

Global Gateway Investment Agenda (GGIA) State of play in Chile



There are at the moment three flagship GGIA initiatives in Chile: the Team Europe Initiative on Renewable Hydrogen, the Regional Copernicus LAC Chile Centre and Sustainable Value Chains in Critical Raw Materials (CRM). Our key implementing partners at the moment are KfW, the European Investment Bank (EIB), GIZ, AECID and the University of Chile/Centro de Modelamiento Matemático. This is what we call a Team Europe approach, the EU and its Member States acting together for a common objective. While Chile seems to offer multiple opportunities for GGIA, it is also a complex and competitive environment for European actors. GGIA projects are also often long to design and implement. A possible investment pipeline is being explored along with EU Member States (MS) and the EIB on areas of public interest for the Green Transition such as renewable energy, public transport, digitalisation, and infrastructure. Dialogues are ongoing with international financial institutions. Possible future focus areas in Chile are CRM, electric interconnections, renewable energy (incl. hydrogen), public transport and digital transition.

1. Team Europe Initiative on Renewable Hydrogen in Chile

This TEI is a joint effort of the EU and Member States to foster cooperation with Chile for the development of its RH2 economy and an integral part of the GGIA. It aims to support the decarbonisation of the Chilean economy, create green jobs and generate business opportunities for Chilean and European companies, whilst contributing to meet Europe's demand for import of RH2.

It considers initiatives in the following areas:

- Technical and Technological Cooperation.
- Business Cooperation.
- Financial Cooperation.

1.1. Team Europe RH2 Project (2023-2025)

This technical assistance program is a fundamental component of the TEI. The project considers actions in five main areas: (A) Strengthening the enabling environment for the sustainable and renewable hydrogen economy; (B) Capacity building/knowledge transfer; (C) Support for technological development; (D) Infrastructure and Sustainability Impact Assessments; (E) Market/Project Development/Business Cooperation/Finance. Activities include a pilot initiatives like launching a green hydrogen bus (2025) and hydrogen production for the scientific station in the Chilean Antarctica. Technical assistance is also provided to the organization of major events like the 6th H2 LAC Summit, planned in Concepción, in April 2025.

Implementing Partners:

- GIZ - project running
- AECID - project starting

1.2. Global Gateway RH2 Financing (2023-2028)

Joint initiative of the KfW and EIB with the involvement of the EU Delegation in Chile. The financing will be provided through a Facility managed by CORFO (the Economic Development Agency) to foster the production and use of RH2. Total budget: EUR 216.5 million, combining a grant of EUR 16.5 million (from Latin America and Caribbean Investment Facility) and a total of EUR 200 million in loans from KfW and EIB.

IADB and World Bank, are also contributing to the CORFO Hydrogen Financing Facility.

The Facility will start operations in the first semester of 2025. Once investments start to be rolled out on a large scale, other European Financial Institutions may become active in the sector or join the Facility. Member States' Export credit agencies could become involved in technology transfers/exports. The EU guarantees through the European Fund for Sustainable Development (EFSD+) could also be used in Chile, as a number of EFIs have made proposals focusing on renewable energies and LAC (e.g. EDFI, EIB, Cofides, etc).

The Green Hydrogen Fund and the European Hydrogen Bank are other relevant European instruments to complement the use of the LACIF, KfW and EIB resources in Chile.

1.3. EU Member States participation in the Team Europe Initiative

MS participate through various paths of action, mostly through their private sector: project investors and developers, business missions/chambers of commerce activities, technology provision and development, renewable energy and e-fuels off takers, research and innovation (Fraunhofer, CEA...), implementation of EU programmes (GIZ, AECID, FIIAP), MoUs for import of renewable hydrogen with European ports (Rotterdam, Antwerp, Zeebrugge, Hamburg) and international cooperation programmes to promote green hydrogen development/imports, such as Germany's H2 Global).

The Renewable Hydrogen initiative is, as every GGIA project, under continuous review and development and other components might be added in the coming months.

2. Regional Copernicus LAC Chile Centre

The Copernicus Centre is one of the three main Global Gateway Initiatives in Chile and part of the EU-LAC Digital Alliance.

