and trade, and regional integration.

During the period 2014–20, the EU alone is dedicating to LAC international cooperation and development on a geographic basis, an average annual amount of at least EUR 485 million. This amount is further increased by thematic actions and instruments dedicated, for instance, to the promotion of democracy, human rights, and stability in post-crisis situations. Funds directly managed by EU Member States also complement our interventions.

### EU-CELAC summits: policy definition and partnership consolidation

The strategic partnership between the EU and LAC countries was established in Rio de Janeiro in 1999. Since then, EU–LAC summits take place biennially (Rio de Janeiro, 1999; Madrid, 2002; Guadalajara, 2004; Vienna, 2006; Lima, 2008; Madrid, 2010; Santiago, 2013; and Brussels, 2015).

The EU–LAC summits provide an opportunity for dialogue at the highest level between Heads of State or Government from both regions on strategic topics that are on the bi-regional and international agenda, such as social cohesion, regional integration, multilateral relations and climate change.

Launched in 2010, **CELAC is the regional mechanism for political dialogue and cooperation encompassing, for the first time, all 33 LAC countries.** It merged the Rio Group (political consultation forum) and Cumbres América Latina y Caribe (CALC). **CELAC is the EU’s counterpart for the bi-regional partnership process, including at summit level.**

Apart from the biennial summits and regular senior officials’ meetings (SOM), the EU and CELAC have pursued during the last years a number of specific thematic dialogues and initiatives. These include the joint initiative on research and innovation, the EU-CELAC structured dialogue on migration, and the EU-CELAC coordination and cooperation mechanism on drugs.
### EU development cooperation framework

#### Political basis

The guiding principles of EU development cooperation policy are consolidated and deepened through the following:

- the **European consensus on development**, a joint statement issued in 2006 by the European Commission, Parliament and the Council;
- the 2011 European Commission communication on an 'Agenda for change', increasing the impact of the EU development cooperation;
- the outcome of the aid effectiveness process as embedded in the conclusions of the three high-level fora, in Paris in 2005, Accra in 2008 and Busan in 2011.

In this policy framework, the EU and its Member States as a whole continued to be **the largest donor of official development assistance (ODA) during the last few years**. In 2013, it collectively provided EUR 56.5 billion which amounted to 52% of the total global ODA during the year.

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#### Legal and financial basis

The fight against poverty remains the primary objective of the development policy of the EU, as laid down in the **Lisbon Treaty**. The EU's development cooperation policy and those of Member States complement and reinforce each other.

The basis of the cooperation between the EU and the Caribbean is the ‘**Partnership Agreement between the members of the African, Caribbean and Pacific (ACP) Group of States of the one part and the European Community and its Member States of the other part**’, signed on 23 June 2000 in Cotonou (Benin) — hence its more popular name is ‘ACP-EC Partnership Agreement’ or ‘Cotonou Agreement’. It was concluded for a 20-year period from March 2000 to February 2020. The financial arm of the agreement is the **European Development Fund (EDF)**, concluded for a multiannual period.

This partnership aims at contributing to eradicate poverty and achieving sustainable development and the gradual integration of the ACP countries into the world economy.

The **EDF** is the main instrument for providing EU aid for development cooperation in the Caribbean states and overseas countries and territories (OCTs). Geographical cooperation with the ACP under the EDF is complemented by development aid provided by the EU’s general budget and by bilateral cooperation and contributions from individual Member States to multilateral development cooperation. The last EDF (10th), initially envisaged to last from 2007 to 2013, was extended until 2014 to prepare the grounds for the 11th EDF matching the new EU budget framework. **In this framework 2014–20, more than EUR 1 billion is foreseen for the Caribbean.**

EU development cooperation with Latin America has been governed since 2007 by the **Development Cooperation Instrument (DCI)**. The DCI is one of the key EU instruments providing development aid to non-European countries, alongside the EDF and the European Neighbourhood Partnership Instrument (ENPI). It is currently organised in bilateral and regional geographic programmes, thematic programmes and a specific pan-African programme. Out of the total EUR 19.6 billion of the DCI for the period 2014–20, EUR 2.5 billion are allocated to Latin America.
Who does what

The EU plays important roles in diplomacy, trade, development cooperation and work with global organisations. The European Commission, through its Directorate-General for International Cooperation and Development — EuropeAid, is co-responsible together with the European External Action Service (EEAS) for formulating EU development policy and the multiannual programming of the external aid instruments, and for defining sector policies in the field of external aid. EuropeAid is responsible for implementing the EU’s external aid instruments which are financed by the European budget, as is the case of the DCI, and by the EDF.

EuropeAid has its headquarters in Brussels and, jointly with the EEAS, operates 140 EU delegations settled around the world; the cooperation policy is thus implemented in a devolved way through the EU delegations. For this purpose, while the EEAS plays a prominent role in defining the policies, EuropeAid establishes and runs the management, supervision, support and control systems required to ensure the highest levels of regularity, quality, impact and visibility for the programmes implemented.

Programming and financing decision process

Programming is the first step in the cycle of managing the EU’s development aid projects/programmes. It is a decision-making process that defines in which sectors and areas the EU will provide development aid to partner countries and regions over a period of time. The EU provides development aid through both geographic and thematic programmes, the latter being programmed by Headquarters (Brussels) through Thematic multiannual indicative programmes.

For the programming period 2014–20, the EU aims to translate into action more than ever its approach, as defined in the Commission’s 2011 communication on the ‘Agenda for change’, to proceed on the basis of the developing countries’ and regions’ own development policies and plans and align as much as possible to their priorities.

Project/programme implementation methods

Development cooperation is provided through different methods which span from support to specific projects and programmes to support the budget of a recipient government. Essentially, there are two aid delivery methods, i.e. two types of action in terms of policy with geographical focus: budget support and project modality.

Projects can either support a government to implement a sector policy and improve service delivery, or can be designed as stand-alone projects, for example to support civil society or private sector.

Under certain conditions, the Commission is committed to providing budget support as a means of strengthening country ownership, financing national development strategies (including poverty reduction strategies) and promoting sounder and more transparent public finances. Budget support involves the direct transfer of funds to a partner country’s budget where they can be managed using national systems.

Regardless, the Commission promotes the sector approach to work with partner countries, other donors and stakeholders. The sector approach, which can be promoted under budget support or project modality, usually gives partner governments greater ownership of development policy and financing. The end result is greater coherence between the allocation and use of internal and external resources of the country, spending and expected results.

Although not a programme implementation method per se and given the need for even more resources for addressing development challenges, it is worth mentioning the EU Blending Facilities (BFs). BFs have recently become important mechanisms leveraging additional resources through blending of EU grants, and loans from development finance institutions (DFIs) to mainly support economic and social infrastructure development.

More info on EuropeAid’s website
Regional cooperation in Latin America

Higher education:

ALFA III

ALFA is a cooperation programme between higher education institutions of the EU and Latin America. ALFA promotes higher education in Latin America as a means of contributing to economic and social development. Initiated in 1994, the programme co-finance projects aimed at improving the capacity of individuals and institutions (higher education institutions and other relevant organisations).

