

Global Gateway: an opportunity for Latin America and the Caribbean

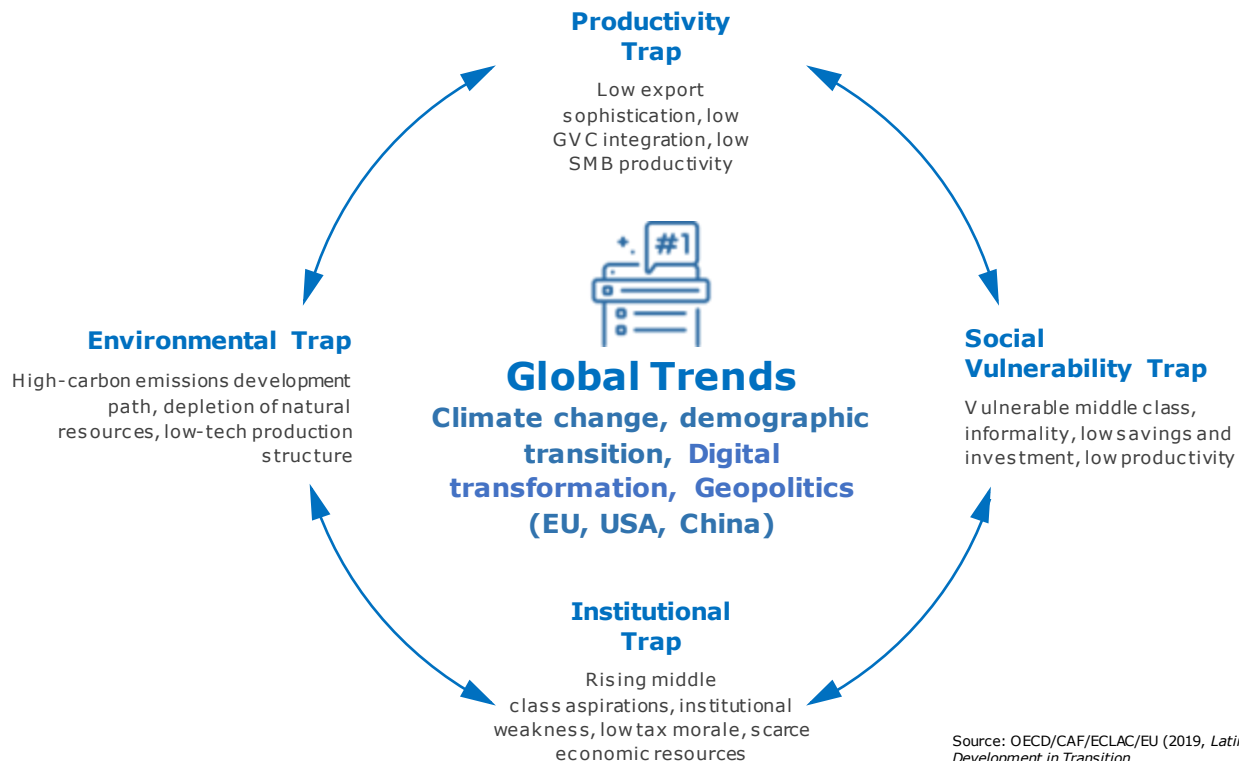
Ignacio Corlazzoli Hughes

CAF-development bank of Latin America and the
Caribbean

Friday, 28 July
Santander



Latin America and the Caribbean in the face of **new development traps**



Source: OECD/CAF/ECLAC/EU (2019, *Latin American Economic Outlook 2019. Development in Transition*)

EU Gateway to the World, supporting digital, green and fair transitions

	Priority Areas	Description	Flagship Projects
1	Digital	Deploying Green Digital Infrastructures and Networks	<ul style="list-style-type: none">• EU-LAC Digital Alliance• BELLA and Medusa underwater cables• Copernicus Satellite Program
2	Weather and Energy	Investment in climate mitigation and resilience and regulatory support	<ul style="list-style-type: none">• Power Africa• Green Energy Initiative EU-Africa• Trans-Balkan Energy Corridor
3	Transportation	Building sustainable, resilient and secure transport networks; powering the multimodal system	<ul style="list-style-type: none">• Trans-European Transport Network (TEN-T)• Trans-Mediterranean Transport Network (TMN-T)
4	Health	Ensure safety of healthcare and pharmaceutical supply chains, driving local manufacturing	<ul style="list-style-type: none">• European Center for Disease Prevention and Control (ECDC)
5	Education and Research	Investing in digital and inclusive education, empowering the mobility of students, faculty and apprentices	<ul style="list-style-type: none">• Erasmus + Program

