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REPORT OF THE ACTIVITIES OF THE COMMISSION FROM JANUARY 2006 TO DECEMBER 2007

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UNITED NATIONS

ECLAC



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This report on the activities of the Economic Commission for Latin America and the Caribbean (ECLAC) covers the period between January 2006 and December 2007. It reviews the work carried out under the programme of work of the ECLAC system, which includes the Latin American and Caribbean Institute for Economic and Social Planning (ILPES).

The contents of this document will be used to supplement the report that the Secretary-General of the United Nations will present to the General Assembly.

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FOREWORD BY THE EXECUTIVE SECRETARY OF ECLAC

José Luis Machinea

Executive Secretary

Economic Commission for Latin America and the Caribbean

The thirty-second session of the Commission coincides with its sixtieth anniversary. From its early days, ECLAC has endeavoured to promote economic and social development and regional cooperation through its work which takes into account the particular characteristics and specific problems of the countries and territories of Latin America and the Caribbean. It is widely recognized that over the past 60 years, ECLAC has been a constant source of ideas, proposals and guidance on the socio-economic development of the region.

This report on the activities of the Commission presents a summary of the services provided to the region by ECLAC during the past biennium. The outcome is especially positive, in terms both of public-policy proposals on the various dimensions of economic and social development, and of the role played by ECLAC as an ideal forum for intergovernmental and technical discussions. In conducting all these activities, we have closely followed the ECLAC tradition of technical rigour and an interdisciplinary approach, which are essential if we are to work with the countries of the region towards overcoming increasingly difficult challenges.

The Commission's activities in the social field over the past biennium have been particularly noteworthy. Contributions to the regional debate in this area have included substantive inputs to a number of the summits of Heads of State and Government which have taken place in recent years on subjects such as social cohesion and inclusion, migration and, more generally, challenges for progress towards fulfilling the Millennium Development Goals.

Exceptional progress has also been achieved in the implementation of our programme of work, with a greater focus on our impact in the region and on accountability. As part of this general effort, ECLAC has succeeded in mobilizing extrabudgetary resources which have reached their highest levels in 10 years. ECLAC has contributed significantly to creating synergies between analytical and technical-cooperation activities and the field operations of United Nations funds, programmes and specialized agencies. Measures to promote coordination of the activities of the United Nations system in Latin America and the Caribbean have been highlighted as a good practice to be applied in other regions.

Looking towards the future, we decided to take the opportunity offered by the sixtieth anniversary to consider the path of development in Latin America and the Caribbean in light of the challenges of today's world and the relevance of the Commission's message in a region which has become more complex and is facing increasingly arduous challenges. That is why the secretariat proposes to re-examine, following two decades of globalization and economic reforms, one of the proposals which covers more comprehensively the subjects which are under permanent consideration by the Commission: productive development, international integration and social equity. As an input to the intergovernmental discussions during the session, the secretariat has prepared the document *Structural Change and Productivity Growth - 20 Years Later. Old problems, new opportunities*, which provides some fresh analytical approaches while demonstrating the applicability of various of the Commission's central postulates.

The present report of activities reflects the growing demand for our services from a variety of actors at the country level (State bodies, the private and academic sectors and civil society) and the regional level. The secretariat of the Commission is confident that member States will find good reasons for adopting this report and renewing their confidence in the Commission.



Photo: ECLAC / Cristian Lantieri

EXECUTIVE SUMMARY

The past five years have been characterized by positive economic performance in the region, including a reduction of vulnerability to external shocks. Nonetheless, the region is faced with a slowdown in multilateral trade integration; it also needs to pursue productive development policies to secure long-term growth, invest in social policies to reduce inequalities and vulnerability among specific social groups and promote environmentally sustainable policies.

ECLAC priorities in 2006-2007 responded to the challenges faced by the region. The programme addressed the following priorities:

- Increasing the region's productive potential;
- Promoting hemispheric integration;
- Promoting social cohesion;
- Enhancing sustainable development policies; and
- International migration.