Copernicus is the Earth observation component of the European Union's Space programme, looking at our planet and its environment to benefit initially all European citizens and now being offered to the World. It offers information services that draw from satellite Earth Observation and in-situ (non-space) data. Vast amounts of global data from satellites and ground-based, airborne, and seaborne measurement systems provide information to help service providers, public authorities, and other international organisations improve citizens' quality of life. Contrary to other satellite systems, the information services provided are free and openly accessible to users.

Copernicus is served by a set of dedicated satellites (the Sentinel families). Since the launch of Sentinel-1A in 2014, the European Union set in motion a process to place a constellation of almost 20 more satellites in orbit before 2030. The Copernicus services transform this wealth of data into value-added information by processing and analysing the data. Datasets stretching back for years and decades are made comparable and searchable, thus ensuring the monitoring of changes; patterns are examined and used to create better forecasts, for example, of the ocean and the atmosphere. Maps are created from imagery, features and anomalies are identified and statistical information is extracted.

These value-adding activities are streamlined through six thematic streams of Copernicus services. Atmosphere, marine, land, climate change, security and emergencies.

The Copernicus LAC Chile project is establishing in Santiago a robust Data Storage, Processing and Distribution Centre for the LAC region with services that include Earth Observation (EO) data processing, coordination of in situ data of Chile and the LAC region. This LAC Hub takes advantage of enhanced connectivity available between Europe and the LAC region by the EU financed BELLA Cable and the BELLA-T terrestrial fibre optic infrastructure, allowing fast and cost-effective data interchange between the two regions. This Copernicus LAC Chile Center will provide resilience to the Copernicus services in the LAC region by working in team with Copernicus LAC Panama Center.

Through the EU-LAC Digital Alliance, EUR 4 million from the EU and EUR 1 million from Universidad de Chile have been allocated to this project.

The Center, launched in March in 2023 by EVP, Margarethe Vestager, is implemented by the Mathematic Modelling Centre (CMM) of the University of Chile and has already developed two generic services: land use and land cover monitoring service and the Urban Atlas. A third service for ocean monitoring is currently under development, to be launched during 2025.

The EU-Delegation has already integrated the use of Copernicus data in several cooperation projects, including:

- Monitoring of emissions and concentration Greenhouse gases for the whole of LAC:
<http://ghgobservatory.cepal.org/>
- Identification of most vulnerable ecosystems (through mapping concentrations of bird nests) to support territorial planning in relation to the new renewable hydrogen industry – part of Team Europe Initiative Renewable Hydrogen Development Chile.
- Monitoring environmental aspects on lithium salt flats: funded from the Chile-EU Triangular Cooperation Fund and will directly contribute to the implementation of the MoU EU-Chile on Critical Raw Materials.
- In the context of Civil Society Organizations projects: water basin assessment linked to forest restoration in Valdivia, and deforestation monitoring in the south of Chile.

The next stage will consider:

- 1) The creation of a virtual reality centre similar to the one in Frascati (Italy). There are ongoing discussions to implement it at the Interactive Museum of Science and Technology in Santiago (MIM Museum). The Museum is very interested and can contribute to the design and maintenance of the centre.
- 2) Creation of an incubator of companies for the creation of commercial applications using Copernicus data, thus promoting investments and linking the GGIA to Copernicus.
- 3) Creation of additional services via Mathematic Modelling Centre of the University of Chile (CMM): Sargassum Monitoring for the Caribbean, Agriculture and Biodiversity Monitoring and Methane Monitoring.

In the context of the Digital Agenda, the European Union has allocated resources to an ambitious regional cooperation project on cybersecurity, led by Chile. This strategic initiative aims to enhance the cyber resilience of Latin American countries, contributing to a safer and more stable global digital environment.

The project seeks to strengthen, develop, and expand the capacities of decision-makers, government officials, civil society representatives, and academics in Latin America and the Caribbean regarding public cybersecurity institutions in each country of the region.

By strengthening cybersecurity in Latin America, the EU protects its strategic, economic, and political interests in the region, as well as its critical infrastructure. Protecting critical infrastructure contributes to the economic and social stability of the countries in the region. Additionally, the initiative will stimulate the development of innovative technological solutions in the field of cybersecurity, fostering economic growth. Finally, a more secure cyber environment will attract foreign investment, creating new job opportunities and development.