Four axes of Digital Transition in order to respond to development challenges



INCLUSIVE AND SECURE CONNECTIVITY:

Infrastructure (fixed, mobile, fiber, cable and satellite), investments and cybersecurity



INDUSTRIES 4.0:

Value added in additional exports (agriculture, tourism, mining, energy)

New exports of services (Biotechnology, audiovisual)

Value Chains in the Americas (semiconductors)

GreenTech (Sustainability, Biodiversity, Biomimetics)



GLOBAL FINANCIAL DIPLOMACY:

Gateway to the World – scientific and technological support, financial resources, public-private partnerships and regulatory solutions (crypto and digital currencies, privacy and security, rights, ethics and Artificial Intelligence, global taxation)



Linking digital transition to green and fair transitions



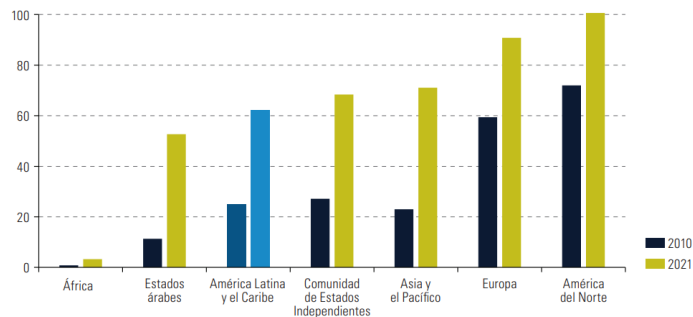
DIGITAL TALENT, INCLUSION AND AGILE STATE:

Job Skills and the Future of Work
Gender and Inclusion

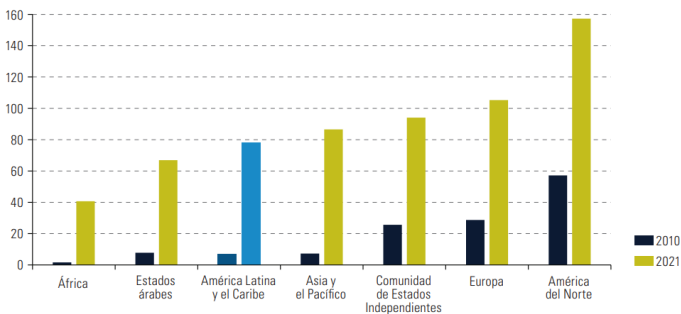
E-Health, E-Education, E-Justice, Immigration, Taxes; Fin-Tech

Infrastructure, foundation for Digital Transformation of society, state and economy

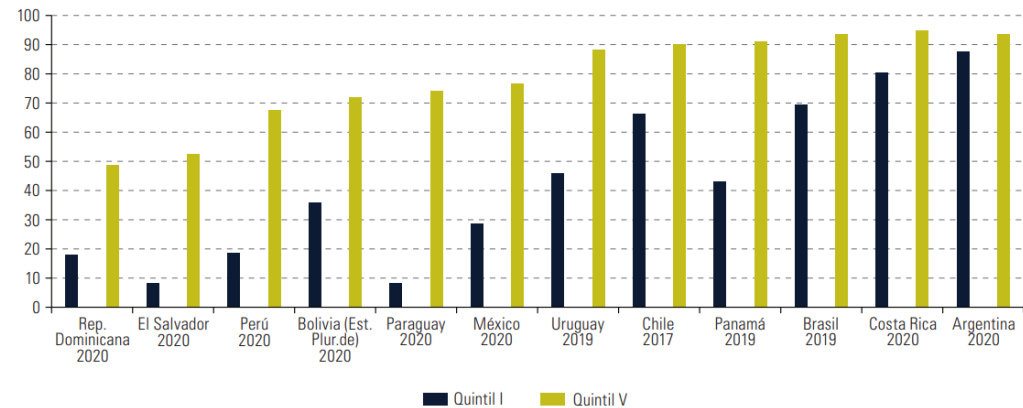
A. Suscripciones de banda ancha fija
(En porcentajes de los hogares)



B. Suscripciones de banda ancha móvil
(En porcentajes de la población)



América Latina (12 países): hogares con conexión a Internet en los quintiles de mayores (Quintil V) y menores (Quintil I) ingresos, último año disponible
(En porcentajes sobre el total de hogares de cada quintil)



Source: ECLAC (2022), A digital path to sustainable development in America Latin America and the Caribbean. eLAC2024

