

POLICY BRIEF

Face to Face: Latin America's Challenges Regarding the German Climate Foreign Policy Strategy

A Round-Table with Civil Society Organisations from Latin America

Germanwatch set out to organise a **dialogue with civil society organisations (CSOs) from Latin America** on the **Strategy on Climate Foreign Policy**,¹ launched by the German government in November 2023. The objective of this round-table was to learn about the **needs, perspectives, opinions, ideas, and experiences** of Latin American CSOs regarding bilateral co-operation on environmental protection and climate change between the region and the German government – and where applicable, the European Union.

A virtual round-table was held on 27 February 2024 with **CSOs from Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, and Mexico**. This group of CSOs does not necessarily constitute a representative cross-section of the region; nevertheless, it represents enough Latin American countries for the dialogue to act as a starting point.

Executive summary

This **policy paper illustrates some of the topics** addressed by the Latin American CSOs during the round-table:

- Generally speaking, the organisations positively rated Germany's climate and environment co-operation with the region. However, they pointed to **stark contradictions between the German line of discourse regarding its co-operation with Latin America and its concrete actions**. One issue brought up in this context was the extraction of raw materials that generates **negative environmental impacts at global level** (greenhouse gas (GHG) emissions) and **environmental and social impacts at local level**. Specific examples are coal mining and gas extraction in Latin America for consumption in Germany.
- The participants also shared the view that the co-operation between Germany/the EU and Latin America **is an example of the logic of Global North–Global South** relations, based on **the extraction of natural resources for the benefit of the Global North**.
- In the **view of Latin American CSOs**, the lack of transparency in governmental actions – such as in **climate policy planning and implementation, and due diligence** in project execution – is an issue in all three topics addressed during the round-table.
- It was noted that Latin American countries **play a considerable role as sources of raw materials** to drive energy transition in both Germany and the EU, **whereas the environmental and social**

¹ Government of the Federal Republic of Germany, 2023, [Strategy on Climate Foreign Policy](#) (accessed 22 April 2024).

- costs of extraction are assumed by Latin American societies.** This is perceived to perpetuate the model of **relationships established during colonialism.**
- Another issue highlighted by many organisations was **the competition for land use** between the **extraction of natural resources and the environmental ecosystem services.** Examples include the **generation of green hydrogen, lithium extraction, coal mining, and coke production.**
 - The CSOs noted an **increase in bureaucratic processes and requirements** for co-operation established by German institutions, raising obstacles for Latin American governments and organisations to access funding.
 - **In view of the Bundestag elections in 2025,** the CSOs were concerned that the political context in Germany may affect the **availability of funding as well as the topics of future co-operation endeavours.**

Topics of discussion

The CSOs agreed to discuss **three main topics** during the round-table. Those topics are seen as the main agenda **issues in the environmental and climate change co-operation between Latin America and Germany/the EU.** The discussion aimed to flesh out the **opinions, needs, priorities, and ideas of the organisations and their respective countries.** The topics of greatest interest to the Latin American CSOs are the following:

I. Mitigation of greenhouse gas emissions

- One of the most relevant issues mentioned here is the **need for technical co-operation with Germany.** The CSOs mentioned in many instances that the lack of vision and continuity in the planning of long-term public policies in Latin American governments **may hinder the implementation of ambitious and enduring climate policies.**
- The **need for greater support from Germany/the EU** in order **to strengthen the capacities of CSOs** was also highlighted. This becomes crucial as several governments display low levels of institutional capacities, particularly due to a **lack of environmental and/or climate action components in their agendas.**
- Another issue raised was a perceived continuity of a **mindset focused on the extraction of natural resources** as the basis of bilateral co-operation between Global North and Global South, particularly between Latin America and Germany/the EU.
- One aspect highlighted by many organisations was **the competition for land use** between the extraction of natural resources and environmental ecosystem services. Several examples were mentioned, such as the generation of **green hydrogen, lithium extraction, coal mining, and coke production.**
- In reference to the previous point, another issue mentioned was **the risk of undermining the human right to clean and safe water.** Two elements were brought up by the CSOs: first, the **major impacts on ecosystems that supply fresh water to cities and metropolitan areas;** second, the **contamination of water for consumption in rural areas, affecting fresh water management for communities.**
- With regard to freshwater availability, CSOs brought up the problematic **use of wetlands for producing green hydrogen.** They emphasised that this practice **currently endangers the availability of water in areas that provide fundamental ecosystem services,** such as **GHG sinks,** which are **relevant for both climate mitigation and adaptation.** Another example mentioned is the

critical situation of high Andean wetland ecosystems due to **the decrease in freshwater availability as a consequence of lithium extraction**. Regarding coal mining and coke extraction, the main concern of the CSOs and local organisations was that the mines are located in areas that are key to the hydrological cycle in the Andes.