This trilateral cooperation project represents a strategic investment for the European Union, demonstrating its commitment to promoting cybersecurity globally. Thanks to Chile's leadership and the collaboration of the participating countries, a lasting positive impact on the Latin American region is expected.

3. Strategic partnership on sustainable raw materials value chain EU - Chile

The EU and Chile signed a bilateral MoU last year, setting out the political ambition of both parties to cooperate in this area. Implementation will be discussed during a business mission with key actors and EU firms (in November 2024).

To implement the MoU, we expect to mobilize various types of EU resources, in particular from EU cooperation programmes such as ADELANTE II, AL-INVEST Next, LACIF (Mining For Energy Transition with IADB), EFSD+, and other, while involving multiple European banks and public institutions. Various MS and European firms are very active or interested in the raw materials value chains (copper, lithium and others). Finland expressed keen interest in copper smelting and refining.

In addition, the EU Delegation is planning to participate major trade fairs and conferences, like ExpoNor 2026.

4. Other sectors

Transport and Energy infrastructure

In the context of Chile's green hydrogen strategy, the EU finances studies on shared infrastructure needs (roads, ports, pipelines), which could lay the basis for public-private partnerships where EFSD+, loans EFIs, LACIF and export credit agencies could play a role.

With regard to electricity, The EU is looking at the development of electricity transport which could relieve the problems of grid congestion.

Public Transport

The EU collaborates with the Ministry of Transport, with support of Euroclima (GIZ), to organise webinars around major public tenders, inviting European companies, EFIs, Chambers of Commerce. The first webinar focused on the International Tender for public Transport in Santiago (involving the purchase of 1200 electric buses). Another major tenders for the railway Santiago-Valparaiso and on public transport in Valparaiso are expected soon.

Potential GGIA projects with participation of European companies /banks/EU financial instruments/export credit agencies.

Digitalisation

GGIA under the EU-LAC Digital Alliance. EU interest and presence from European private sector, including spatial industry and synergies possible with GGIA flagship in Chile Copernicus Regional Centre. Chile willing to take regional lead in cybersecurity. Possible public tender for satellite services.

UN in Chile, through FAO Chile and other UN agencies, is implementing a EU funded project financed through the Digital Window of the SDG-Facility. The project, launched in October 2024, focuses on reducing the digital gap and accelerating the implementation of the SDGs in lagging rural territories in the regions with the least access to digital connectivity in Chile; Ñuble and Araucanía. The joint programme will enhance the priorities of the Government in relation to Decentralization, Sustainable Rural Development, and Digital Transformation, which aim to increase access to technology for the most excluded people, with a special emphasis on women.

The joint programme will promote public and private investment in infrastructure, technologies, and innovation to enhance the productivity and sustainability of smallholders and indigenous family farmers, as well as access to social protection and healthcare for the most vulnerable rural groups. It is expected that these outcomes will have a significant impact on a large scale, directly benefiting a total of 8,500 individuals with digital broadband access, 3,950 trained in digital services and 25,000 with access to Telehealth. As a result of the tools, mechanisms and instruments developed with the joint programme, it is expected to benefit more than 440,000 individuals from lagging rural localities in Ñuble and Araucanía with better access to valuable digital services.

Several companies are exploring cooperation with the Chilean government in order to bridge the last digital kilometre. Potential GGIA projects with participation of European companies /banks/EU financial instruments/export credit agencies.

5. EIB loans/pipeline

In 2023, in the context of the EU-CELAC summit in 2023, the President of the EIB and the Chilean Minister of Energy signed a Declaration of Intent to develop cooperation and financing actions to support decarbonisation and energy transition in Chile.

The EIB initiatives in Chile within the framework of the GGIA include:

- 5.1. Renewable energy and energy efficiency:
 - a loan to Banco Estado under the Ecovivienda Programme, the first residential mortgage loan to finance access to energy-efficient housing outside the EU.
- EIB is also financing ENEL Chile to invest in renewable energy and energy efficiency.
- 5.2. Renewable Hydrogen (see above).
- 5.3. Critical Raw Materials (in development).
- 5.4. Private sector operations.