

G-20

THE LAUNCH OF THE DELIBERATIONS OF THE CIVIL 20

ARGENTINA IN FOCUS

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TACKLING CLIMATE CHANGE AT ALL GOVERNMENT LEVELS: THE CASE OF MISIONES

The challenges imposed by climate change require an active participation by different actors, as well as coordination between all levels of government to design public policies by consensus, that can lead not only to the reduction of greenhouse gas emissions, but also to the adaptation of the most vulnerable sectors to the impacts of climate change.

In this regard, as Argentina is a federal country, it is important to point out the relevance of the Federal Environment Council (COFEMA), created by the provincial, and central governments as an environmental policy, in which federalism is its guiding principle and whose main objective is to contribute to generate an environmental policy aimed at integrating the provinces and the federal government for addressing this issue.



Once again, I share with you the latest edition of our Embassy Newsletter. This edition includes an article of the objective of our country to contribute to generate an environmental policy aimed at integrating the provinces and the federal government.

Governmental Relations for Ford Motor Company about the \$580 million investment to produce the next generation of Ford Ranger in Argentina.

Finally, an article on the three-day deliberations of the Civil 20 engagement group of the G20 focused on issues such as global health, finance, climate change, among others.

Jorge Arguello

Ambassador to the United States

ARGENTINA HAS AN
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Argentina also has an Environmental Governance Program, a federal proposal established in the territory to address environmental matters and requirements of the different municipalities in the country. Centered on reviewing and studying existing regulations so they can be modernized and enhanced, the program aims to strengthen tools that allow local governments to update existing rules on environmental matters, strengthen the decision-making process on local environmental issues, and optimize capacities to provide access to resources.

With a global perspective when approaching the climate change conundrum, local actions must be taken, not only with regard to the State, but also at a subnational state level. Therefore, the involvement of local and municipal governments in designing strategies and actions for climate change mitigation and adaptation throughout the national territory is key.

This is why we are highlighting the creation of the Ministry of Climate Change in the Province of Misiones, as it focuses on this approach through a specific provincial portfolio when addressing the problem.

In addition to the dissemination of good environmental practices, one of the key aspects of this Ministry is its transversality, as it works jointly with the authorities on issues of health, education, family farming or energy.

This initiative is even more remarkable in the context of what the province represents in terms of biodiversity: it possesses a key ecosystem that generates oxygen, which is vital for the mitigation of climate change. It should be noted that 55% of the total area of the province is made up of native forests.

Misiones, located in the Northeastern area our country, was declared the National Capital of Biodiversity by law in 2018 and due to initiatives such as the one mentioned above, it is paradigmatic of the role subnational governments can play in addressing the issue of climate change by giving top priority to this in the province.

FORD IN ARGENTINA: INTERVIEW WITH MICHAEL SHERIDAN, VICE PRESIDENT FOR INTERNATIONAL GOVERNMENTAL RELATIONS

At the end of 2020, Ford announced that it will invest \$580 million to produce the next generation of Ford Ranger in Argentina, during a meeting with President Alberto Fernández.

This investment includes the modernization of the Pacheco plant for the next generation of the Ranger Pickup -the company's star model in Argentina that will start producing in 2023- and a significant investment in the location of auto parts. In this sense, 70% of the production of the Pacheco Plant will be destined to exports, mainly to supply the Latin American markets.

Currently, the Ranger Pickup is mainly exported to Brazil, Mexico, Chile, Colombia and Peru, and the company is working with the Ministry of Foreign Affairs to open and expand new exports opportunities.

Michael Sheridan, who has worked in Ford since 1987 and in his current role oversees Ford's relationships with governments around the world as well as the company's business strategy and political risk assessment, has kindly agreed to answer some questions for this edition of Argentina in Focus:

Argentina in Focus: You know that Argentines have great affection for Ford Company and this year Ford celebrates 108 years in Argentina. Can you share with us some of the history of the company in Argentina?



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Michael Sheridan: During the 108 years in the country, Ford built a strong bond with Argentinian society. We pioneered in the auto industry, being the first automotive company to settle in Argentina in 1913 (the second branch established by Ford Motor Company outside North America). Ford has always provided to Argentinian people the latest and has contributed innovations to the development of society through investments to produce, develop the local value chain, provide quality jobs and implement long-term community relations programs, while offering our customers modern and innovative vehicles that they want and value.

AIF: You have a long track record in supporting the communities where you operate and invest, can you share with us your current programs and also the actions you took during this pandemic to support those on the front line fighting the disease?

MS: Our Community support programs are mostly focused in Education, a key pillar in which we have initiatives that have been in place for more than 50 years, such as the Henry Ford Technical School and the Rural Zone Schools program (joint program with our dealer network). In this area, we also have programs funded by the Ford Fund aimed to support secondary school students to finish their studies and help them prepare for their first job. In

total, we have more than 30 initiatives working with nonprofit organizations and a strong participation of our volunteer corps, which we encourage. Pandemic restrictions challenged the execution of some of them in 2020. Nevertheless, we redirected our resources to help those in the front line fighting the disease, such as producing and donating 20,000 face shields at Pacheco and lending vehicles to Red Cross and other organizations to help their logistics.

AIF: Ford recently announced an investment of \$ 580 million to produce the new generation of the Ranger pickup. Can you share with our readers more details about this investment?