Phase III with a budget of EUR 75 million, covered the period 2007–13 and financed 51 projects fostering cooperation and networking among nearly 500 universities in Latin America and in the EU. The projects dealt with very different topics, among others: ongoing education provision for groups living in remote areas without access to higher education; development of new technologies and knowledge-sharing via the networks established between higher education institutions; establishing synergies with the private sector to foster insertion in the job market and equal opportunities for students; development of innovative teaching competences addressing students’ needs; sustainable development, such as natural resources management, climate change mitigation and promotion of renewable energies.

Impact story

The CapWEM project (a partnership between universities of Argentina, Brazil, Chile, Costa Rica, El Salvador, Germany, Paraguay and Portugal) brought together researchers from eight universities in Latin America and the EU in order to modernise the curricula of higher education institutions in water-related fields and improve their relevance to the water sector. Thanks to this project, over 200 students from Latin America have followed a master’s programme in water and environmental management, learning about water supply, sanitation and sewage treatment in rural and urban communities. Additionally, awareness-raising activities on environmental conservation were carried out at institutional and community levels.

For more information, please visit: http://www.alfa3programme.eu/en/
**Erasmus Mundus II**

**Action 2 ‘Partnerships’**

Erasmus Mundus (2008–13) is a cooperation and mobility programme in the field of higher education that aims to enhance the quality of European higher education and to promote dialogue and understanding between people and cultures through cooperation with third countries.

Through this worldwide programme, the EU supported partnerships between higher education institutions and research centres from different EU and non-EU countries to develop teaching and learning capacities as well as mobility of students and academics.

Under Action 2 of Erasmus Mundus Latin America, ‘Partnerships’, the programme financed academic cooperation and exchanges of students and academics with the aim of contributing to the socioeconomic development of the Latin American region.

**Impact**

Since 2008, EUR 95.6 million of the regional contribution to Latin America has funded 50 partnerships, representing more than 530 participations from 200 different Latin American higher education institutions. From 2008 to 2014, a total of 6,650 student and academic exchanges have taken place in the framework of this programme. The participation in the programme took place through annual calls for proposals.

As a result of the last call for proposals of the Erasmus Mundus programme Latin America for the period 2007–13, in September 2014, six newly selected partnerships started the implementation of their activities, with a duration of 48 months.


**Social cohesion**

**EUROsociAL**

**Regional programme for social cohesion**

Social cohesion is one of the priorities of the EU–LAC strategic relationship, as affirmed at successive summits of Heads of State or Government. The programme for social cohesion in Latin America (EUROsociAL) reflects the concern over social cohesion, which is seen as a common challenge for the EU and Latin America. The objective of the programme is to contribute to the design and implementation of strategic public policies aiming at improving social cohesion and also to strengthen the institutions which carry out those policies. The methodology chosen to achieve this aim is peer learning, the exchange of experiences between public sector institutions and the provision of technical assistance from one public institution to another.

EUROsociAL is based on the following key principles:

- **Ownership**: the programme is demand-driven, i.e. it supports the design and implementation of public policies of the beneficiary countries.
- **Result-orientation**: EUROsociAL supports only actions that have clearly formulated goals, are part of broader policies and, thus, priorities.
- **Structural impact**: EUROsociAL systematically aligns its actions with public policies.
- **European added value**: EUROsociAL brings together European and Latin American public administrations.
- **About 40 % of EUROsociAL activities are for South–South cooperation**.

Those key principles and strategic guidance represent the practical application of the **EU aid effectiveness** commitments and the ‘**Agenda for change**’, and are highly valued by the Latin American institutions.

EUROsociAL’s key areas of intervention are high-quality social services, social protection and active employment policies, fiscal systems and public finances, democratic governance, and citizen’s security and justice. The EU finances EUROsociAL with EUR 40 million.
Impact

EUROsociAL covers a wide array of themes, the common thread being the objective to improve living conditions of vulnerable people. In the area of justice, one of the main objectives of EUROsociAL is to improve access to justice for marginalised populations. A good example is the establishment of the ‘House of rights’ in the Cidade de Deus favela in Rio de Janeiro that brings several state institutions closer to the residents of this marginalised neighbourhood. The start of this initiative exceeded expectations. In only 12 months from November 2013 to November 2014 more than 13 000 people attended the house to receive services and support. On fiscal issues, the cooperation between the tax agencies of Spain and Paraguay led to a significant increase in tax receipts for the Paraguayan government (in one year the tax on commercial and industrial activities increased by more than 44 %), a crucial factor for the financing of Paraguay’s still nascent social policies. In Honduras, the exchange of best practices between the Honduran Economic and Social Council (CES) and counterparts in the EU and Brazil laid the groundwork for the approval of the CES law, making it possible to institutionalise social dialogue in the country. Colombia approved an anti-corruption policy, promoted by the Office of the Presidency with the technical support from the programme. EUROsociAL also helped the country to launch a new system of labour market service, which combines job mediation with active employment policies like training. In only 6 months, more than 125 000 people found new employment by using the system. In fact, the initiative was so successful that it is now being transferred to Costa Rica as well.

For more information, please visit: http://www.eurosocial-ii.eu/es
AL-INVEST

Support to the internationalisation of Latin American small and medium-sized enterprises

Since 1994, AL-INVEST has been a flagship programme of EU cooperation with Latin America, facilitating the internationalisation of thousands of Latin American small and medium-sized enterprises (SMEs).

AL-INVEST IV (2009–13) went a step further than its successful predecessor programmes by bringing together economic development and direct poverty alleviation.

Impact

AL-INVEST IV has provided substantial support to almost 60 000 companies in Latin America alone. Concrete results are:

- the direct contribution to generate new exports worth approximately EUR 85.6 million in the region Mexico, Central America and Cuba;
- the creation of more than 20 000 direct and more than 60 000 indirect jobs in Bolivia, Colombia, Ecuador and Peru;
- more than 6 500 SMEs in the Andean region that increased their exports, of which more than 1 000 were first-time exporters.

Hidden behind these abstract figures are thousands of stories of transformed fortunes and changed lives. Stories like those of the 107 small cattle breeders in San Juan and Nueva Guinea de Nicaragua, the more than 100 micro-entrepreneurs in Bucaramanga in Colombia who managed to formalise their businesses, the 11 female entrepreneurs who received prizes for their internationalisation projects, the indigenous craftsmen and women in the Andean region that improved their family’s income, the small cashew nut producers in rural areas in Choluteca or Intibucá (Honduras), and many more.

The EU contribution to AL-INVEST IV amounted to EUR 50 million. Thanks to the great success of the previous phases, the EU launched AL-INVEST 5.0 in March 2015.