- The CSOs also highlighted **failures in due diligence processes** for project implementation. They argued that **the German government should work on mechanisms that guarantee due diligence and participation of CSOs and local populations**.
- Along these lines, **the project developers from Germany and the EU should be required to implement industrial safety measures** and to conduct environmental impact assessments, which presently do not exist. The CSOs argued that the German government should contribute by setting **stronger environmental standards** for the abovementioned extraction activities.
- Regarding the **forestry industry**, the CSOs highlighted the **need for technical support and technology** to design and implement **economic instruments that serve as incentives to small and medium-sized producers to avoid deforestation**. The decline in deforestation in the Amazon basin was mentioned, as participants expressed concern on the advance of deforestation in the Cerrado due to the agricultural expansion in the region. The CSOs also highlighted the **importance of bioeconomy activities and that the German government needed to further develop its support in this regard**.

II. Adaptation and Loss and Damage

- The CSOs argued that **Germany could support the position of developing countries** in the UNFCCC negotiations on the Loss and Damage agenda. **The Adaptation agenda should be separated from the Loss and Damage agenda, as both of them should have different funding sources**. In addition, CSOs added that they expected Germany to support **Brazil this year in the country's role as G20 president** regarding the discussion of the Loss and Damage agenda as well as the Adaptation agenda. This agenda had already been supported in Latin America during Argentina's G20 presidency in 2018.
- Regarding the **Adaptation goal**, the CSOs argued that Germany could provide support for the **Adaptation and Loss and Damage component to be included in the UNFCCC negotiations and decisions concerning the New Collective Quantified Goal on Climate Finance (NCQG)**. They also mentioned the relevance of establishing **sub-targets** on financing for the Adaptation as well as Loss and Damage agendas, including the **development of conditions that guarantee transparency**.
- Another issue raised was the need to obtain **support from Germany in terms of technology, communications, and capacity building** in order to **raise awareness on climate change drivers and impacts, as well as to provide information to political decision-makers**. In addition, the CSOs repeatedly stressed **Germany's potential to balance the agendas on Mitigation, Adaptation, and Loss and Damage** in the region through **increased funding**. This point becomes fundamental considering the vulnerability levels in Latin America.
- In addition, concerns were raised that some actors consider the **Loss and Damage agenda as merely a local issue**. The **low visibility that vulnerability levels in Latin America have internationally** was another concern for the CSOs.
- In terms of international climate finance mechanisms, various organisations welcomed the **interest generated around the Global Shield** and expected progress regarding the **governance of the Loss and Damage Fund**. The CSOs pointed to Germany's important role in the discussions

related to the reform of the **International Financial Architecture** and its organisations, such as the **World Bank and the International Monetary Fund**.

- The considerable **need for financing** in Latin America for issues of **ecosystem restoration and human well-being** was also stressed, especially in the **most vulnerable communities**.
- The CSOs added that **Germany is expected to take the lead in encouraging countries of the Global North to meet their commitments on climate finance**.
- Concerns regarding the **use of water resources** were also expressed, highlighting the pivotal role of **international legislation** for the protection of common goods and nature-based solutions (NbS).
- The relevance of including the **food security agenda** in the discussions on climate action and social issues in the region with respect to co-operation with Germany was also highlighted. Mention was made of the **importance of the bioeconomy and the creation of markets for forest products, based on sustainable agroforestry models** (with great potential in the pharmaceutical, food, and cosmetics industries, among others).
- The importance of German **funding for co-operation in forestry** was stressed. However, CSOs noted that this funding is **mainly focused on forest conservation** and hoped that it would be **expanded** to other types of activities in the forestry industry.