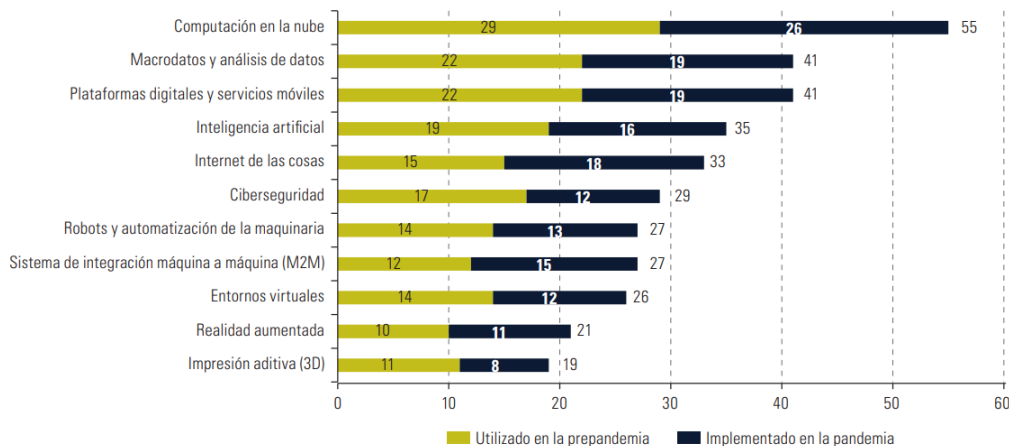
Digital security, a must-have requirement for inclusive and productive connectivity



Industries 4.0, more than connectivity

Advances in value chain digitalization...

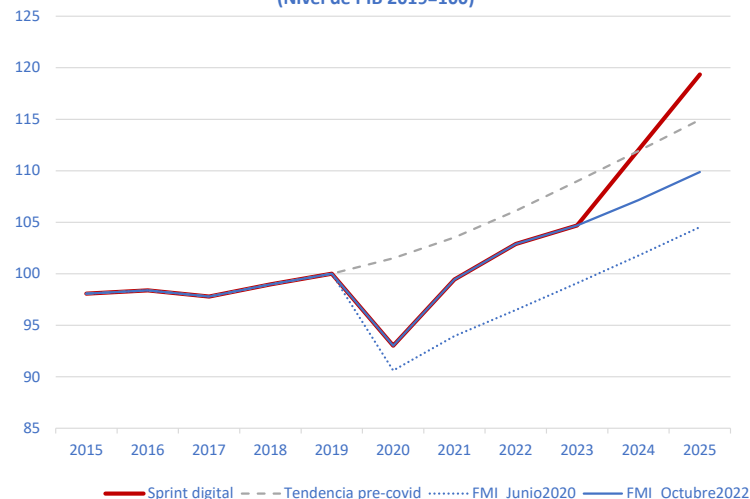
Argentina, Brasil, Chile, Colombia y México: utilización de tecnologías en 2020
(En porcentajes, n=500)



Source: ECLAC (2022), *A digital path to sustainable development in America Latin America and the Caribbean*. eLAC2024

...with potential beyond ICT sectors

Actividad económica en America Latina y el Caribe
(Nivel de PIB 2019=100)



Source: Self-produced based on IMF World Economic Outlook and AlphaBeta projections (2020), *Digital Sprinters*

A Digital Strategic Partnership Opportunity with CAF

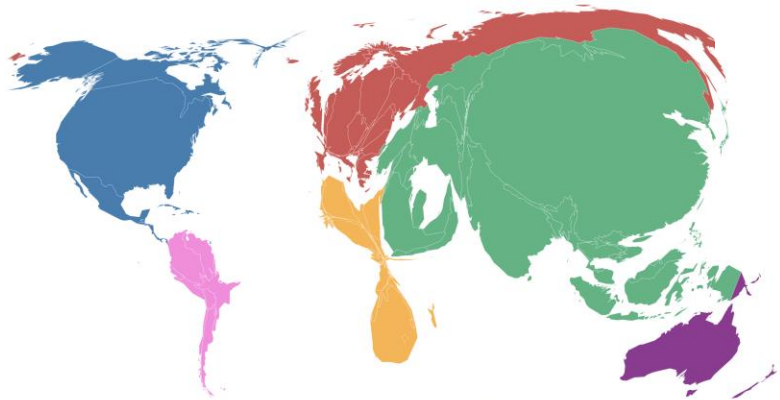
CAF has invested about \$3.7 billion in digital connectivity and digital transformation projects for Latin American homes, businesses and governments

Physical Infrastructure: Underwater cable, fiber optics, datacenters, satellite connection (for example, Humboldt underwater cable, 3,400 km of fiber optics in Santa Fe, Argentina, Arsat 4, National connectivity plans)