ELAN

European and Latin American business services and innovation network

The European and Latin American business services and innovation network (ELAN) programme has the objective of fostering business partnerships and cooperation between European and Latin American companies and SMEs, in sectors offering particular opportunities (renewable energies, biotechnologies, clean technologies and the green economy, ICTs, nanotechnologies and new materials).

Business support services for SMEs and the establishment of a network of research institutions will be combined to foster SMEs’ business in the sectors mentioned.

This programme entails an EU investment of EUR 11 million and operates from the first quarter of 2015.

For more information please visit: http://www.elaneu.eu
URB-AL III

Local and territorial development

URB-AL is an innovative decentralised cooperation programme targeting local authorities of the EU and Latin America as well as other actors in the urban sector, with the aim of contributing towards increasing the level of social cohesion between local, regional and provincial governments in Latin America. The third phase of URB-AL (2007–13 with an EU contribution of EUR 50 million) capitalised on the experiences and best practices already acquired in the preceding phases. It aimed at consolidating or promoting, in a limited number of Latin American cities, and on the basis of partnerships and exchange of experiences, social cohesion processes and policies to serve as reference models. Following a call for proposals, 21 projects were selected for grants.

Impact

URB-AL has had a direct impact in 74 Latin American territories, in more than 500 municipal administrations with a total population of 26 million people. More than 1.8 million persons have directly benefited from URB-AL and more than 160 organisations have directly implemented its activities. Thanks to URB-AL, more than 2 000 jobs have been created, about 25 000 persons have received professional training, and more than 400 infrastructures have been built or renovated.

LAIF

Latin America Investment Facility

The Latin America Investment Facility’s (LAIF) main purpose is to promote additional investments in key infrastructures in Latin America. Allowing an increase in risk and credit ceilings, it seeks to encourage beneficiary governments and public institutions to carry out essential investment, which otherwise could not be financed either by the market or by the DFIs alone. It is a financing mechanism operating via mixing non-refundable financial contributions from the EU and other donors with loans from multilateral or bilateral public European DFIs and regional Latin American banks.

Among the LAIF’s strategic objectives is the improvement of interconnectivity between and within the Latin American countries, in particular establishing better energy and transport infrastructures including energy efficiency, renewable energy systems, sustainability of transport and communication networks. A further focus is on the protection of the environment and support to climate change adaptation and mitigation. The LAIF also promotes equitable and sustainable socioeconomic development through the improvement of the social services infrastructure and support for SMEs.

The types of operations financed under the LAIF are investment co-financing in public infrastructure projects; loan guarantee cost financing; interest rate subsidies; technical assistance; and risk capital operations. The EU contribution to the LAIF is decided annually. For the period 2009–13, EUR 196.6 million were allocated to the facility.

Impact

The LAIF was officially launched in May 2010 in Punta del Este, Uruguay, and had an enthusiastic response from the partner countries, EU Member States and DFIs. By the end of 2013, 25 projects were approved. With the EU budget contribution of EUR 196.6 million, the LAIF has mobilised financing for projects with a total investment cost of more than EUR 5 billion, giving a leverage effect of about 1:26 (i.e. for every EUR 1 invested through the LAIF EUR 26 were generated).

More info on the LAIF on EuropeAid’s website
Security–development nexus

COPOLAD

Cooperation on drugs policies

COPOLAD is a cooperation programme on drugs policies. It aims at facilitating contacts and strengthening the bi-regional dialogue between the EU and Latin America national agencies, consolidating the EU–LAC coordination and cooperation mechanism on drugs and contributing to improving the coherence, balance and impact of drugs policies in Latin America.

COPOLAD seeks to encourage the process of elaborating drugs policies in their different stages in Latin American countries. This is achieved by reinforcing the cooperation between the national coordinating agencies and other actors responsible for global and sector drugs policies in Latin America and the EU. COPOLAD further aims at consolidating the national drugs observatories and at strengthening capacities both in the fields of reduction of demand and reduction of supply.

The current EU contribution to the programme’s activities, due to end in June 2015, is EUR 6.6 million. In the second phase, the EU contribution will amount to EUR 10 million.

Impact

- National observatories have been created and institutions strengthened. Tools have been developed to enhance the adoption of evidence-based policies with the creation of early warning systems.
- Sustainable tools have been widely adopted in order to reduce the demand for drugs and online courses on priority areas for drug reduction have been developed and implemented in all Latin American countries.
- A directory of healthcare services treating drug use and abuse has been created. The availability of such a tool is highly useful for planning health services, professional training and also to facilitate information gathering by national observatories.

For more information, please visit: www.copolad.eu/
EU-CELAC Migration project

Strengthening the dialogue and cooperation between the EU and LAC to establish management models on migration and development policies

The objective of the Migration project is to support the process of cooperation between the EU and the CELAC in the framework of their high-level meetings on migration. On the other hand, the project contributes to the strengthening of regional and national capacities in the CELAC countries to support the permanent exchange of information and good practices between these countries, as well as between the EU and the CELAC region. The project is implemented by the International Organisation for Migration (IOM) in partnership with the International and Ibero-American Foundation for Administration and Public Policies (Fiiapp). It is organised around three components: strengthening data collection on migration, building capacity for promoting sound migration management through the implementation of reintegration policies for returning migrants, and promoting the productive investment of remittances. The EU total contribution to the project’s activities is EUR 3 million.

Impact

Since the beginning of the project in 2011, over 350 officials have been trained, covering 30 countries of the CELAC and EU through different internships and training workshops. Migration profiles have been elaborated (Ecuador, Jamaica, Nicaragua, Peru and Suriname), various studies (e.g. on the migratory routes, rapid assessments, labour market and migration, and different institutional analyses in the CELAC) and one manual on migration and employment has been published. In order to increase its effectiveness and in view of the EU–CELAC summit in June 2015, the operational phase has been extended until July 2015.

For more information, please visit: www.migracion-ue-alc.eu

Environment and climate change

EUROCLIMA

EUROCLIMA is a regional cooperation programme focused on climate change, originating from the Lima Declaration which was adopted at the Fifth EU–LAC Summit in 2008. It aims at facilitating the integration of climate change mitigation and adaptation strategies and plans into Latin American public development policies.

The key objectives of the programme are: contributing to poverty reduction of the Latin American population by reducing their environmental and social vulnerability to climate change, reinforcing resilience of the region to climate change, and promoting opportunities for green growth.

The actions, defined in a participatory manner based on the needs of the region, contribute to: high-level dialogue, climate change debate and legislation; enhancing the role of civil society and raising public awareness; promoting the design of adaptation and mitigation measures with co-benefits through implementation of pilot cases; and reinforcing the agricultural sector’s capacity to adapt to climate change and to mitigate its effects including desertification and soil degradation measures and therefore contribute to food security in the region.

The programme started in 2010 and will be implemented until the end of 2016. The total EU contribution is EUR 16.45 million.

