

REPORT

Seminar – “Opportunities created by the partnership between the European Union and the Andean countries: Global Gateway, investments, trade, and just green and digital transitions.”

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Introduction

The seminar titled “**Opportunities created by the partnership between the European Union and the Andean countries: Global Gateway, investments, trade, and just green and digital transitions**”, was co-organised by the EU-LAC Foundation and the General Secretariat of the Andean Community (SG-CAN) and took place at the headquarters of the SG-CAN in Lima on February 8, 2024. Its primary aim was to facilitate dialogue among representatives from various sectors of the Andean community, to exchange insights regarding the outcomes and opportunities arising from the 2023 Brussels Summit for their public policies and socio-economic development and to contribute with proposals to public policy in the most important issues of the agenda between the European Union and the Andean countries.

The seminar served to identify opportunities stemming from the Global Gateway investment initiative, formulate proposals for enhancing and strengthening cooperation, assess trends in European cooperation, exchange ideas concerning bi-regional cooperation challenges, and support the Andean integration process. Structured in a hybrid format, the seminar engaged 252 participants, with 75 attending in person and 177 joining online, 50% of which were women.

Opening remarks

In the inauguration, **Ambassador Gonzalo Gutiérrez**, General Secretary of the Andean Community, and **Dr. Adrián Bonilla**, Executive Director of the EU-LAC Foundation, coincided in the importance of the new dynamic relations with the European Union, with an emphasis on the many opportunities available to assist sustainable development strategies and public policies in the Andean region and strategic interests for Europe. Both also mentioned the products of the Brussels Summit of 2023 as positive steps in increasing relations amidst a difficult international political context.

Dr. **Bonilla** underscored the significance of the 2023 EU-CELAC Summit in consolidating the strategic partnership between Europe and Latin America in a complex international context that demands extra efforts to maintain the interest and partnership of Europe in Latin America in general, and the Andean countries in particular. In that light, the agenda of the just transitions, green and digital, as well as the investment initiative and the trade agreements provide a valuable agenda that gives many opportunities and benefits to both parties. **Ambassador Gutiérrez** emphasized the significance of the Global Gateway initiative, aiming to bridge investment gaps in line with EU-Latin American priorities such as green and digital transitions. He highlighted the Andean Community’s efforts in artificial intelligence, digitalization and labor promotion, including the “Conecta Empleo” initiative.

Narcisa Vladulescu, Chargé d’Affairs of the European Union in Peru, reiterated EU’s commitment to cooperation and sustainable development, citing the Green Deal and digital alliance as pivotal. She highlighted the initiatives launched in the Summit as an example of the importance the EU gives to the partnership with LAC nations. She also highlighted the positive socio-economic effects of the multi-party agreements with Colombia, Ecuador and Peru.

First Session: "EU-LAC Global Gateway Investment Agenda: An alliance for the future"

The first session addressed “The EU-LAC Global Gateway Investment Agenda: An alliance for the future”, with the interventions of (1) **Kristin Lang**, Head of the Latin America and Caribbean Division of the European Investment Bank (EIB); (2) **Francisco García**, representative of General Directorate for International Partnerships (DG INTPA) of the European Commission; (3) **Ezequiel Cambiasso**, representative of the Inter-American Development Bank (IADB) in Peru; (4) **Hernán Ponce**, former Ambassador of Ecuador to the European Union, Belgium, and Luxembourg; and (5) **Victor Muñoz**, co-founder of ARGIA, Green, Tech & Economics.

Throughout the session, speakers emphasized the importance of forging strong partnerships to drive sustainable development in the region and discussed common themes such as the need to align investment with development priorities and promote inclusive growth. The session laid the groundwork for discussions on leveraging investments to foster long-term economic prosperity, social well-being, and environmental sustainability within the framework of the EU-LAC Global Gateway Investment Agenda.

Lang explained ongoing efforts to analyze and implement new projects worth € 1.8 million. She highlighted the need for fair resilience, ensuring that vulnerable communities are not left behind. Lang urged continued

collaboration to implement the Global Gateway initiative effectively, emphasizing the importance of combining efforts from both the public and private sectors. She highlighted the European Investment Bank's role in implementing the initiative alongside other entities, including public financial institutions and mentioned the need to work closely with governments to prioritize projects aligned with the Global Gateway initiative.

Speaking from Brussels, **Garcia** highlighted the financial challenges faced by European countries in fulfilling their development aid commitments and emphasized the importance of leveraging private sector investment to complement public funds. He underscored the need for European investment to adhere to European standards in terms of labor, environmental sustainability, and quality and the importance of aligning investment projects with the development priorities of each country. Garcia suggested increasing European investment in Latin America, particularly in sectors with high potential for sustainable development. He emphasized the need for careful planning and coordination to ensure that investments contribute to long-term economic growth and social progress in the region.

