

# Latin America and the Caribbean Regional Strategy



## 1. Introduction

GGGI began operations in Latin America and the Caribbean (LAC) in 2013, and currently has eight Members in the region including Colombia, Costa Rica, Ecuador, Guyana, Mexico, Peru, Paraguay, and the Organization for Eastern Caribbean States (OECS). To date, GGGI's work in the region has focused on national and subnational green growth planning, sustainable landscapes, green cities, renewable energy, developing green investment projects and improving access to climate finance. GGGI opened the Latin America & Caribbean regional office in Fall 2018 in Mexico City, Mexico. The region continues to experience growth and interest in Membership, with Letters of Intent received from the Governments of Dominican Republic, Chile, Guatemala, and Nicaragua.

The LAC Regional Strategy will cascade the direction, program orientation, ambitions, and growth targets from Strategy 2030 and the Roadmap to the regional level. The strategy is aligned with global climate and sustainable development commitments, country priorities, as well as GGGI's programmatic solutions and global operational priorities. The LAC Regional Strategy also serves as the basis to support Members in the LAC region to green their COVID-19 Recovery Plans and develop Green New Deals as their long-term strategies to build back better.

## 2. Regional Focus and Programmatic Solutions

### 2.1: Regional Challenges and Opportunities

Latin America is one of the most biodiverse regions in the world, home to a large majority of middle-income countries, and a wide range of geographic and climactic conditions ranging from the Andes to the dry corridor to the Caribbean. The social, environmental, and economic impacts of climate change are closely tied to countries' development priorities and the everyday lives of their citizens. Challenges and opportunities for the development of a Green Growth agenda and more ambitious climate action are outlined below:

#### *Challenges*

- Impact of climate change on agricultural economies, which make up ~ 6% of LAC country's GDP
- Threat of deforestation in one of the most biodiverse regions in the world
- Increased urbanization exacerbating unequal access to services including waste management, public transport, and energy
- Persistent poverty and gender inequality
- Competing political priorities between climate change and other pressing issues including quality of life, security and transparency and overcoming
- Devastating social, economic, and health impacts of the COVID-19 pandemic that has led to job loss, exacerbated inequality, and increased civil unrest

#### *Opportunities*

- High concentration of MICs with considerable green investment potential
- Significance of the AFOLU Sector as an economic driver with mitigation and adaptation potential
- Opportunity to leverage urbanization to expand access to inclusive, sustainable services
- Green Job creation to support a Green COVID Recovery and enhance entrepreneurship and innovation
- Government commitment to Climate Action, Green Recovery and the SDGs

### 2.2: Programmatic Solutions

The LAC regional focus areas to 2025 are aligned with 1) GGGI's programmatic solutions outlined in Strategy 2030, 2) The key regional challenges 3) the key opportunities in the region, 4) NDC and NAP priority areas, 5) Existing regional expertise and track record, and 5) current resource mobilization and project pipeline. By 2030, GGGI's LAC Regional Program aims to see growth in the ten programmatic solutions, as outlined below.

**Phase-In Programmatic Solutions: By 2025, the following programmatic solutions will be implemented in 1-2 countries in the region with a budget allocation of .1-.5M for each PS annually across the LAC portfolio.**

- **Coastal Resilience (PS 5):** Sea level rise, tropical storms, and temperature changes impact tourism, food and water security. These issues are particularly in Guyana and Eastern Caribbean states. By 2025, the LAC region will begin phasing in Coastal Resilience interventions in 1-2 countries, particularly related to the blue economy and enhanced coastal resilience.
- **Sustainable Mobility (PS 7):** Sustainable Mobility is a priority mitigation area in all of GGGI Members' NDCs in the region. In the next five years the LAC region expects sustainable mobility projects in at least 2 countries

with a growing resource mobilization pipeline. Key focus areas in sustainable mobility in the region include e-mobility, non-motorized transport, and policy advisory on the air quality implications of sustainable mobility.

- **Green Buildings (PS 8):** Green buildings and energy efficiency are a priority for both mitigation and adaptation in seven of GGGI's LAC Member's NDCs. GGGI will target activities related to green buildings in 1-2 countries, prioritizing Guyana and Caribbean by 2025.
- **Mainstreaming Poverty Eradication and Gender Equality (PS 11):** The LAC region aims to have at least .5M in dedicated funding annually towards poverty eradication and gender equality by 2025.