Impact

EUROCLIMA has supported the preparation of guidelines, toolkits, specific software for adaptation and mitigation policies and plans of action, and studies on the social and economic impacts of climate change. Thanks to the programme, more than 700 Latin American government officials and scientists have attended regional meetings to facilitate dialogue, information exchanges and debates as well as training in innovative techniques for research on climate change scenarios and in methods to measure the socioeconomic effects of climate change to help formulate public policies.

For more information, please visit: http://www.euroclima.org/en/
Food security governance and small farmers in Latin America

Despite a prolonged period of substantial progress on the social and economic front in Latin America, large segments of the population are still suffering from food insecurity, land grabbing and the impacts of climate change. Small farmers have long been, and still are, excluded from the political decision processes due to the strong influence of landowners and agro-export lobbies.

The project ‘Food security governance and small farmers in Latin America’, operated by OXFAM Intermon and part of the GROW worldwide campaign, is calling on governments to provide access to land and food security for smallholder farmers, and especially for women. The project aims to empower farmers to foster both regional and national policies on land issues and agricultural investment in climate change adaptation. These policies should be implemented in the whole Latin American region with a special focus on Colombia, El Salvador, Guatemala, Honduras, Nicaragua and Peru.

The project will build the capacities of the four main small farmers’ regional networks representing more than 400 organisations (221 000 farmers). Activities started in 2014 for a 3-year period with a EUR 2.5 million EU contribution.

FLEGT

Forest law enforcement, governance and trade — South America

In light of the serious environmental, economic and social consequences of illegal logging, the EU published the EU forest law enforcement, governance and trade (FLEGT) action plan in 2003. The action plan sets out actions to prevent the import of illegal wood into the EU, to improve the supply of legal timber and to increase demand for wood coming from responsibly managed forests. The long-term aim of the action plan is sustainable forest management.

The FLEGT South America project (2011–14), a collaboration between Traffic (strategic partnership between World Wide Fund for Nature (WWF) and the International Union for Conservation of Nature (IUCN)), WWF Colombia and IUCN-South America, aimed at promoting the implementation of the EU FLEGT action plan in South America. The project’s overall objective is therefore to create an enabling environment and increase capacity in South America for initiatives that reduce illegal logging and bring timber trade into line with EU FLEGT action plan objectives, with a particular focus on trade to the EU from Brazil, Colombia, Ecuador and Peru.

The EU contributed EUR 1.27 million to the project (out of a total budget of EUR 1.60 million).

For more information, please visit: http://flegt.info/en

WATERCLIMA LAC

Watershed and coastal management in the context of climate change in LAC

The WATERCLIMA LAC project, approved by the European Commission in 2013, is in line with the European Union Water Initiative (EUWI), the Lima Declaration, EU–LAC Summit 2008, the European Commission ‘Agenda for change’ 2011 and the Sixth Summit of the Americas 2012.

The project aims at contributing to the alleviation of poverty and social inequalities, supporting the reduction of socioeconomic impacts of climate change at regional and sub-regional level through fostering cost-efficient adaptation measures, and strengthening the regional integration dialogue between LAC on water and coastal issues, as well as the interregional dialogue with the EU. The specific objective of the project is to contribute to improving watersheds and coastal management by boosting resilience to the consequences of climate change of LAC countries.

The EU contribution is EUR 7 million which will be implemented in the period of 2015–17.

More info on WATERCLIMA LAC on EuropeAid’s website: http://ec.europa.eu/europeaid/regions/latin-america/waterclima-lac_en
RALCEA
Latin American network of knowledge centres in the water sector

RALCEA (2010–14) aims to foster information-based policy and to promote South–South cooperation on capacity development in the water sector by supporting the development of a network of knowledge centres.

The development of capacity in the water sector in Latin America is expected to contribute to a sustainable management of water resources and to information-based policies in the region, in line with the objectives of the EUWI in the region and with the needs identified during the Conference of Ibero-American Water Directors (CODIA).

The RALCEA network has 13 knowledge centres representing 12 Latin American countries which were selected through a call for collaboration during the first half of 2011. There are three working axes: regional hydrologic balance, water quality and sanitation, and stakeholder analysis mapping on the water sector.

Its total foreseen budget is EUR 2.5 million, of which EUR 2.25 million are granted by the EU.

More info on RALCEA on EuropeAid’s website: http://ec.europa.eu/europeaid/regions/latin-america/ralcea_en

EURO-SOLAR

EURO-SOLAR aims at reducing poverty by providing a source of renewable energy to isolated rural communities with no, or limited, access to the country’s electricity grid in eight Latin American countries: Bolivia, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Paraguay and Peru.

The EURO-SOLAR programme proposes a novel approach to traditional rural electrification projects by mainstreaming renewable energy. This involves linking power generation to a series of goals including improvements in education and health, development of productive activities, skill-building within the community and a gender focus. The design is 100% based on renewable resources and has no impact on the environment, thereby ensuring the sustainability of the development model. Systems of this kind are a good alternative in isolated rural communities where direct connection to the electricity grid is not viable for technical and/or economic reasons.

The EURO-SOLAR programme (2007–13) received a total budget of EUR 36 million, of which the EU contributed EUR 27.8 million.

More info on EURO-SOLAR on EuropeAid’s website: http://ec.europa.eu/europeaid/regions/latin-america/euro-solar_en

Impact

EURO-SOLAR provided 600 beneficiary communities with a hybrid system of photovoltaic panels, in some cases combined with a small back-up wind generator, in order to generate electricity as well as other applications (such as laptops, antennas for Internet connections, printer/scanners, projectors, medical-refrigeration equipment, water purifiers, etc.). The beneficiary rural communities were selected according to geographical, economic and financial criteria, along with the level of infrastructure (no access to the electricity grid or to a conventional telecommunications network). Thanks to EURO-SOLAR, more than 300 000 people now have access to basic services in the field of education, health and communication. The project has also contributed to the increase of social and economic local development.

New areas of cooperation

The adoption of the multiannual indicative programme (MIP) for Latin America in August 2014 has opened the way for a continuation of EU cooperation with the region.

With EUR 925 million, the amount foreseen by this decision for 2014–20 has increased substantially in comparison to the preceding period. This takes into account that in the light of the ‘Agenda for change’ principles, many countries in the region no longer receive bilateral cooperation. Still, many challenges continue to lie ahead.
Despite improvements, the region remains the most unequal in the world. Poverty and income distribution trends indicate the need to promote more sustainable and equitable growth and ensure higher levels of social cohesion.

Crime rates are among the highest in the world. State institutions responsible for ensuring the key public goods of security, justice and the rule of law are confronted in many countries with powerful and well-resourced organised crime interests, as well as high levels of regular crime. Porous borders are another serious issue. Insecurity has important human, social and economic costs, and diminishes citizen trust in state institutions, thereby weakening the social contract which is essential for development to succeed.

Economic growth in Latin America has been heavily based on external demand for natural resources and commodities. A number of structural weaknesses may impede higher and more inclusive economic growth. These include difficult access to innovation, and the lack of competitiveness affecting many micro-businesses and SMEs.