Cambiasso outlined three major global challenges: climate change, biodiversity protection, and food security. He also stressed the importance of protecting the biosphere, particularly the Amazon rainforest, and highlighted opportunities for sustainable investment in the region. The IADB's Amazonia program was placed as an example of coordinated efforts to channel resources effectively towards environmental protection and development. He cited Peru's success in agro-exportation as a model for the region, achieved through collaboration between the public and private sectors. Cambiasso mentioned ongoing projects in areas such as water and sanitation, energy, and education across various Latin American countries. He emphasizes the need to bridge the digital divide in the region to ensure equitable access to education and opportunities.

Ponce stressed the importance of shared values such as democracy, rule of law, human rights, transparency, labor rights, gender equality, and sustainability. He also highlighted the emphasis on project quality and social/environmental sustainability. He acknowledged the historical focus of EU cooperation on Latin America and the Caribbean and emphasized the need for increased attention and diversification of alliances, particularly given current geopolitical tensions. Ponce highlighted the role of the private sector in driving investment and encouraged Latin America and Andean businesses to seize opportunities, particularly through public-private partnerships (PPP) and regional investments. He suggested empowering the Andean Community to negotiate better infrastructure, connectivity, green transition, health, and education projects on behalf of member countries.

Muñoz underscored the economic challenges facing Latin America, such as stagnant growth rates, low productivity, and limited investment in technology and human capital development. Muñoz stressed the significance of the Global Gateway initiative in potentially boosting regional growth and employment. He called for regulatory stability and legal certainty to attract private sector investment, stressing the need for long-term stability in investment frameworks and regulatory environments. Muñoz acknowledged the security challenges facing the Andean region, particularly in relation to environmental protection and biological resources, suggesting the need for international cooperation to address security issues.

Second Session: "10 years of the Multiparty Agreement: evaluation and perspectives for its better utilization"

The second session addressed "10 years of the multiparty agreement evaluation and perspectives for its better utilization", with the interventions of (1) **Paolo Garzotti**, Head of the Latin America Department, General Directorate for Trade (DG Trade) of the European Commission; (2) **Alan Fairlie**, professor and researcher at the Pontifical Catholic University of Peru; (3) **Adriana Vargas Saldarriaga**, Executive Director of the Industry Directorate of the National Business Association of Colombia (ANDI); (4) **Paz Milet**, professor and researcher at the University of Chile; and (5) **Diego Caicedo**, general director of the Andean Community.

Throughout the session, speakers highlighted the positive social, environmental, and economic impacts of the agreements of the EU with the Andean nations. Proposals and ideas were put forth to enhance the effectiveness of the agreement, including updating sustainability provisions, strengthening civil society involvement, and prioritizing access to the European market for environmentally friendly goods and services. Discussions also revolved around the challenges faced by Andean countries in maximizing the benefits of the agreement, such as compliance with non-tariff trade barriers, increasing export volume, and addressing trade imbalances.

Speaking from Brussels, **Garzotti** emphasized the agreement's positive social and environmental impacts, such as promoting the diversification of exports, involving more exporters, and supporting sustainable trade practices. He

proposed measures to further enhance the agreement's effectiveness, including updating sustainability provisions, strengthening civil society involvement, and prioritizing access to the European market for environmentally friendly goods and services. Garzotti compared the Andean agreement with the recently updated agreement with Chile, highlighting similarities and lessons learned that could be applied to further improve the Andean agreement.

Fairlie discussed the findings of various studies and highlighted the lack of a comprehensive comparative analysis and emphasized the importance of such assessments for a holistic understanding of the agreement's impact. He acknowledged the positive impacts of the agreements. However, he also noted challenges, including the high mortality rate of new exporters and difficulties in complying with non-tariff barriers and sanitary and phytosanitary measures. Fairlie proposed several areas for improvement, such as addressing non-tariff barriers, enhancing trade in services, facilitating public procurement, and strengthening intellectual property rights protection.

Vargas stressed the need for Colombia to aim for a higher growth rate, citing the country's comparative disadvantage compared to Peru and Ecuador in terms of export percentage of GDP. Vargas discussed the challenges Colombia faces in increasing its export volume, including reliance on domestic markets, internal standards differences, and a lack of export culture. She reflected on the impact of the EU-Colombia trade agreement, noting a deficit in the balance of trade, particularly attributed to mineral and energy exports. She proposed several strategies for addressing challenges and maximizing the benefits of trade agreements. These include developing local capacities through partnerships and joint ventures with European companies, leveraging initiatives like low-carbon business actions for mutual benefit, and enhancing cooperation in areas like sustainability and public procurement.

