

	- Netherlands (grants): EUR 7 000 000 - Switzerland (grants): EUR 7 000 000
MANAGEMENT AND IMPLEMENTATION	
13. Type of financing	Direct management through: - Grants Indirect management The entity(ies) to be selected in accordance with the criteria set out in section 4.4.4.

1.2 Summary of the Action

Bolivia is the 10th most vulnerable country worldwide to climate change, suffering cyclical water crises with recurrent droughts and floods. The agricultural sector in Bolivia is one of the most important sectors, socially, and environmentally, and is in particular very exposed to climate change effects, and requires innovative and large investments to improve adaptation and climate resilience of productive systems and household economies.

In this context, the Action aims at supporting the transition towards sustainable and climate-resilient Agri-Food systems in Bolivia. This will be achieved through three specific objectives:

1. Local actors (smallholder farmers, women groups, producers' organisations) with the support of **civil society organisations**, have strengthened capacities and resources to develop alternative agro ecological systems or alternative activities inside or near coca leaf production areas;
2. National and/or international **private sector** actors, including micro, small and medium businesses, are empowered to develop and implement innovative initiatives related to sustainable production, transformation and commercialisation along food value chains;
3. Local, departmental and central **public institutions** improve and strengthen the policy environment and the extension services to support and promote integrated approaches for Agri-Food systems.

The mentioned specific objectives will be achieved through an adequate mix of implementation modalities and implementing partners.

The Action will mainly contribute to the MIP 2021-27 – Priority Area 1 “Environment protection, climate change and inclusive economic development”, and the national Team Europe Initiative “Green and Resilient Development”. At European level, the action will contribute to the Commission's priorities of the European Green Deal and Promoting our European Way of Life, EU commitment to targeting at least 35% of its external assistance to climate change, the Global Gateway's climate investment priority, the Gender Action Plan III, and the European Consensus for Development.

Moreover, building on previous and existing EU and MS cooperation programmes, it will contribute to place Team Europe as the reference partner for green transition in the country.

Finally, at the global level, the Action will contribute to the 2030 Agenda, particularly SDG 1 No poverty, SDG 2 Zero hunger, SDG 5 Gender equality, SDG 8 Decent Work and Economic growth, SDG 10 Reduction of Inequalities, SDG 12 Responsible consumption and production, SDG 13 Climate Action, SDG 15 Life on land.

2 RATIONALE

2.1 Context

The Plurinational State of Bolivia is a lower-middle-income country characterised by solid inclusive growth during the last 15 years. According to the World Bank, 25% of Bolivia's GDP comes from the export of goods and services, of which natural gas represents the main one (68% of export value and 7% of GDP). For its high dependency on natural gas and minerals, the Bolivian economy is highly vulnerable to international price fluctuations. The country experienced a major political, institutional, and social crisis following the failed 2019 elections. After a convulsed period, the *Movimiento al Socialismo* (MAS) won in October 2020 national elections with an absolute majority. However, the country remains highly polarised, and the risks of conflict due to societal