Of particular relevance to ensure greater social inclusion in the continent, youth opportunities must be created, gender issues addressed and high-quality job offers increased. Reducing socioeconomic disparities between the urban, rural and remote areas is also a key issue.

Reconciling environmental sustainability with economic growth is a major challenge in Latin America. The region is highly vulnerable to climate change and to natural disasters. Its environment is being heavily affected by issues such as biodiversity loss, deforestation, land degradation, water pollution, with direct consequences particularly for the poorest. This is exacerbated by unplanned growth of urban areas and inequality.

Latin America is also seeking to step up efforts on governance, because it is essential to restore the confidence of citizens in state institutions. There is a mounting demand for high-quality democracy and for more accountable institutions with better capacities to represent and deliver.

None of the above challenges can be properly addressed without sufficient public resources. A low proportion of gross domestic product (GDP) is taken as tax. Tax systems are very regressive with a high reliance on indirect taxes, low taxes on personal income and a narrow tax base. Citizens’ trust in the quality of public services is generally low. Achieving greater fiscal equity, and strengthening the capacity and efficiency of the public administration, including the necessary reforms of public finance management systems, is crucial to tackle inequality, to increase levels of social cohesion and to respond to growing social demand for quality public services.

The MIP 2014–20 looks to support Latin America in tackling these challenges. It comprises two components:

- Component 1: multiannual indicative programme for continental activities with Latin America
- Component 2: multiannual indicative programme for sub-regional cooperation with Central America

The Latin American eligible countries for Component 1 are the following: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay and Venezuela.

Eligible Latin America countries for component 2 are the following: Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama.

The MIP for continental activities with Latin America (EUR 805 million) is organised around the following priority areas: the security development nexus allocates an indicative amount of EUR 70 million in order to reinforce the capacity of states to effectively ensure security conditions conducive for inclusive development. Good governance, accountability and social equity counts a EUR 42 million envelope to reinforce the accountability and capacity of institutions and public administrations to provide high quality public services. A further EUR 215 million are set aside to achieve poverty reduction through more inclusive and sustainable growth for human development. The amount of EUR 300 million is reserved for the environmental sustainability and climate change priority, which aims at reducing poverty of most vulnerable populations by fostering environmentally sustainable development and improving the capacity to cope with climate change and disasters.

Supporting higher education in Latin America is also a longstanding objective of the EU–LAC bi-regional partnership to provide the region with the knowledge and skills for addressing continued developmental needs in the region. Cooperation under this strand will be fully integrated into the Erasmus+ programme for 2014–20 and EUR 163 million are destined to promote higher education exchanges and cooperation between the EU and Latin America.

An important common thread running through these priorities is support for the promotion of social cohesion. This is a concept to which all the region’s governments from across the political spectrum, as well as most sectors of civil society, are highly attached. It has been a leitmotiv of the EU’s bi-regional relationship with Latin America endorsed at the highest political level, since the Third EU–LAC Summit, held in Guadalajara, Mexico, in May 2004. Social cohesion will be addressed in all priority areas in an integrated way and specific social cohesion targets will be defined during the implementation phase.
The main objectives of the MIP for the sub-regional cooperation with Central America (EUR 120 million) are:

1. to contribute to a sustainable and inclusive growth in Central America through an improved regional economic integration;
2. to contribute to the reduction of violent crime and impunity, whilst respecting human rights and promoting a culture of peace;
3. to contribute to building more resilient and sustainable societies through a better preparation of the region to address climate change.

In line with these objectives, the three focal sectors proposed for sub-regional cooperation with Central America are:

1. Regional economic integration (EUR 40 million);
2. Security and the rule of law (EUR 40 million);
3. Climate change and disaster management (EUR 35 million).

For more information on the regional programming in Latin America, please visit the dedicated page on EuropeAid.
Regional cooperation in the Caribbean

The Caribbean Region comprises countries that present a high degree of heterogeneity, in terms of size, development, history and culture. However, they are facing some fundamental common challenges which can be only addressed by joint responses. All countries are classified as Small Island Developing States (SIDS) and as such, they are confronted with an inherent vulnerability to exogenous shocks including natural disasters and man-made crises beyond their control. Not surprisingly the countries have been increasingly working together on the issue of environment and climate change. The erosion of trade preferences for the region’s traditional commodities, united to the financial crisis have contributed to a serious economic slowdown in recent years. Progress on the regional economic integration and cooperation processes can support intra-regional trade, increase competitiveness and pave the way to infrastructure investment in strategic fields such as energy and interconnection which would otherwise be very difficult at national level due to the limited economy of scale offered by small-size economies. Crime and security is another fundamental challenge.

There are various integration contexts in the Caribbean which offer different constellations. Among them, the Organisation of Eastern Caribbean States (OECS) has reached the highest level of integration. The Caribbean Community (Caricom) is still advancing towards deeper and wider levels of integration including the establishment of the Caribbean Single Market and Economy (CSME). Cariforum includes the 15 Caribbean ACP countries and plays a fundamental role in cooperation with the EU and the implementation of the 2008 Economic Partnership Agreement (EPA).

The EU as a whole has strong historic ties with the Caribbean and some individual EU Member States still maintain close links with the region, notably through the French outermost regions (ORs), and the particular relationship between the UK and the Netherlands with the Overseas Countries and Territories (OCTs). Wider Caribbean cooperation between Cariforum countries and ORs and OCTs as well as between Cariforum countries and other regions including Latin America offers substantial development opportunities and is a priority.

In this context, the 11th EDF Caribbean regional indicative programme (CRIP) proposes to address the challenges of the Caribbean ACP countries, following objectives and approaches spelt out in the 2012 Joint Caribbean–EU Partnership Strategy which is aligned with the more recent ‘Five Year Strategic Plan for the Caribbean Community, 2015–19’. The programme, which has yet to be adopted by the EU, foresees allocating EUR 346 million along three focal areas.

Cooperation under the first proposed focal sector regional economic integration and cooperation pursues three overall objectives, namely to strengthen Caribbean regional integration and cooperation processes; to support inclusive and sustainable private sector development, investment facilitation and external trade capacity; and finally, to support reinforced Cariforum–EU Cooperation including EPA implementation. The indicative allocation for this area is EUR 102 million.
The second selected focal area is **climate change, environment, disaster management and sustainable energy**, with an indicative allocation of EUR 61.5 million. EU–Caribbean cooperation will aim at improving regional resilience to impacts of climate change and natural disasters affecting sustained economic and social development; supporting regional capacity for the sustainable use of natural resources; and promoting energy efficiency and development and use of renewable energy.

The third focal area is **crime and security**, with an indicative allocation of EUR 44 million. EU–Caribbean cooperation under the 11th EDF regional indicative programme will aim at three overall objectives in this focal area. These are crime prevention, risk reduction and enhancement of restorative justice; citizen and border security; and increasing compliance with international norms on financial crimes, terrorism financing and corruption.