Milet acknowledged the significance of the agreement between the Andean countries and the European Union, highlighting its positive aspects such as signaling the commitment of the EU as a major global power. She emphasized its role in providing a framework for cooperation and dialogue between the Andean countries and the EU and discussed the differences in priorities and outcomes among the signatory countries, emphasizing the importance of recognizing the varied impacts of the agreement on different countries. Milet reflected on the lessons learned from the agreement and proposed continued collaboration between the public and private sectors. She also emphasized the importance of proactive engagement in international fora and regulatory processes to influence decision-making and ensure the interest of the Andean countries are represented.

Caicedo noted the transition from a unilateral trade regime to a negotiated agreement, highlighting the opportunity for Andean countries to advocate for their interests and negotiate trade terms. Caicedo pointed out the inclusion of new disciplines in the agreement, such as sustainable development, employment, and gender. He highlighted the recognition of Andean commitments within the agreement, underscoring the strength of the Andean integration system. Caicedo proposed measures to enhance competitiveness, including financial support for businesses, improvement in product quality, and regulatory alignment with international standards. He suggested conducting a deeper analysis to identify challenges and opportunities, particularly regarding regulatory and environmental compliance.

Third Session: "Challenges and opportunities of green just transition"

The third session addressed "Challenges and opportunities of green just transition", with the interventions of (1) **Mariela Cánepa**, Vice Minister for the Strategic Development of Natural Resources of the Ministry of Environment of Perú; (2) **Valeria Biffi**, Senior Technical Advisor for Latin America at GIZ; and (3) **Francesco Chiodi**, representative of the IILA- Organización Internacional Italo Latinoamericana, Programa EUROsocial puente. Panelists discussed from their perspectives the efforts to address challenges for green just transition.

Throughout the session, speakers explored the intricate balance between environmental sustainability, social equity, and economic development in the transition towards a greener economy. Speakers emphasized the need to align government priorities with tangible projects and secure financial support for implementing mitigation and adaptation measures. Discussion also centered on addressing social implications since challenges remain in integrating social objectives into green investment, underscoring the need for innovative approaches to ensure a holistic and inclusive transition towards sustainability. Emphasis was also placed in establishing long-term public policies for a green and equitable transition.

Cánepa emphasized the importance of aligning government desires with concrete projects and discussed Peru's ambitions in the context of its nationally determined contributions and national adaptation plan. She stressed that adaptation efforts should address challenges at various levels: ecosystems, species, and genetic diversity. She underscored the need to align climate change and biodiversity agendas and to establish criteria in projects that integrate both aspects. Cánepa highlighted the significance of financial support for implementing mitigation and adaptation measures. She mentioned Peru's efforts to define sovereign bonds that consider key performance indicators for both mitigation and deforestation, demonstrating a commitment to sustainable development. She emphasized the importance of ensuring that the projects are socially just and inclusive, considering the resilience aspect of adaptation efforts.

Biffi introduced the Euroclima program, explaining how Euroclima supports countries in their ecological transition to improve their climate adaptation and mitigation goals, as outlined in their Nationally Determined Contributions (NDCs). Biffi highlighted specific interventions in Peru, such as developing tentative agendas and national and regional plans to implement NDCs in the agricultural and energy sectors. These interventions aim to improve sectoral capacities to meet NDC targets and are coordinated through formal political launches of the country action plan. Biffi emphasized the importance of engaging the private sector in the ecological transition, noting that green transition efforts require collaboration across sectors and levels of governance.

Chiodi highlighted the importance of considering the social implications of green transitions. Chiodi stressed that social issues become prominent during major international events or social upheavals, indicating the need to address social concerns alongside environmental objectives. He discussed challenges specific to Latin America, particularly regarding the historical dominance of economic policies over social policies since the mid-1990s. Chiodi proposed three fronts for addressing social concerns in the green transition: adaptive social protection, mitigation of negative impacts, and policies promoting and accompanying the transition. Chiodi mentioned the challenge of integrating social objectives into green investments, particularly within the framework of the Global Gateway initiative. He suggested incorporating employment objectives into investment planning as one approach to address this challenge.

Fourth Session: “Dimensions of the digital transformation for sustainable growth”

The fourth session addressed “Challenges and opportunities of green just transition”, with the interventions of (1) **Marushka Chocobar**, former Secretary of Government and Digital Transformation of Peru; (2) **Victor Muñoz**, co-founder of ARGIA, Green, Tech & Economics; (3) **Gisela Dávila**, general director of the International Center for Higher Studies in Communication for Latin America (CIESPAL); (4) **Diego Caicedo**, general director of the Andean Community; and (5) **Maité Vizcarra**, of the Ortega y Gasset Foundation.

The session underscored the critical importance of access to digital resources and opportunities for all individuals, particularly those in vulnerable situations. Speakers discussed the challenges and opportunities for cooperation in addressing regulatory issues, promoting regional standards, and supporting ecosystemic innovation, as well as the need to include digital education in the schools. Emphasis was placed on the need to bridge the digital divide, support SMEs and informal economies, and ensure continuous access to digital tools, and making the state more digital, more efficient and more accessible to their citizens. The session also explored the Andean Community's engagement with digital transformation.