Programme implementation this biennium reached 99% with lowest and highest rates of implementation across subprogrammes of 95% and 100%.

ECLAC assumed a strong political presence regionally, preparing substantive documents for the following high-level regional meetings and conferences:

- Seventeenth Ibero-American Summit of Heads of State and Government, Santiago, Chile, November 2007.
- Nineteenth Summit of Heads of State and Government of the member States of the Rio Group, Guyana, March 2007.
- Tenth session of the Regional Conference on Women in Latin America and the Caribbean, Quito, Ecuador, August 2007.
- Second Ministerial Conference on the Information Society in Latin America and the Caribbean, San Salvador, February 2008.

- Second Regional Intergovernmental Conference on Ageing in Latin America and the Caribbean: towards a society for all ages and rights-based social protection, Brasilia, December 2007.
- Sixteenth Meeting of Ministers and High-level Authorities of the Housing and Urban Development Sector in Latin America and the Caribbean (MINURVI) and twelfth Ibero-American Forum of Ministers and High-Level Authorities of Housing and Urbanism, Santiago, Chile, October 2007.
- Fourth meeting of the Statistical Conference of the Americas, Santiago, Chile, July 2007.
- Two Regional Implementation Forums on Sustainable Development in Latin America and the Caribbean (2006 and 2007).

ECLAC continued to provide advisory services and conduct applied research with a regional perspective for the benefit of the Governments of the region in various areas relating to economic, social and environmental aspects of development, including the follow-up of internationally agreed development goals.

ECLAC maintained a high level of responsiveness to member States' needs by developing expertise and institutional positions on emerging issues, in line with the demands of its member States and the global and regional mandates of the United Nations:

- Climate change, mitigation and adaptation
- Energy efficiency, renewable energies and biofuels
- ICT and the information society
- Innovation and growth
- Emerging population issues such as ageing, migration and the conditions of Afrodescendants and indigenous populations.

OVERVIEW



Photo: ECLAC / Christian Larrain

ECLAC AT A GLANCE

A LATIN AMERICAN AND CARIBBEAN PERSPECTIVE ON DEVELOPMENT

ECLAC was established on 25 February 1948 by the Economic and Social Council of the United Nations, to contribute to the economic development of Latin America and to reinforce economic relations between the countries of the region and between them and other nations of the world. Later, its scope was expanded to include the countries of the Caribbean and promote the region's social development. The Commission now has 44 member States, including North American, European and Asian nations that have historical, cultural and economic ties with the region, as well as eight non-independent Caribbean territories holding the status of associate members.

Redefined by its members in 1996, the Commission's mission encompasses the formulation, follow-up and evaluation of public policies and the provision of operational services in the areas of specialized information, consultancy, training, cooperation, support and regional and international coordination.

The Commission's areas of expertise include: economic development, international trade and integration, productivity, social development, population, sustainable development and the production of statistical data. In the last few years ECLAC has also concentrated on integrated regional follow-up to internationally agreed goals including the Millennium Development Goals.

INNOVATIVE PERSPECTIVES ON DEVELOPMENT

Since the late 1990s, ECLAC has highlighted the profound asymmetries in the global order and the ways in which they affect the region negatively in productive and financial terms, causing a significant degree of macroeconomic instability, as well as lower levels of economic growth and social develop-

ment. ECLAC has also expressed critical views of the potential and actual impacts of reforms on the region's economies, in accordance with the growing international recognition of their fragility, and has stated the need to seek a more balanced form of globalization and to "reform the reforms."

THE COMMISSION'S RECENT WORK

ECLAC documents of recent years reflect its positions on major economic and social issues, and propose the following:

- A redefinition of international macroeconomic and regulatory agencies;
- A broad vision of macroeconomic stability (including long-term growth and countercyclical policies);
- Implementation of productive development strategies (infrastructure, productive transformation and export diversification, development of national innovation systems);
- Enhancement of social linkages (efficient and solid social pacts, integrated social policies in the areas of education, employment and social protection);
- A stronger focus on environmental sustainability (a positive economy-environment agenda, reorientation of specialization patterns, creation of environmental services markets); and
- A critical role at the regional scale (open regionalism, defence of the weakest actors, greater sense of ownership of regional institutions).