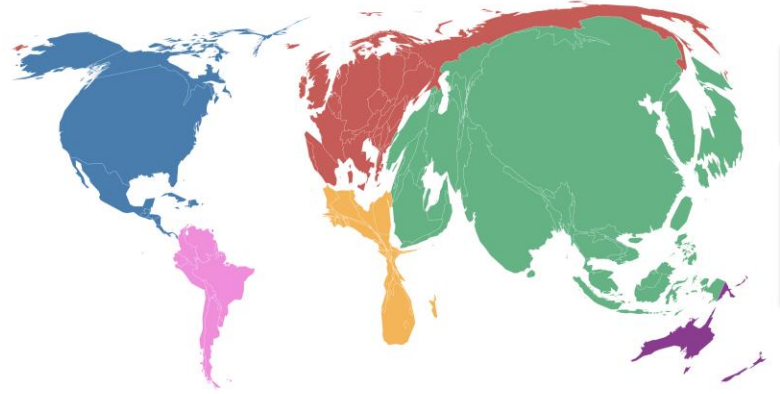
Digital Transformation: Smart Cities and Territories, Tax Office Modernization, Digital Identity

Govtech, Open Data, Anti-Corruption Portals, Artificial Intelligence (Strategies and Ethics)

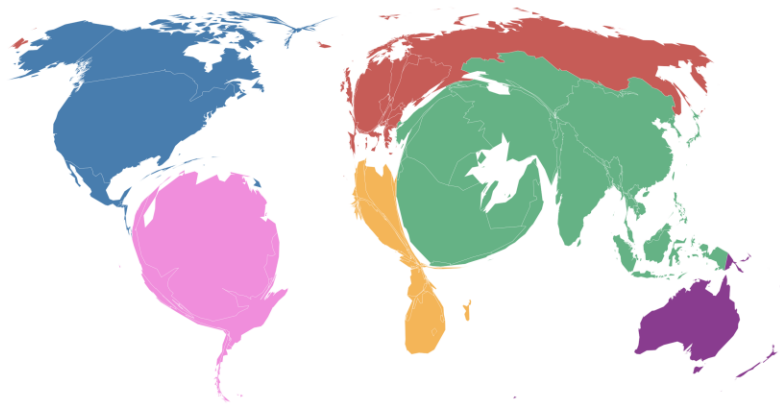




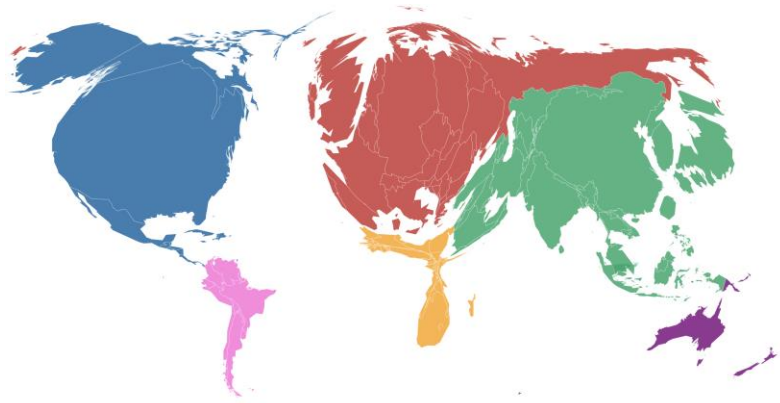
Oil, coal and gas extraction



Emissions from the use of fossil fuels



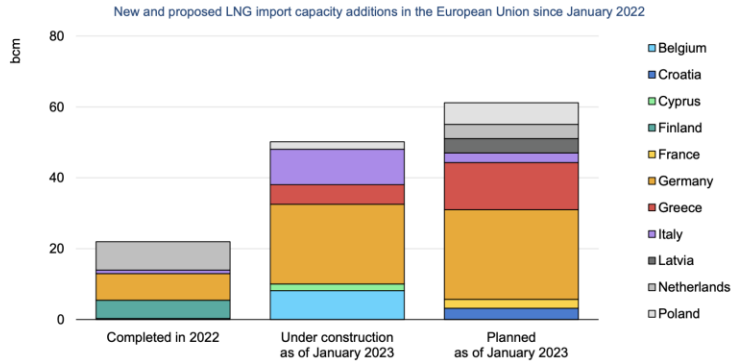
Potential emissions from fossil fuel reserves