**Maturing Programmatic Solutions: By 2025, the following programmatic solutions will be implemented in 3-5 countries in the region with a budget allocation of .5-2M for each PS annually across the LAC portfolio**

- **Climate Action (PS2):** GGGI will continue to support Member and Partner countries in developing National and Subnational Inclusive Green Growth policies, plans and strategies, updating and delivering on their NDCs, designing MRV systems, implementing carbon pricing instruments, and supporting countries in accessing climate finance, particularly through the GCF. GGGI also aims to expand work on adaptation in the region. It is expected that climate action activities will be implemented in at least four or more countries with \$1M dedicated annual budget.
- **Climate Resilient Agriculture (PS 3):** To date, GGGI has some experience in the LAC region in the agricultural sector, particularly in Peru and Colombia and it is highlighted as an adaptation priority sector in all eight of the LAC Member's NDCs or NAPs. Climate Resilient Agriculture is a key entry point in countries that do not yet have active programs including Ecuador, Costa Rica and Paraguay. It is expected that by 2025, GGGI will have at least \$1M annual budget across the region for agriculture activities in 4 countries.
- **Waste Management (PS 6):** With more than 541,000 tons of municipal waste generated per day in the LAC region, waste management is a growing area of urgency, a mitigation priority area in all eight of GGGI's LAC Members, and an Adaptation priority in three Member's NDCs or NAPs. To date, GGGI has delivered waste management related activities in Colombia, Peru and Mexico, with interest also expressed from Guyana, Paraguay and Costa Rica. Waste Management will be a priority area as a maturing programmatic solution for the region. It is expected that by 2025, there will be 3 countries and at least \$.8M yearly budget allocation for waste management activities. Priorities in this sector include waste to energy, circular economy strategy implementation, solid waste management, and extended producer responsibility schemes.
- **Solar PV (PS 9):** GGGI's work related to solar PV in LAC has been primarily concentrated in Guyana and Colombia, with some activities in the Caribbean. Solar PV is both a mitigation (8 Members) and adaptation (5 Members) priority in the region's NDCs/NAPs. By 2025, at least 4 countries will be working in Solar PV related activities, with \$.8M dedicated yearly budget across the region.
- **Green Industries (PS 10):** The LAC region has been increasing interventions in Green Industries, particularly Green Entrepreneurship, with current greenpreneurs programs active in Colombia and the Caribbean. Given the emphasis of green jobs as part of COVID-19 recovery, by 2025, the LAC region is expected to have activities in green entrepreneurship in at least 3 countries with at least \$.5M yearly budget.

**Consolidating and Expanding Programmatic Solutions: By 2025, the following programmatic solutions will be implemented in 5 or more countries in the region with a budget allocation of 2M or greater for each PS annually across the LAC portfolio**

- **Sustainable Forests (PS 4):** GGGI's most extensive expertise in the region is in sustainable forests, where the Colombia program has led the way, with additional activities in Peru and in Guyana. All eight Members in the region prioritize sustainable forests as a mitigation priority sector on their NDCs. It is expected that by 2025, sustainable forest interventions will be implemented in five or more countries with at least \$2M dedicated budget to sustainable forest activities across the region.
- **Green Investment (PS 1):** GGGI has seen increasing success in the LAC region in the area of green investment, with green investment commitments between 2015 and 2020 reaching 531M and is expected to continue to grow thanks to a relatively mature private sector in UMICs (and opportunities for maturity in LMICS), regulatory frameworks in place, strong human capacity, high levels of foreign investment, and donor interest in green investment in the region. Green investment commitments in LAC are expected to reach 1.66B by 2025. G.GGI will continue to engage with the private sector, local financial institutions, and international funds and multilateral development banks to enhance our partnerships and mobilize funds for sustainable projects.

## 2.3 Strategic Outcome and Investment Targets: The Strategic outcome targets

Regional Strategic Outcome Targets		
Strategic Outcome Targets	GGGI Overall Target to 2025	LAC Regional Target to 2025
1. GHG emission reduction (Mton CO2e)	300	96
2. Direct Green jobs (million jobs created)	0.5	0.2
3. Sustainable services (Million people)	40	14
a. Energy access	10	3.3
b. Sanitation	4	0.4
c. Waste	20	8
d. Transport	6	2
4. Air Quality Improvement	Not Available	Not Available
5. Natural Capital protection (Million hectare)	0.1	0.1
6. Adaptation services (Million people)	2	1

LAC Regional Investment Targets to 2025	
Year	Target
2021	130M
2022	200M
2023	3000M
2024	425M
2025	600M
<b>Total 2021-2025</b>	<b>1.66B</b>

## 3. Effective and Efficient Regional Delivery

**3.1 Role of the Regional Office:** The regional office is responsible for 1) Setting the strategy for the region; 2) Providing oversight and risk management; 3) Ensuring that financial resources are effectively secured; 4) Ensuring that regional technical expertise is available and effective 5) Delivering multi-country and regional programs; 6) Scoping and initiating new country activities; 7) Providing decentralized operational support.