In addition to the allocation described above an allocation of EUR 135 million has been reserved under the CRIP for the **Caribbean Investment Facility (CIF)** to mobilise investments in key economic infrastructure in the first two focal sectors. It is recognised that investment facilities (blending grants and loans) can be a very useful way to address all priorities of the CRIP. The remaining funds will be used for support measures.

EU–Caribbean cooperation under the 11th EDF can build on experiences and lessons learnt under the previous programmes. Progress made so far in the region has gradually shifted the nature of EU–Caribbean relations from a traditional donor-beneficiary relation to a much more equal cooperation where there is space for dialogue, mutual enrichment and exchanges of experiences and lessons learnt.

In order to respond flexibly to these challenges, EU–Caribbean regional cooperation will combine different implementation modalities and approaches. It will translate into a combination of **regional programmes**, **sub-regional programmes** and **multi-country programmes**. The CIF will be utilised to blend grants and loans and leverage investments in the region.

Building on the principles of the Cotonou Agreement, the fundamental objective is poverty eradication through the promotion of sustainable regional development. The involvement of a **wide range of actors** including the private sector and civil society is of great importance. Efforts will be undertaken in order to make the actions funded **visible and communicate to the general public**, raising awareness on the benefits of regional integration and international cooperation and trade for the inhabitants of the Caribbean countries.

For more information on the regional programming in The Caribbean, please visit the **dedicated page on EuropeAid**.
BILATERAL COOPERATION

Agenda for change: ‘graduation’ of upper MICs in LAC

The shift in focus brought by the ‘Agenda for change’ and in particular through its differentiation approach, resulted in the discontinuation, as from 2014, of bilateral development aid to eight countries in Latin America and one in the Caribbean: Argentina, Brazil, Chile, Costa Rica, Mexico, Panama, Uruguay, Venezuela and Bahamas. All these countries are continuing to benefit from regional and thematic programmes while dialogue on cooperation as a whole is secured under the EU–CELAC strategic partnership as well as under bilateral agreements with individual countries. In addition, the European Commission is exploring, in line with international commitments, dialogue and cooperation in new areas of mutual interest, including the context of ‘South–South’ cooperation.

Bilateral development cooperation under the EDF and the DCI will continue during the 2014–20 period with the Caribbean countries (except the Bahamas), 13 OCTs and 6 Latin American countries namely Bolivia, El Salvador, Guatemala, Honduras, Nicaragua and Paraguay. Colombia, Ecuador and Peru are receiving bilateral cooperation in a phasing-out mode up to 2017.
Bolivia

Bolivia has moved from a low-income economy to a lower middle-income economy in six years and has made significant progress towards achieving the MDGs. Indicators reveal improvement of living conditions in the poorest segments of the population. However, longstanding inequalities still exist and Bolivia remains the poorest country in South America.

Cooperation 2014–20

Based on Bolivia’s specific conditions and needs, in accordance with the development agenda of the government, Bolivia’s Patriotic agenda 2025 which sets out the long-term vision for Bolivian development, sector policies, the European coordinated response and the analysis of donor involvement in specific sectors, the following sectors have been selected for EU intervention (EUR 281 million):

- justice sector reform
- fight against illicit drugs
- integrated water resources management.

Colombia

Over the last years, Colombia has considerably improved its financial and macroeconomic situation. At the same time, Colombia faces an important challenge in consolidating peace following decades of internal strife and violence. Moreover, in spite of the significant progress already achieved by Colombia in reducing poverty, the country is still characterised by large imbalances in income and in access to social services.

Cooperation 2014–20

In line with EU development cooperation policy, as an upper middle-income country, Colombia should have, in principle, graduated from bilateral cooperation under the DCI. However in December 2013, the EU decided to make an exception, continuing cooperation with Colombia (and with Ecuador and Peru) for a phase-out period, in 2014–17, and an allocation of EUR 67 million. The aim is to consolidate ongoing cooperation, and to tackle the remaining development challenges in the poorest regions of the country.

Within this context, the following sectors have been identified for the EU intervention:

- local economic development and institutional strengthening
- sustainable trade and investment.
Ecuador

Over the last years, Ecuador has embarked on a process of democratic consolidation combined with profound social and economic changes. Social indicators (unemployment, extreme poverty, inequality) have improved and the country has maintained a sound pace of economic growth, reaching the status of upper middle-income country. Despite the progress, serious challenges still remain: social inequality persists.

Cooperation 2014–20

In line with EU development cooperation policy and qualified as an upper middle-income country, Ecuador should have graduated from bilateral cooperation. However, in December 2013, the EU decided to make an exception, continuing cooperation with Ecuador for a phase-out period, in 2014–17, with an allocation of EUR 67 million.

Within this context, the following sectors have been identified for the EU intervention:

- support to sustainable and inclusive growth at the local level
- fostering sustainable trade.

Peru

Over the past decade Peru has experienced one of the highest rates of economic growth in Latin America. Despite social and economic progress, Peru still faces a number of challenges. High levels of inequalities persist; large-scale extractive projects, which are the engine of Peru’s economic growth, carry the risk of rapid depletion of natural resources and biodiversity. Furthermore, Peru is currently one of the world’s largest producers of cocaine. Organised crime linked to the production and trafficking of illicit drugs negatively affects the stability in the region.

Cooperation 2014–20

In the perspective of phasing out bilateral development cooperation and in line with the requests made by the Peruvian government, the EU proposes to focus its support, with an allocation of EUR 66 million, on improving social service delivery at local level as well as on fostering sustainable trade with a focus on SMEs development, thereby consolidating actions under the previous programming period.

Within this context, the following sectors have been identified for the EU intervention:

- promoting inclusive development at regional and local level
- fostering sustainable trade and investment.

Ecuador on EuropeAid’s website
EU Delegation to Ecuador

Peru on EuropeAid’s website
EU Delegation to Peru
El Salvador

Despite the fact that El Salvador has made significant progress in reducing poverty through the implementation of social policies, especially in the areas of health and education, the country still faces several social, economic and security-related challenges. Over the last 15 years, El Salvador has experienced modest economic growth with low levels of productivity, employment creation and investment. Progress has been made on democracy and the human rights situation but the country’s political system and state institutions remain fragile.

Cooperation 2014–20

EU support over the 2014–20 period, with an allocation of EUR 149 million, will be focused on the following sectors of intervention:

- youth and social inclusion
- private sector development.

Guatemala

Guatemala is the most highly populated country in Central America with one of the highest demographic growth rates. It is classified as a lower middle-income country. It has the largest proportion of indigenous population in Central America (over 40 %) and 52 % of the total population is younger than 20 years of age. Guatemala shares the types of problems common to Latin American transitional democracies, such as the fragile rule of law, weak institutions and political parties, corruption and organised crime, widespread poverty and severe income inequalities.