Historical emissions 1850-2011

Recent trends in the European Union

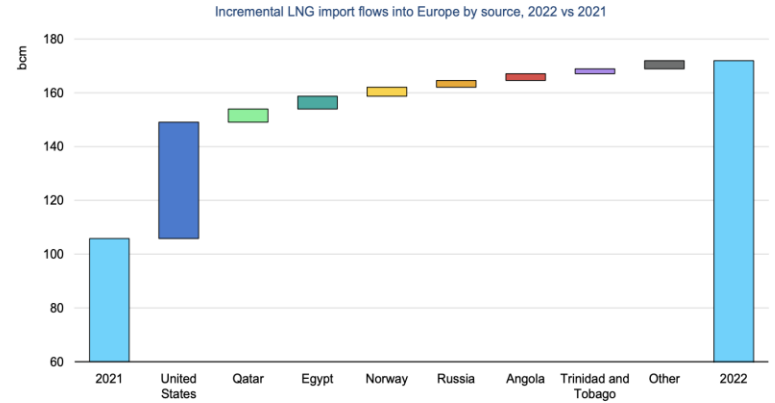
Interest in new LNG import infrastructure has surged within the European Union since the beginning of 2022



IEA. CC BY 4.0.

Sources: IEA analysis based on ICIS (2023), [ICIS LNG Edge](#); S&P Global Commodity Insights (2023), [Global LNG Regasification Capacity](#); Rystad Energy (2023), [Gas Market Cube](#); Cedigaz (2023), [Regasification database](#).

The United States supplied two-thirds of Europe's incremental LNG imports, but other flexible suppliers stepped up deliveries as well



Source: IEA analysis based on ICIS (2023), [ICIS LNG Edge](#).

IEA. CC BY 4.0.

Elements for a dialog **UE & LAC**

1. Policies for Productive Transformation

a) *Industry Policy- Decarbonization and
Productive Transformation*

2. Natural capital-based solutions

3. Strategic Minerals

4. Business Policies

Bolivia picks Chinese firms for \$1 billion lithium project

The country wants to develop its largely unexploited lithium resources

by *Matt Blois*

January 24, 2023

European carbon reaches €100 a tonne

Price (€/tonne)



Source: Refinitiv
© FT

The Missing Minerals

To Shift to Clean Energy, America Must Rethink Supply Chains

By *Morgan D. Bazilian and Gregory Brew* January 6, 2023

Comment

The EU response to the United States Inflation Reduction Act

The EU must avoid the trap of having to take sides in the conflict between the US and China.

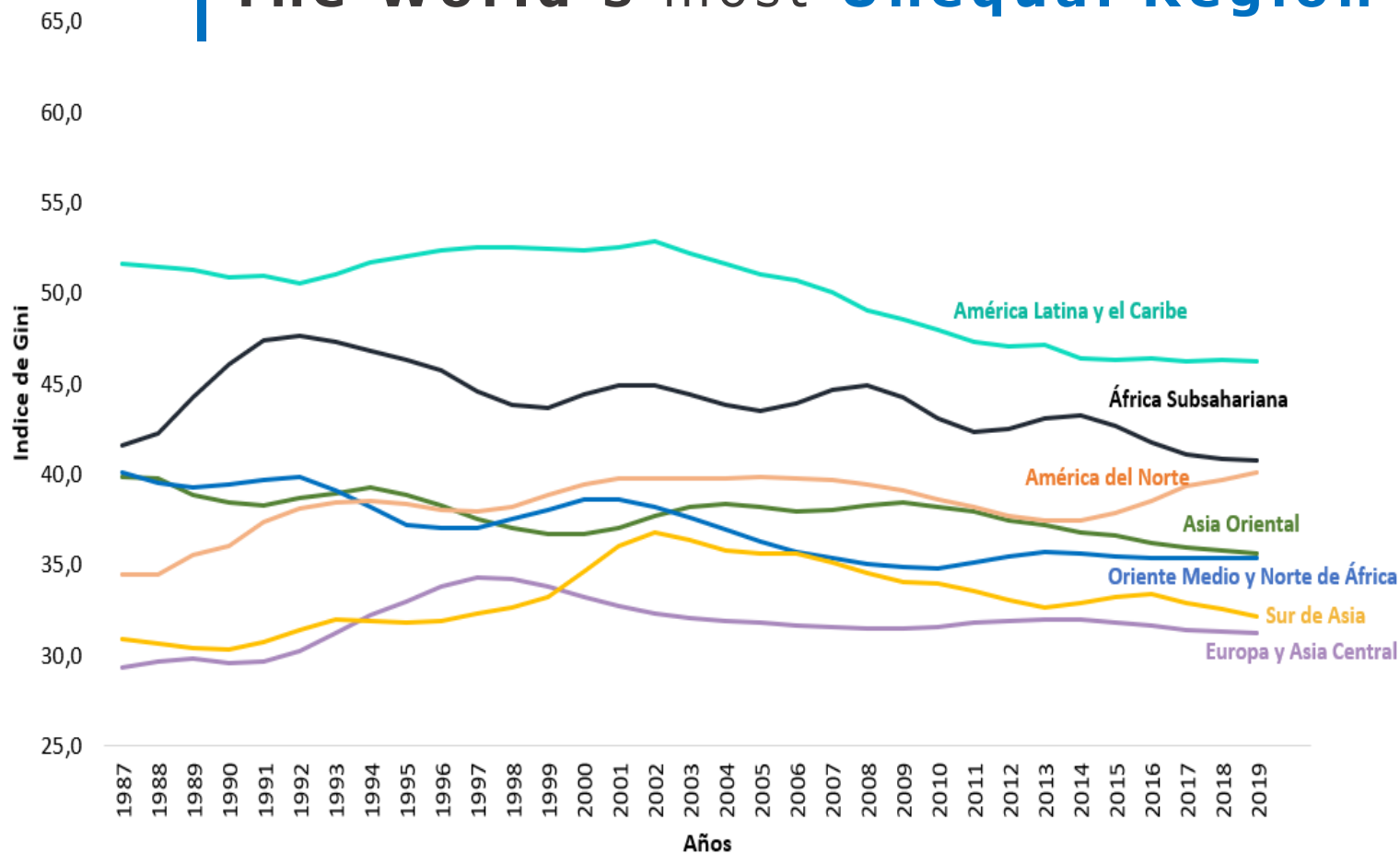
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Authors