Institutional documents presented at the previous sessions of ECLAC

2006: Shaping the Future of Social Protection:
Access, Financing and Solidarity

2004: Productive Development in Open Economies

2002: Globalization and Development

2000: Equity, Development and Citizenship



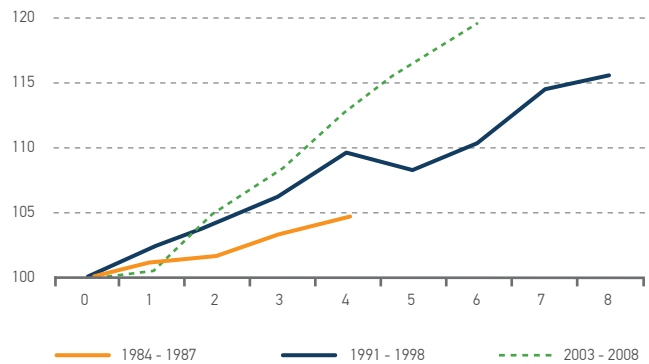
THE REGIONAL CONTEXT

Between 1980 and 2002, the economic performance of Latin America and the Caribbean was characterized mostly by slow and volatile economic growth with marked fluctuations in capital flows. The panorama since 2003 has been more encouraging as the region has enjoyed more than five consecutive years of expansion thanks, to a large extent, to favourable conditions in the world economy. In this context, the region has achieved significant improvements such as the reduction of its external vulnerability as a result of the implementation of sound macroeconomic policies. During the period 2003-2007, the region recorded an estimated 16% increase in per capita gross domestic product while simultaneously maintaining a current account surplus on the balance of payments. Sustaining these positive features will depend largely on the continuation of a favourable international environment but also on how the countries of the region address current challenges in their development processes, either of a structural nature inherited from the past or related to emerging issues.

In this respect, the Latin America and Caribbean countries have not fully benefited from the opportunities offered by competitive integration into the international economy. This is partly due to the scant progress achieved in the current round of multilateral trade negotiations and the problems affecting the international economic order; also, the region needs to take full advantage of the current trend of sustained growth by transforming it into long-term assets to enhance its position in world markets. Success in the latter will largely depend on how efficiently the countries of the region are able to enhance and build up their capabilities and on how public and private actors will jointly establish productive development strategies.

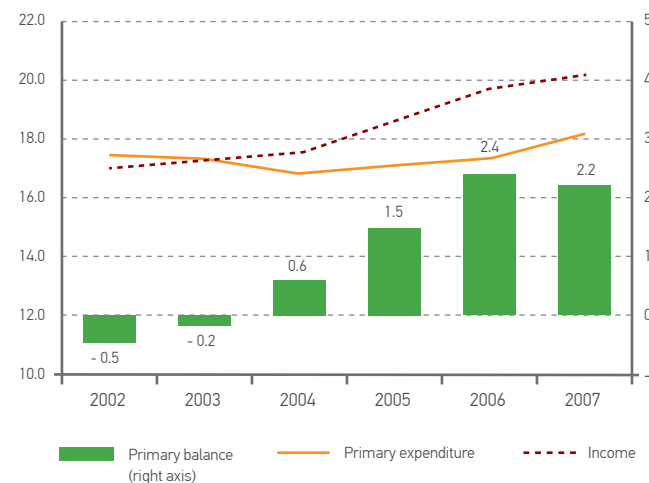
In the social sphere, despite diminishing levels of extreme and overall poverty and improvements in the levels and quality of

FIGURE 1
LATIN AMERICA AND THE CARIBBEAN: PER CAPITA GDP
(YEAR PRIOR TO THE FIRST YEAR OF GROWTH = 100)



Source: Economic Commission for Latin America and the Caribbean, Economic Survey of Latin America and the Caribbean 2006-2007 (LC/6.2338-P), Santiago, Chile, 2007.

