

Preface

The Latin America and the Caribbean (LAC) region is one of the most biodiverse areas in the world, encompassing a wide range of ecosystems and natural resources. The region is also highly vulnerable to the impacts of climate change, including extreme weather events, rising sea levels and changing precipitation patterns. These climate-related challenges pose significant risks to the region's socio-economic development, natural capital, and the well-being of its population.

In recent years, the COVID-19 crisis has amplified the urgency of addressing the challenges of inequality, climate change and environmental degradation. Economic uncertainties and inflationary pressures caused by Russia's war of aggression against Ukraine have also highlighted the region's vulnerability to external economic shocks, further weakening its green recovery. Climate change is projected to push an additional 5 million people in the region into poverty by 2030, especially vulnerable groups and households with greater dependence on natural resources.

The time for decisive climate action in LAC is now. LAC countries contribute less than 10% of global Green House Gas (GHG) emissions, but in the last two decades the region has seen a significant rise in emissions. Recognising the urgent need to address climate change, many countries in the region have committed to achieving climate neutrality and building resilience. In the wake of the Paris Agreement, LAC governments have committed to reduce GHG emissions in their Nationally Determined Contributions (NDCs) with ambitious emission reduction targets for 2030. At COP26 in Glasgow they made new commitments, especially with respect to climate change adaptation and phasing out fossil fuels to reach climate neutrality by mid-century.

Putting these commitments into effect is therefore imperative for the LAC region. The OECD LAC Regional Programme aims at supporting countries in the region to advance reforms on key priorities such as increasing productivity, enhancing social inclusion, strengthening institutions and governance, and — most recently — in tackling environmental and climate concerns as part of a new Environmental Sustainability priority. It calls for greater focus on effective integration of environmental considerations into Productivity, Social Inclusion and Governance priorities, promotion of a fair and green transition and more sustainable, carbon-neutral development in LAC.

This report, delivered at the first Ministerial on Environmental Sustainability taking place in San Jose Costa Rica on 5 October 2023, highlights the main challenges and actions to address climate change in the region. It provides 40 policy recommendations, presented in the form of an Action Plan, building on policy dialogues among LAC and OECD experts under the OECD LAC Regional Programme. The Action Plan is intended to help support LAC countries meet international commitments such as those under the Paris Agreement, as well as regional and national commitments expressed in the declarations Our Sustainable Green Future and Accelerating the Clean, Sustainable, Renewable, and Just Energy Transition, adopted at the IX Summit of the Americas; the Ibero-American Charter on the Environment, adopted at the XVIII Ibero-American Summit; and the climate and sustainability commitments contained in the third EU-CELAC Summit Declaration.

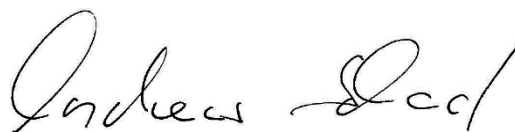
The report shares policy experiences and good practices from the region, identifies the key policy priorities for climate resilience and neutrality and proposes to adopt integrated approaches in combating emissions and protecting vulnerable populations and ecosystems. The Action Plan presented in this report emphasises, inter alia, the importance of mainstreaming climate change and environmental considerations in sectoral policies, aligning policy priorities and goals with implementation, and ensuring efficient financing mechanisms and rapid green investment.

More effective co-ordination at all levels, nationally and internationally, and partnerships for more coherent and strategic action are also crucial. The OECD LAC Regional Programme's Environmental Sustainability pillar is complemented by the Inclusive Forum on Carbon Mitigation Approaches (IFCMA), another OECD flagship initiative in which eleven LAC countries are already participating, to help optimise the global impact of emissions reduction efforts around the world through better data and information sharing, evidence-based mutual learning and inclusive multilateral dialogue.

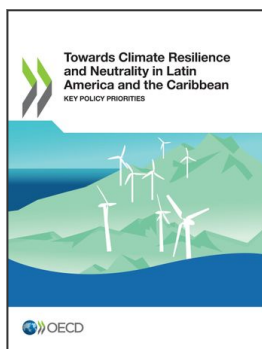
We hope this report provides a useful framework to expand that co-operation between the OECD and LAC countries, while ensuring a sound policy basis for climate action that delivers a carbon-neutral, fair and green transition in the region.



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