Cooperation 2014–20

Taking into account the government’s national development agenda and the work of other development partners in the country, the EU and its Member States propose to focus their support over the 2014–20 period, with an allocation of EUR 186.8 million, on the following sectors of intervention:

- food and nutritional security
- conflict resolution, peace and security
- competitiveness.
Honduras

Honduras is a low middle-income country with one of the highest poverty rates in Latin America. It is estimated that more than 40% of the population live in conditions of extreme poverty, particularly in rural areas. Honduras’s social indicators are also among the poorest in Latin America and social differences remain very high.

Cooperation 2014–20

The following sectors have been identified for the EU intervention in the programming period 2014–20 with an allocation of EUR 235 million:

- food security: policy and strategy with a focus on family agriculture
- employment: decent work and social protection policy
- rule of law: universal accountability to the law and citizens’ democratic participation.

Nicaragua

Nicaragua is an aid-dependent country, being one of the poorest in Latin America. Despite positive economic growth rates in recent years and positive trends on a number of economic and social indicators, Nicaragua continues to face extensive poverty. Although insecurity is less acute in Nicaragua than in other countries, it is an issue of concern, especially on the Caribbean coast.

Cooperation 2014–20

The indicative allocation for Nicaragua of EUR 204 million will be assigned to the following focal sectors:

- support to the productive sector, with a focus on rural areas
- effective education for employment
- adaptation to climate change.
Paraguay

Over the last decade, Paraguay has enjoyed a period of fairly robust economic growth, although with strong fluctuations, resulting from its high dependence upon agricultural commodities. As a result of Paraguay's growth performance, extreme poverty decreased from 18% registered in 2011 to 10% in 2013. Inequalities in income distribution remain high.

Cooperation for the period 2014–20 builds upon the results achieved during 2007–13, and with an allocation of EUR 168 million, will contribute to addressing main development challenges in Paraguay through the following sectors:

- education
- private sector development and trade policy
- social protection
- democracy, participation and institutional strengthening.

Paraguay on EuropeAid’s website
EU Delegation to Paraguay

Cuba

Cuba is deeply immersed in a process of reforms, mainly in the economic and social field but also in the political and administrative domain. The ‘Guidelines of Economic and Social Policy’ (Lineamientos) outline Cuba’s medium-term strategic objectives. The Human Development Index for Cuba is high, at 0.815, which means that Cuba ranks 44th out of 187 countries with data.

Cooperation during 2014–20

The EU’s relations with Cuba have positively evolved in the recent past and emerged with a dynamic of finding more effective ways to enhance political dialogue and cooperation. The amount of EUR 50 million has been allocated for this period and the focal sectors of cooperation are the following:

- sustainable agriculture and food security
- environment and climate change: support for a better use of key natural resources for sustainable development
- support to sustainable economic and social modernisation.

Cuba on EuropeAid’s website
EU Delegation to Cuba
Dominican Republic

The Dominican Republic is a middle-income country, with the largest economy in Central America and the Caribbean. For the past two decades, the country has been one of the fastest growing economies and has weathered the economic crisis well. The Dominican Republic is member of the Central American Integration System SICA and the Cariforum group of ACP countries.

Cooperation during 2014–20

The financial allocation for the Dominican Republic under the 11th EDF is EUR 72 million. The two focal sectors are:

- inclusive productive development and capacity-building for quality employment
- institutional reforms of the public administration.

Jamaica

A middle-income country located in the Caribbean Sea, Jamaica’s key strengths include its political stability, abundant natural resources, a well-educated workforce and close ties with the United States of America, the EU and fellow members of Caricom. Several factors hamper the country’s social and economic development: a large public debt, a high level of crime, and a series of devastating hurricanes and tropical storms. Jamaica is mostly on track to reach the 2015 MDGs targets.

Cooperation during 2014–20

Under the 11th EDF, the financial allocation for Jamaica totals EUR 46 million. The EU financial support to the national development strategy is built around three focal sectors:

- justice
- environment and climate change
- public finance management.
Belize

Located on the Caribbean coast, Belize is the only English-speaking country in Central America. It is an upper middle-income country which has as main economic activities agriculture and tourism. Poverty is still widespread, in particular in rural areas. Moreover, given Belize’s dependence on tourism receipts and remittances from emigrants, the country strongly feels the effects of the global economic crisis in these areas.

Cooperation during 2014–20

The national indicative programme (NIP) under the 11th EDF foresees a financial allocation of EUR 27 million for Belize and is projected on the following three focal sectors:

- renewable and sustainable energy
- health
- public finance management.

Belize on EuropeAid’s website
EU Delegation to Jamaica, Belize, The Bahamas, Turks and Caicos Islands and Cayman Islands

Haiti

Haiti, the poorest country on the continent, faces a multitude of structural development challenges, compounded by the devastating earthquake of 12 January 2010 that reached magnitude 7.0 on the Richter scale. The EU responded with immediate humanitarian aid and stepped up its long-term development assistance to best support the country’s recovery.

Cooperation during 2014–20

For the funding cycle 2014–20, the EU will be supporting interventions for an indicative allocation of EUR 420 million centred on the four focal areas of:

- state reform and modernisation of the public administration
- education
- urban development and infrastructure
- food and nutritional security.

Haiti on EuropeAid’s website
EU Delegation to Haiti
Barbados

Since independence, Barbados has transformed itself from a low-income economy dependent on sugar production into an high-income economy. Economic activity relies heavily on tourism and the offshore business sector. Barbados, like many other countries in the Caribbean, was severely affected by the global economic crisis and the impact continues to be felt through the economy.

Cooperation during 2014–20

The national indicative programme (NIP) for Barbados under the 11th EDF was signed in the margins of the UN Third International Conference on Small Islands Developing States (SIDS) in September 2014, for a total amount of EUR 3.5 million. The NIP lays down the priorities for the period 2014–20 with the bulk of the allocated amount going to the single focal sector of:

- renewable energy/energy efficiency.

Antigua and Barbuda

Comprising two islands situated on the northern part of the Caribbean arc, Antigua and Barbuda is one of the most prosperous countries in the region. However, the global economic crisis triggered the worst recession in decades, and it contributed to a sharp decline in government revenue. The strains from the economic crisis also led to the collapse of one of the largest domestic banks, the Antigua and Barbuda Investment Bank (ABIB). The main challenge is to bring about greater diversification of its tourism-dependent economy, a better balance of public finances, regional integration and sustainable development.

Cooperation during 2014–20

The 11th EDF NIP confirms that public financial management continues to be a priority for the government, being a key component of its overall fiscal strategy. The bulk of the EUR 3 million allocation to Antigua and Barbuda will support:

- public financial management (PFM).
Dominica

Dominica is a small island developing state and is particularly vulnerable to adverse climatic conditions, as well as social, economic and environmental shocks. While its traditional economy is based on banana exports, recent changes in the market have led to the development of service sectors, including tourism, offshore medical schools and offshore finance. However, the lack of infrastructure, including the absence of a large international airport, limits the potential of those sectors.