FIGURE 2
LATIN AMERICA AND THE CARIBBEAN: CENTRAL GOVERNMENT REVENUES, PRIMARY SPENDING AND PRIMARY BALANCES, 2002-2007 (SIMPLE AVERAGE, AS PERCENTAGE OF GDP)

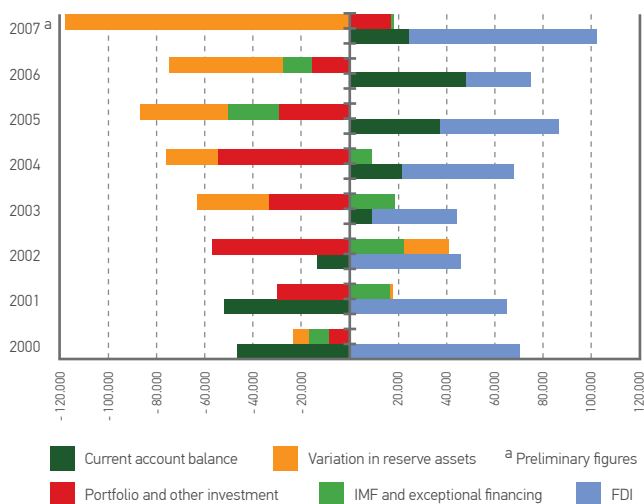


Source: Economic Commission for Latin America and the Caribbean, Preliminary Overview of the Economies of Latin America and the Caribbean 2007 (LC/6.2355-P), Santiago, Chile 2007.

employment, social spending, and other social indicators, the region still faces major challenges in terms of income and wealth distribution. Poverty affects more than 35% of the population and the total number of people living in poverty remains higher than in 1980 (approximately 190 million). Social vulnerabilities are among the main causes of the significant international and internal migratory flows that affect the region. These problems have eroded social cohesion, increased tensions within countries and accentuated the fragility of democracies and their institutions.

The region also remains particularly vulnerable to natural disasters and the impacts of climate change, especially in the Caribbean and Central America, and faces formidable problems caused by degradation of its natural resources and loss of biodiversity. Thus, despite some positive features marking the first decade of the new century, challenges still lie ahead.

FIGURE 3
LATIN AMERICA AND THE CARIBBEAN: BREAKDOWN OF BASIC BALANCE (MILLIONS OF DOLLARS)

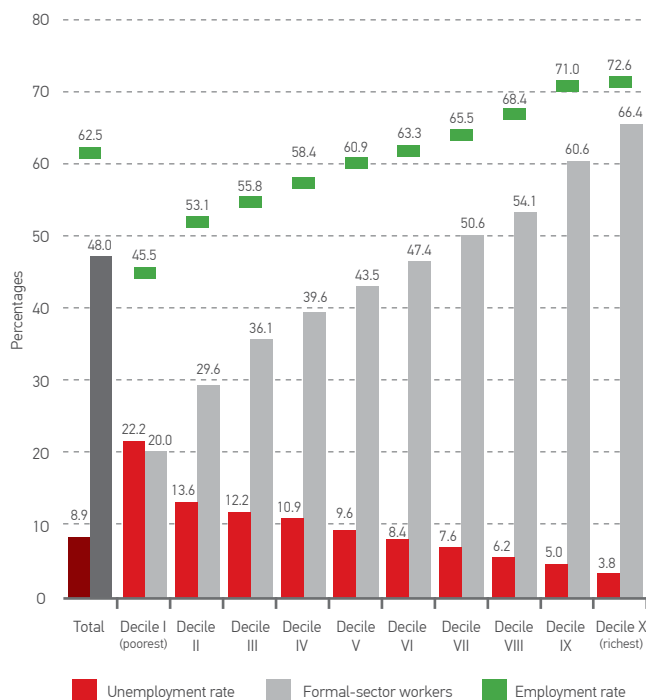


Source: Economic Commission for Latin America and the Caribbean, Economic Survey of Latin America and the Caribbean 2006-2007 (LC/6.2338-P), Santiago, Chile, 2007.