**3.2 Managing Growth:** Since 2012, Membership to GGGI in LAC has grown to eight: Costa Rica, Colombia, Ecuador, Guyana, Mexico, Paraguay, Peru, and OECS. There is interest in Membership from a growing number of LAC UN Member States, and by 2025, the LAC region aims to have at least five additional Members (including Chile, Dominican Republic, Guatemala, and Nicaragua) formally submitting a letter expressing their intent to ratify the Agreement on the Establishment of GGGI. The establishment of program operations will be guided by the Criteria on Country Programming and will establish operations where there is a strong political commitment and adequate financial resources. In addition, it is expected that as the Caribbean program grows, it will diversify its operations into both regional level and country level activities which will require a unique strategic approach.

**3.3 Leveraging Regional Expertise:** Key to the successful implementation of the LAC Regional Strategy will be an integrated approach across countries that promotes synergies, enhances the replication of successful interventions, and responds with anticipation to changing organizational direction and needs. This will be done through: 1) Identifying and sharing key skills across the region; 2) Using GGGI's experiences to reduce the learning curve in new projects or countries; 3) Leveraging remote delivery for low cost, high value collaboration; 4) Investing in learning and collaboration opportunities for staff to integrate new and emerging knowledge into GGGI's operations; and 5) Delivering multi-country, regional and subregional programs, projects and initiatives

**3.3 Resource Mobilization and Partnerships:** The key areas of focus for Partnerships and Resource Mobilization in the LAC region to 2025 will be as follows:

- **Enhance business development for regional and multi-country programming:** In the next five years, we will prioritize business development for a regional and multi-country programmatic approach. By 2025, GGGI's goal is to have signed at least USD \$20M in new earmarked funding agreements for regional and multi-country programs.
- **Broaden our resource base in the region:** The LAC region aims to add at least five new resource partners to the LAC portfolio by 2025.
- **Maximize multi country and regional projects to benefit prospective Members:** The focus of our operations will center upon Members, first and foremost. However, recognizing that climate action requires global coordination, we will seek to deliver benefits to at least five Partners in the region through voluntary earmarked funding.
- **Consolidate GGGI's Comparative Advantage for successful, expanded Partnership:** GGGI will leverage partnerships with the 1) private sector to mobilize green investment, 2) regional integration organizations, who have strong convening power; 3) Civil society organizations to enhance delivery of local initiatives; 4) Academia and think tanks to enhance technical solutions and disseminate knowledge; 5) International

Organizations, funds, and multilateral development banks (such as IDB, CABI, GCF) to enhance and expand delivery at scale.

## Annex 1: LAC Region Expected Program Maturity

Program	Year of Membership	Year of Program Inception	Expected phase of Program Maturity, by Year				
			2021	2022	2023	2024	2025
Caribbean (OECS)	2019	2019	Phase In	Maturation	Maturation	Expansion	Expansion
Colombia	2021	2013	Expansion	Expansion	Expansion	Expansion	Expansion
Costa Rica	2014	2016*	-	Phase in	Phase In	Phase In	Maturation
Ecuador	2019	2022	-	Phase In	Phase In	Phase In	Maturation
Guyana	2012	2019	Phase In	Maturation	Maturation	Maturation	Expansion
Mexico	2012	2013	Maturation	Maturation	Maturation	Maturation	Maturation
Paraguay	2018	2020	Phase In	Phase In	Phase In	Maturation	Maturation
Peru	2016	2013	Maturation	Maturation	Maturation	Expansion	Expansion
<b>Accession / Pipeline Countries</b>							
Chile	In Accession	2024	-	-	-	Phase In	Phase In
Dominican Republic	In Accession	2022	-	Phase In	Phase In	Phase In	Maturation
Guatemala	In Accession	2022	-	Phase in	Phase In	Phase In	Maturation
Nicaragua	In Accession**	2022	-	Phase In	Phase In	Phase In	Maturation
El Salvador***	Pipeline	2022	-	-	Phase In	Phase In	Phase In
Honduras***	Pipeline	2022	-	-	Phase In	Phase In	Phase In

\* Project activities were initiated in Costa Rica in 2016, but have since been on hold

\*\*Nicaragua is expected to deposit the Instrument of Accession within 2021

\*\*\*El Salvador and Honduras have been included as part of a large scale regional proposal. Within this framework, some activities are expected to be initiated in these countries by 2023.

## Annex 2: LAC Country Presence and Programmatic Solutions to 2025