Cooperation during 2014–20

The NIP for Dominica under the 11th EDF foresees a total amount of EUR 4 million. The NIP lays down the priorities for this period along its focal sector:

- renewable energy/energy efficiency.

Grenada

The Grenadian economy has evolved over the last 40 years moving from high dependence on agriculture, to an economy highly dependent on services. The global economic crisis had a significant impact on the local economy creating strong difficulties in the fiscal sector. Furthermore, Grenada is very vulnerable to climate change and natural disasters and is still recovering from the consequences of hurricanes occurring during the 2000’s.

Cooperation during 2014–20

The MIP for the 11th EDF foresees EUR 5 million to improve the quality, efficiency and effectiveness of health services’ delivery for all Grenadians, providing an accessible, comprehensive, integrated and continuing range of health services through primary healthcare system reform. The focal sector is:

- health.
Saint Lucia

The Caribbean island of Saint Lucia is a typical windward island of volcanic rock. The country was strongly affected by the global economic crisis which left Saint Lucia with high external, public and private debt. It has passed the difficult post-crisis environment, becoming the largest economy in the Eastern Caribbean Currency Union (ECCU). However, the demand in the tourism sector remains weak, and at the same time natural disasters and a major outbreak of a banana leaf disease held back growth.

Cooperation during 2014–20

Under the 11th EDF the financial allocation to Saint Lucia will be EUR 6.9 million in programmable funds. The focal sector is:

- employment generation through private sector development.

Saint Lucia on EuropeAid’s website
EU Delegation to Barbados and the Eastern Caribbean

Saint Kitts and Nevis (SKN)

SKN is a high-income country and a small open economy. The country’s economy is in profound change. The export of sugar has been abandoned in favour of the promotion of the service sector. However, the long-lasting financial support to sugar production has left the country with a high level of indebtedness. This financial imbalance intensified the impact of the global economic and financial crisis on the local economy, increasing the vulnerability of the island in terms of poverty and unemployment.

Cooperation during 2014–20

The MIP for the 11th EDF foresees EUR 2.8 million to develop a sustainable energy sector through the increased integration of renewable and energy-efficient technologies in public facilities and social housing programmes, and to increase awareness, education and training in relation to renewable energy and energy efficiency.

Focal sector:

- renewable energy and energy efficiency.

Saint Kitts and Nevis on EuropeAid’s website
EU Delegation to Barbados and the Eastern Caribbean
Saint Vincent and the Grenadines (SVG)

SVG is a middle-income country with a small open economy. It is the poorest country in the Eastern Caribbean and suffers from high unemployment, especially among women and youth. Its major economic pillars are tourism and agriculture, primarily banana production. The international economic crisis and the devastating hurricane Tomas (2010) have deeply affected the country, increasing its vulnerability to poverty and economic distress. The financial situation of the country is also of concern because of its high level of overall debt.

Cooperation during 2014–20

The MIP for the 11th EDF foresees EUR 7 million to strengthen the national road management and maintenance programme whilst minimising environmental impacts. Focal sector:

- rural roads.

Saint Vincent and Grenadines on EuropeAid’s website
EU Delegation to Barbados and the Eastern Caribbean

Guyana

Guyana’s economy depends on commodity exports and non-traditional agricultural products. The economy is vulnerable to fluctuations in both levels of sugar production and commodity prices. Environmental management is one of Guyana’s key priorities. The impact of climate change is already being felt mainly with sea level rise affecting coastal areas where most of the economic activity takes place.

Cooperation during 2014–20

The MIP for the 11th EDF foresees EUR 34 million to continue enhancing Guyana’s adaptation capacity to climate change through support in sea defences and integrated coastal management, with benefits to the population and economic activity in low-lying parts of the coastal regions.

Focal sector:

- climate change adaptation, including sea defences.

Guyana on EuropeAid’s website
EU Delegation to Guyana, Suriname, Trinidad and Tobago, and for the Dutch Overseas Countries and Territories
Suriname

Suriname’s social indicators are generally comparable with those of its Caribbean neighbours. Its economy is small with public sector activities, mining and services being the major sectors. The agriculture sector and fisheries contribute a relatively small share of gross domestic product, averaging at about 5-7% annually. Nevertheless, the sector has high potential for contributing to economic diversification, employment generation and adaptation to climate change.

Cooperation during 2014–20

The MIP for the 11th EDF foresees EUR 13.8 million to boost sustainable agriculture production, economic diversification and employment generation and improve life and wealth prospects of Surinamese people. The focal sector is:

- agriculture.

Trinidad and Tobago

Trinidad and Tobago is a high-income country. Its economy is driven by natural gas and petro-chemical exports, and it has developed industrial and financial sectors. Trinidad and Tobago is one of the most developed nations in the Caribbean, and has the second highest per capita income in the region. However, social indicators lag behind economic growth and there are substantial pockets of poverty.

Cooperation during 2014–20

The MIP for the 11th EDF foresees EUR 9.7 million to support the government’s effort in the diversification of the economy and in reducing dependency on the energy sector, by increasing the competitiveness of the country in an economically, socially and environmentally sustainable manner, and by building stronger and more efficient public service institutions. The focal sector is:

- support for building a competitive and innovative economy.
In addition to geographic, regional and country-based programmes, the European Commission operates a number of thematic programmes with global reach. The aim is to tackle effectively common worldwide problems and universal issues in sectors like human rights, democracy and environment. The bulk of the funds dedicated to these programmes finance activities implemented by civil society.

During the period 2007–13 and with an initial allocation of almost EUR 5.6 billion, the European Commission operated a number of thematic programmes, including in LAC, in the following five areas: (i) investing in people (health, education, gender equality, culture, employment, social cohesion, youth and children); (ii) environment and sustainable management of natural resources including water and energy; (iii) non-state actors (NSAs) and local authorities in development; (iv) food security and (v) migration and asylum.

During the same period more than EUR 40 million were committed to provide direct support to human rights defenders for protection, medical/legal aid, relocation, investigative missions, security training and campaigning in several countries of Latin America.

For the period 2014–20, thematic programmes and programmes in support of civil society and local authorities will continue to complement geographic programmes with an indicative combined allocation of EUR 6.9 billion. The focus will be on global public goods and challenges which translate more concretely into the following five areas: (i) environment and climate change; (ii) sustainable energy; (iii) human development, including decent work, social justice and culture; (iv) food and nutrition security and sustainable agriculture and (v) migration and asylum.

Platform for the migrants’ rights defenders in Central America and the Caribbean — Soleterre: through training courses on security management, national controls, virtual meetings, the dissemination of information on websites, the activation of an emergency fund to provide concrete and immediate support to defenders of migrants in situations of serious risk of immediate danger, the project provides operational and logistical support and comprehensive services with a focus on human rights, to those who work for the benefit of the migrants in Belize, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Mexico, Nicaragua and Panama.
# List of acronyms

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<td>ABIB</td>
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<tr>
<td>ACP</td>
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