III. Extraction of critical minerals

- The CSOs were in agreement that co-operation with Germany on the extraction of natural resources is **rooted in a profit-driven logic and follows a model of development for Global North countries that is based on the exploitation of natural resources in the Global South**. Furthermore, it was expressed that this situation generates **negative impacts both at environmental and ecosystem level, as well as at the level of local communities**. The solution to these problems would lie in **changing the development model**.
- **Concern was expressed about the extraction and use of raw materials** for energy transition in Europe which **entail risks of negative social and environmental impacts** in the extraction regions (for example, lithium extraction and use of water for green hydrogen production).
- According to the CSOs, **Germany should review its consumption behaviour** in order to reduce the impacts of extraction activities in Latin America. It was noted that Germany's raw material extraction volumes are based on the country's current consumption patterns. Those patterns place Germany as the **fifth largest consumer of raw materials globally**, 60% higher than the average of upper-middle income countries. As an example, the CSOs mentioned that Germany has an average of **70 cars per 100 inhabitants**, and that the country obtains more than **90% of its bauxite** from countries with **0.3 cars per 100 inhabitants**.² This leads to the CSOs' conclusion that the **energy transition only benefits German society, while communities in the region bear the costs**.
- It was therefore argued that **the German government was caught in contradictions** by presenting certain countries in the region as **'friendly societies'** on the basis of collaborative extraction activities. The general perception was that **the German government puts its interests first**. In its pursuit of German interests, countries in the region face **unequal income distribution and**

² Hoffmann, T., Pilgrim, H., Saenger, K., 2023, [En el nombre de la sostenibilidad: materias primas para la transición energética en el Norte Global](#) (accessed 6 May 2024).

growing dependence on raw materials, entailing negative consequences for their economic and social development.

- The CSOs suggested appointing **spokespersons for the foreign companies** that extract natural resources and **spokespersons for local communities** in order to **strengthen the role of civil society.**
- In addition, **concrete cases were named in which German companies have established alliances with local companies** with the aim of extracting minerals, **but without contributing to local development or without adding value to the raw materials**, as in the case of lithium. In some cases, Latin American governments opted to **terminate the contracts and seek ways to extract raw materials without reliance on foreign companies.**
- Regarding the **Act on Corporate Due Diligence in Supply Chains**,³ **concerns were expressed about certifications and their lack of transparency** (mainly due to a lack of due diligence). In addition, the organisations cautioned against the advance of self-regulation or self-monitoring in the absence of standards implemented by Latin American governments.
- It was added that **Germany can contribute to local development along the lines of value chains** associated with lithium extraction. This could be achieved mainly through co-operation, facilitating the **development and availability of technologies, human resources training, and financing in the early stages of project development.**
- Another obstacle brought up in this discussion are the **environmental and social costs for communities in Latin America** due to the extraction of raw materials such as lithium, copper, gold, and coal. In some cases, these impacts can **affect and even be fatal for some parts of the population, such as rural and Indigenous communities or children.**
- In this regard, the CSOs pointed to the urgent **need for an ecosystem assessment** on the basis of which **companies that extract raw materials assume the risks and costs** associated with their activities.
- The **importance of treaties for business operations and the implementation of human rights** was emphasised. Agreements must have **clear mechanisms and binding procedures** for the protection of economic, social, and cultural rights (ESCR), as well as collective and environmental rights. This should play an important role **in renegotiations of free trade agreements with the EU or bilateral agreements with Germany.**
- Regarding the last item, CSOs recommended that **Germany expand the scope of laws that hold companies responsible, and penalise them, for human rights violations** in their production chains. In addition, Germany should report whether the **critical minerals extracted are destined for the arms industry.**
- Another issue that raised serious concerns among the CSOs was the **displacement of local communities** in the wake of ecosystem degradation brought about by the extraction of raw materials such as lithium, gold, and copper.

³ Federal Ministry of Labour and Social Affairs, [Act on Corporate Due Diligence in Supply Chains](#) (accessed 6 May 2024).

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Edited by: Germanwatch e. V.

Suggested citation: Micozzi, M. I., 2024, Face to Face: Latin America's Challenges Regarding the German Climate Foreign Policy Strategy. A Round-Table with Civil Society Organisations from Latin America.

Download this document at: www.germanwatch.org/en/90791

May 2024

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This policy brief has been supported by the European Climate Foundation. Responsibility for the information and views set out in this policy brief lies with the author. The European Climate Foundation cannot be held responsible for any use which may be made of the information contained or expressed therein.