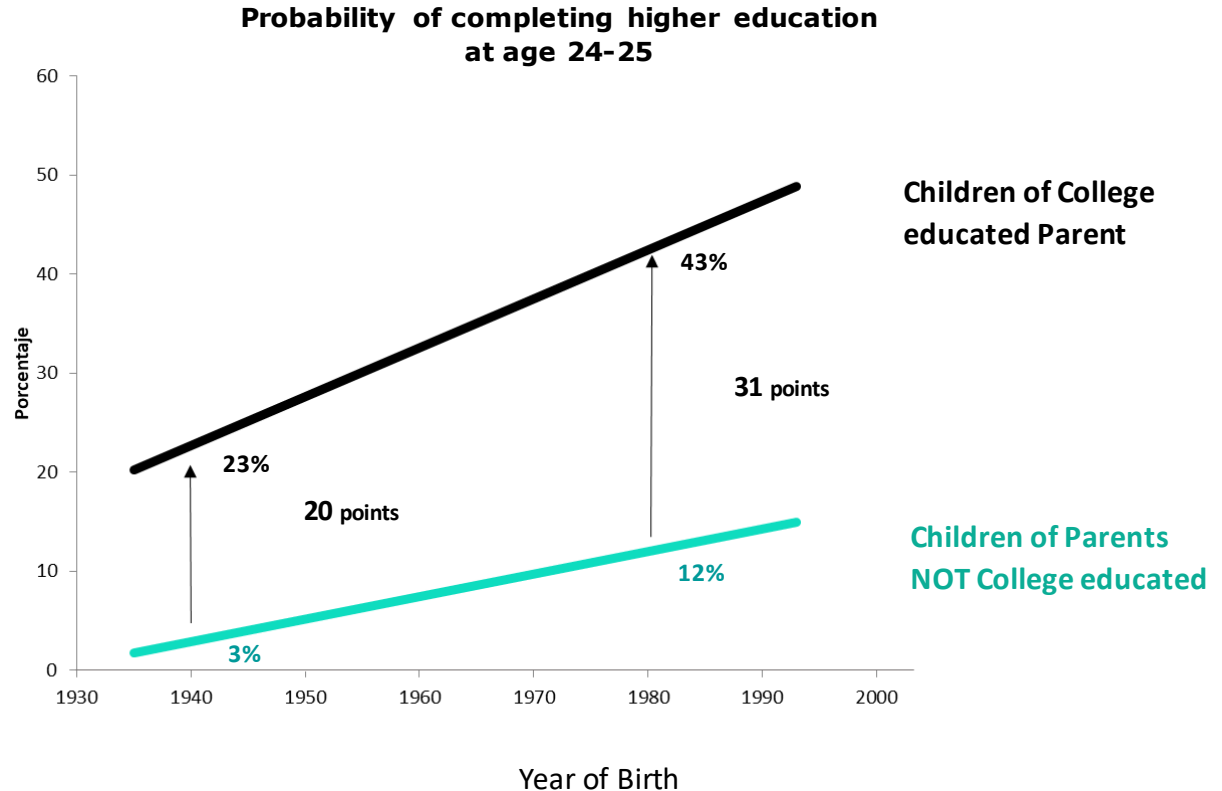
Maria Demertzis

The World's most Unequal Region



Low educational mobility

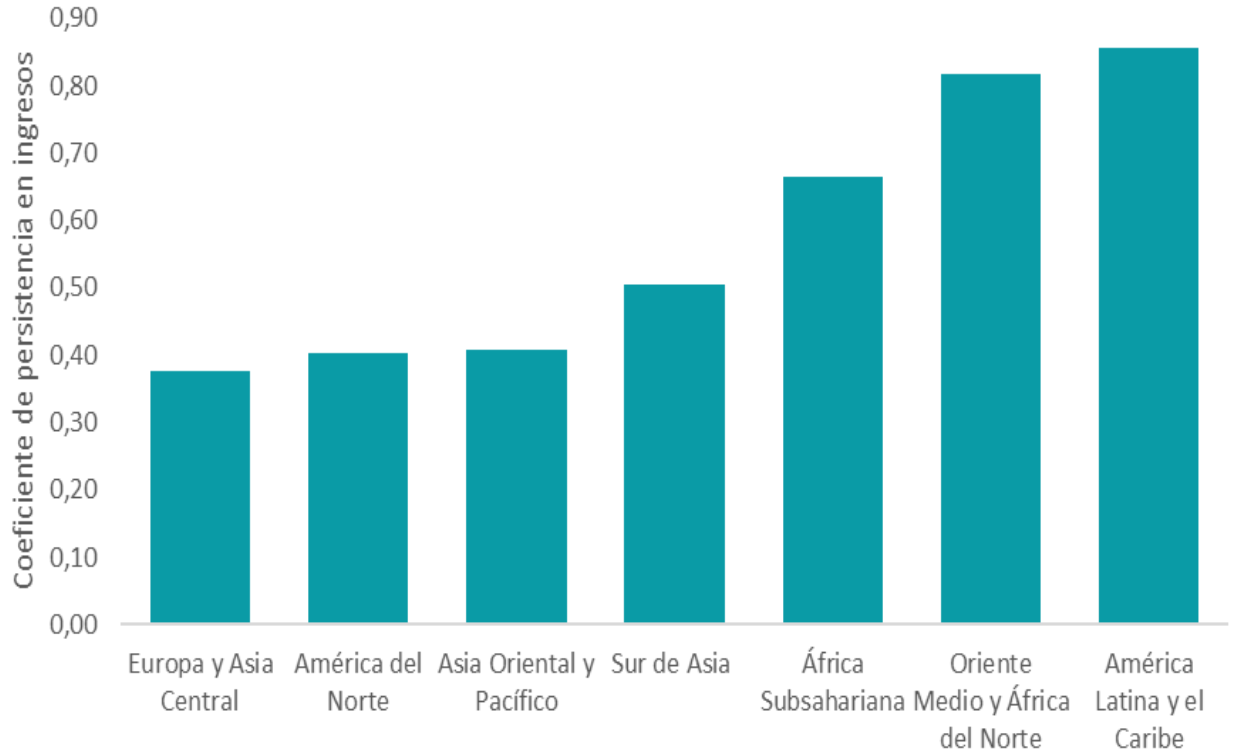
- While both groups have had absolute improvements, differences between groups have widened.
- There is more absolute mobility, and less relative mobility.



Parent-child income correlation

At the end of the day

- In the region, the income that children earn is more linked to that of their parents, compared to the other regions of the world.



Persistently Disadvantaged Groups

- Mobility is low for everyone, but especially for certain groups:



- **Women:**

- Educational progress that does not result in better work outcomes



- **Residents in lagging areas:**

- Reduced educational mobility in rural areas and smaller cities
- Population concentration in informal settlements without access to basic services and away from quality job opportunities