Chocobar noted that access to digital resources and opportunities is crucial for the development of all individuals, particularly those in need of protection. She outlined six pillars for ensuring equity and development through digital transition: (a) digital connectivity, ensuring universal access to the internet; (b) digital economy, levelling the playing field for businesses, especially SMEs; (c) digital transformation of the state, making public services transparent, efficient, and empathetic; (d) digital talent, providing personalized digital education to generate value; (e) digital security and trust, addressing cyberbullying and cybercrimes, especially against vulnerable groups; and (f) digital innovation, promoting open, social, and citizen-driven innovation. Chocobar also identified challenges and opportunities for cooperation, including addressing regulatory issues to support digitalization.

Muñoz stressed that providing connectivity is not enough if users do not feel safe online. He discussed the need to invest in STEM education from an early age and he highlighted the importance of promoting bilingualism to enhance competitiveness. He also addressed the inevitable displacement of jobs due to AI and robotics, emphasizing the importance of retraining the workforce to adapt to new roles and technologies. He also underscored the need for ongoing learning and skill development for adults at risk of job displacement. Muñoz stressed the importance of aligning government processes with technological advancements to ensure efficiency

and responsiveness to citizens' needs. He advocated for regional cooperation and the establishment of standards and interoperability in areas such as healthcare, transportation, and migration. Muñoz suggested that organizations like the Andean Community could play a significant role in facilitating such cooperation.

Dávila emphasized the necessity of ecosystemic innovation in Latin America's digital transformations, stressing the importance of respecting individuals' rights, dignified work, and environmental sustainability to strengthen a democratic society. She warned against neglecting these aspects, which could harm people's rights and quality of life. Dávila also underscored the importance of media literacy initiatives and closing the digital divide, particularly among older adults. Dávila also discussed the potential of satellite internet to provide connectivity in remote areas but raised concerns about the enforcement of roaming policies within the Andean Community. Moreover, she explored the potential of bio-entrepreneurship and cooperative development for sustainable economic growth, emphasizing the need to support women's involvement in these initiatives. She also brought into consideration ethical implications and addressing mental health concerns in digitalization efforts, advocating for ethical frameworks and initiatives to mitigate negative impacts on mental health and well-being.

Vizcarra emphasized the critical need to provide continuous support and access to digital tools, especially for small and micro-enterprises (SMEs) and those engaged in informal economic activities. Vizcarra highlighted that temporary government programs and subsidies often fall short in addressing the long-term needs of these populations, emphasizing the necessity for permanent support mechanisms. Moreover, she advocated for sustained efforts to bridge the digital divide and ensure that all segments of society benefit from digitalization initiatives. She cautioned against overregulation that could stifle technological innovation while acknowledging the importance of establishing standards and regulations to mitigate risks responsibly.

Caicedo outlined the Andean Community's engagement with digital transformation, dating back to the late 1990s. Initiatives such as Decision 462 aimed to liberalize telecommunications, indicating a longstanding interest in the digital sphere. He highlighted the establishment of regulations governing the use of satellite resources and roaming within the Andean Community, emphasizing the importance of effective management and utilization of these resources. He signaled that the Andean Community is actively pursuing initiatives aimed at inclusivity and talent development in the digital sphere. Caicedo underscored the Andean Community's active involvement in international digital initiatives, including the capacity to participate in the EU-LAC Digital Alliance. Additionally, he outlined efforts such as cybersecurity workshops demonstrate a commitment to addressing broader digital challenges beyond artificial intelligence. Caicedo also emphasized that the Andean Community remains proactive and adaptable in the face of evolving digital landscapes.

Closing remarks

Adrian Bonilla, Executive Director of the EAC Foundation, thanked the Andean Community, panelists, and attendees for their participation in the seminar. He highlighted the intensity and richness of the discussions held throughout the day and announced the Foundation's intention to organize and disseminate the recorded interventions, aiming to draw conclusions and synthesize recommendations provided by the panelists.

Ambassador Gonzalo Gutiérrez, Secretary General of the Andean Community, echoed Dr Bonilla's sentiments, acknowledging the valuable and innovative ideas shared during the seminar. He emphasized the importance of translating these ideas into concrete actions, particularly in the areas of investment, digital transformation, and green economy. Amb. Gutiérrez also emphasized on the possibilities to continue working together considering the number of coincidences in policies and objectives.

Together, the remarks of both Adrian Bonilla and Gonzalo Gutiérrez underscored the productive nature of the seminar and the opportunities it presented for collaboration between the European Union and Andean countries.

The video of the seminar is [currently available](#) in the media repositories of the Andean Community and the EU-LAC Foundation.

Hamburg, 25 February, 2024