MS: Argentina manufacturing operation has an important role as the source of Ranger for the Latin American markets. We are investing US\$580 million to produce the next generation Ranger at Pacheco Plant in 2023 to source the Latin America markets. The plan includes a complete modernization of the plant and a significant investment in the development of local suppliers. About 70% of production is destined to export markets.

AIF: The company informed that a big part of the new investment will be to increase the integration of parts for the new model. Can you share with us more information about this plan?

MS: We are aiming to increase our local content (national integration) to over current Ranger 40%; and around 30% of the investment amount will be used to develop local suppliers producing local auto parts.

AIF: A big part of the production that Ford does in Argentina is to export to different countries in Latin America. Which are the main markets for Ford? Is the company planning to increase its exports with the new Ranger?

MS: About 70% of Pacheco plant production is destined to export markets. The bulk of our vehicle exports from Argentina are destined for Brazil, Mexico, Chile, Colombia and Peru, facilitated by existing trade arrangements Argentina has within Mercosur and its key partners. As such we see trade negotiations as a key opportunity to expand the export footprint, and look to on-going Mercosur negotiations with Canada and the completed Mercosur negotiation with Europe to provide opportunity, including for import to strengthen natural relative complementarities. We urge Argentina to think bold in achieving new trade agreements and liberalization beyond its region, and seek new opportunities for trade with the US as it takes up the presidency of Mercosur during the first six months.

AIF: As you know, in the last 20 years the auto industry in Argentina has become more specialized in the production of pickups trucks. How do you see this specific market evolving in the future?

MS: The need of efficient production scales to enable viable manufacturing operations drove Argentina auto sector business model to current manufacturing footprint specialization with an export profile. Under this business model, we produce Ranger sourcing the Latin America region and import the rest of the portfolio to service our customers in Argentina. For this reason, improving

the competitiveness and opening new markets are key elements for Argentina's auto manufacturing sustainability and potential growth.



G20 Italy 2021-Official site.

THE LAUNCH OF THE DELIBERATIONS OF THE CIVIL 20

Italy, country that holds the G20 presidency this year, will continue the tradition of working with a wide diversity of civil society organizations to gather different perspectives on the socioeconomic challenges facing the world today.

Within this framework, more than 200 representatives of civil society organizations from around the world, including Argentina, participated in the launch of the three-day deliberations of the Civil 20 engagement group of the G20.

Representatives of Huesped Foundation, Citizen Forum of Participation for Justice and Human Rights (FOCO), SES Youth Foundation, and Environmental and Natural Resources Foundation (FARN) participated in this important launch.

The Civil 20 (C20) is one of eight engagement groups; it provides a platform for civil society organizations and promotes a political dialogue with the G20. This process involves a wide variety of organizations and networks beyond the countries that make up this forum for international economic cooperation.

It is structured around the following guiding principles: transparency, independence, global character, inclusiveness and respect for human rights, and gender equality.

THIS YEAR, THE DIALOGUE
WILL FOCUS ON ISSUES SUCH
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ECOLOGICAL TRANSACTIONS,
GLOBAL CITIZENSHIP, AND
SOCIAL JUSTICE.

Its contribution has always been key to achieving the best policy-making process by bringing their experience and expertise to ensure that policies shape a better world for all. This year, the dialogue will focus on issues such as global health, finance, climate change and ecological transactions, global citizenship, and social justice.

Stefania Burbo, C20 Chair, stated: "international civil society is ready to become involved in the work of the G20, including the communities and social groups mainly affected by the development challenges, to which the G20 intends to respond."

Enrique Konstantinidis, of the FARN NGO, and one of the Argentina's civil society representatives, made reference to the civil society organizations' dialogue during the G20 negotiations regarding climate, biodiversity, environment, and energy.

In his presentation, he said that the COVID-19 global pandemic has tested our ability to work together in solidarity and overcome this worldwide challenge, although this is not the only crisis we are facing. "Climate change is already impacting our lives around the world and this rapid response must unite our efforts to drive climate action, an energy transition to renewable energy, and environmental sustainability."

The G20 countries have addressed climate change and energy in recent years, with varying levels of commitment, but greater efforts are required to comply with the Paris Agreement objectives of 2015. Science reveals that emissions must be reduced by more than half in less than 10 years, if we are to have a reasonable probability of limiting a temperature increase to 1.5°C.

The FARN representative noted that energy represents a large part of global emissions, so it is imperative to make the transition to 100% renewable energy, improve energy efficiency, and phase out subsidies for fossil fuels, while at the same time preventing an adverse impact on the poorest, as declared by the Pittsburgh G20 Summit in 2009.

Climate finance is crucial for this required transition and it must be aligned with the Paris Agreement and the United Nations Sustainable Development Goals. Konstantinidis added that G20 countries must demonstrate progress in the collective scaling up of climate financing to meet the goal of \$100 billion a year starting in 2020, providing additional adaptation funds to maintain a balance in its support for climate change, adaptation, and mitigation.

Regarding economic recovery, he stressed that recovery should include increasing the share of renewable energies, energy and resource efficiency, strong social and environmental safeguards in all sectors, changing all land use practices to sustainable practices, greater protection of biodiverse ecosystems, ending energy poverty in developing countries and a just transition for all, so that the welfare of all people are at the center of our long-term strategies.

He called on G20 countries to show solidarity through an urgent and comprehensive debt cancellation and restructuring process, as well as ecological and sustainable support for the developing countries' recovery.

Finally, he highlighted that this year the G20 can help generate the political momentum necessary to take ambitious climate actions and show global leadership, through strong commitments and by achieving a fair and sustainable future for all.