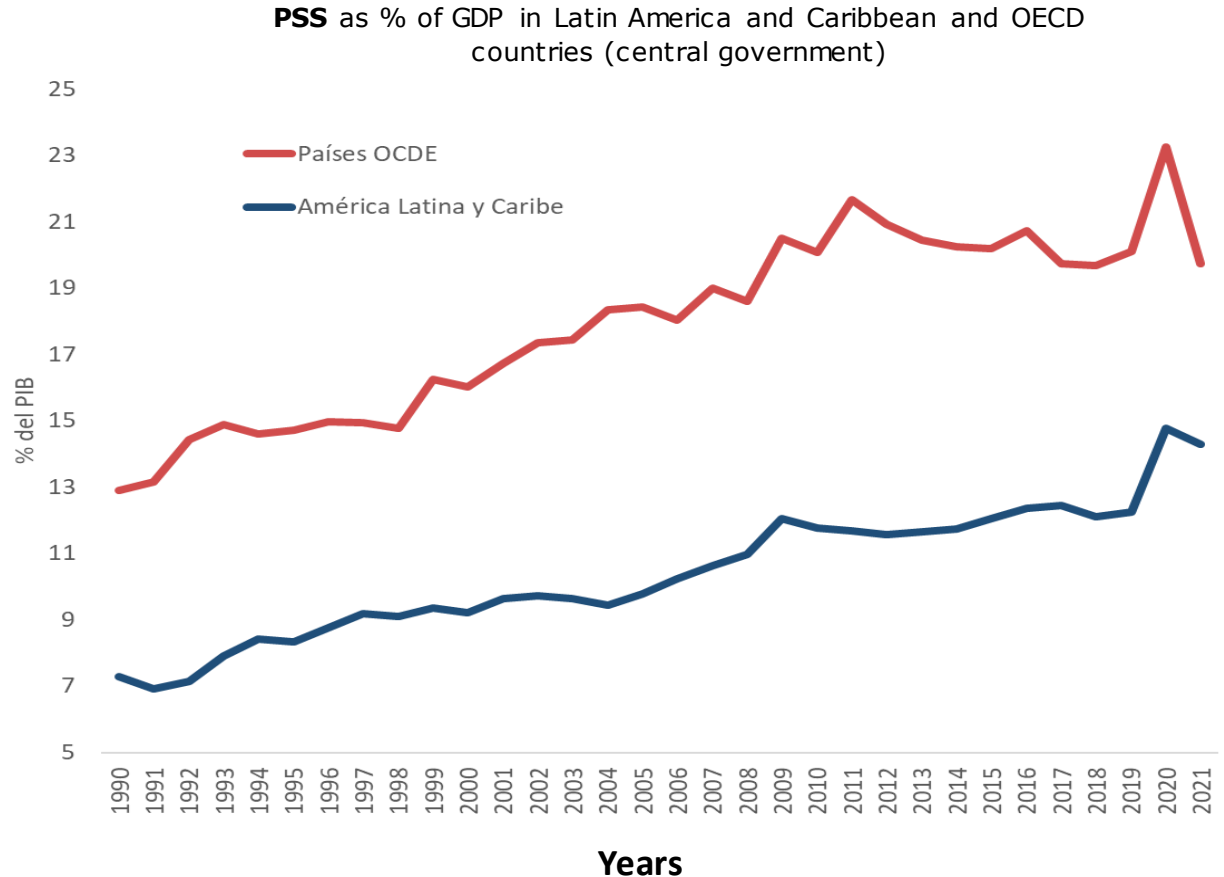


- **Ethnic-racial groups:**

- Educational mobility substantially less than the population average
- Worst performance in the labor market: human capital, discrimination, spatial segregation

Low social mobility despite higher Public Social Spending (PSS)

- Between 1990 and 2021, the region doubled its PSS, from 7 to 14% of GDP.
- The impact of that increase on inequality was weak.
- There is a PSS efficiency issue.



Agenda 2023



CAF's Contributions to the Spanish Presidency of the Council of the European Union 2023

EU-CELAC BUSINESS ROUND TABLE

Brussels – July 17

Business Round Table co-organized by EC, IDB and CAF within the framework of the EU-CELAC Summit of Heads of States and Government.



SECTORIAL REPORTS



GREEN TRANSITION



DIGITAL TRANSFORMATION



HUMAN DEVELOPMENT

Investment Agenda

62 iniciativas potenciales conjuntas UE-CAF



1st MEETING of ECONOMIC AND FINANCIAL AFFAIRS MINISTERS OF EU & LAC

27 EU ECONOMIC AND FINANCIAL AFFAIRS MINISTERS



AUSTRIA
BELGIUM
BULGARIA
CROATIA
CYPRUS
CZECH REPUBLIC
DENMARK
ESTONIA
FINLAND
FRANCE
GERMANY
GREECE
HUNGARY
IRELAND

ITALY
LATVIA
LITHUANIA
LUXEMBOURG
MALTA
THE NETHERLANDS
POLAND
PORTUGAL
ROMANIA
SLOVAKIA
SLOVENIA
SPAIN
SWEDEN



SANTIAGO DE COMPOSTELA
September 15th

33 LAC ECONOMIC AND FINANCIAL AFFAIRS MINISTERS



ANTIGUA AND BARBUDA
ARGENTINA
BAHAMAS
BARBADOS
BELIZE
BOLIVIA
BRASIL
CHILE
COLOMBIA
COSTA RICA
CUBA
DOMINICA
EL SALVADOR
ECUADOR
GRANADA
GUATEMALA
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PARAGUAY
PERU
DOMINICAN REPUBLIC
SAINT KITTS AND NEVIS
SANTA LUCIA
SAINT VINCENT AND THE GRENADINES
SURINAME
TRINIDAD AND TOBAGO
URUGUAY
VENEZUELA