In response to the regional context and the needs of its member states, ECLAC priorities this biennium were:

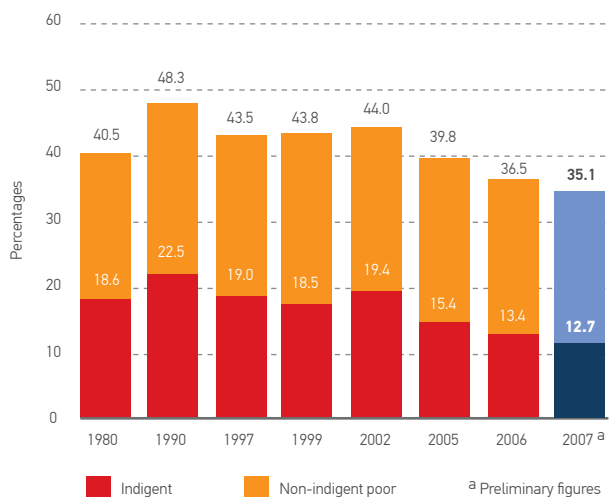
- Increasing the region's productive potential
- Promoting hemispheric integration
- Promoting social cohesion
- Enhancing sustainable development policies
- International migration

FIGURE 4
LATIN AMERICA (18 COUNTRIES, SIMPLE AVERAGE)
UNEMPLOYMENT RATE, EMPLOYMENT RATE AND PERCENTAGE OF WORKERS IN THE FORMAL SECTOR OF THE ECONOMY (IN RELATION TO TOTAL EMPLOYED PERSONS), BY INCOME DECILE, NATIONAL TOTALS, ABOUT 2005



Source: Economic Commission for Latin America and the Caribbean, Social Panorama of Latin America 2007 (LC/6.2351-P), Santiago, Chile, 2007.

FIGURE 5
LATIN AMERICA: POVERTY AND INDIGENCE, 1980 - 2007



Source: Economic Commission for Latin America and the Caribbean, Social Panorama of Latin America 2007 (LC/6.2351-P), Santiago, Chile, 2007.



ECLAC IN 2006 - 2007

THE HIGHLIGHTS

In 2006-2007, ECLAC admitted two new members, Japan and the Republic of Korea, and one new associate member, the Turks and Caicos Islands. It now has 44 member States and eight associate members.

During the biennium, ECLAC continued to act as a catalyst and leader in economic, social and environmental issues in the region, framing its activities in the more general context of internationally agreed development goals, including the Millennium Development Goals.

ECLAC collaborated with the countries of the region through a combination of activities reflecting its role as a regional forum and a facilitator in building regional consensuses. Thanks to its comprehensive analysis of development processes, public-policy formulation and operational tasks, including the provision of technical cooperation, dissemination of specialized information and training, ECLAC developed a methodological platform to support countries in their follow-up to world summits on economic, social and environmental issues from a regional perspective, including:

- The World Summit on the Information Society
- The World Summit for Social Development
- The World Conference against Racism, Racial Discrimination, Xenophobia and Related Intolerance
- The Fourth World Conference on Women,
- The World Summit on Sustainable Development,
- The United Nations Conference on Human Settlements,
- The International Conference for Renewable Energies
- The International Conference on Population and Development
- The Second World Assembly on Ageing
- The Global Conference on the Sustainable Development of Small Island Developing States

The economic dimension

In the uncertain context following the suspension of the Doha Round, ECLAC has continued providing technical cooperation in the area of negotiation and administration of trade agreements, and launched a joint initiative on South American cooperation and integration with the Andean Community. ECLAC also started a project to strengthen competition in the Central American Isthmus in response to Governments' requests to develop a legal and institutional framework in an area where limited analysis was available; as a result, by the end of 2006, five countries had enacted laws and an Intergovernmental Working Group on Competition was set up, involving the competition authorities of Central America. Lastly, ECLAC contributed to the dissemination of information on trade agreements and disputes, both ongoing and resolved, with the launching of an Integrated Database of Trade Disputes for Latin America and the Caribbean, the first of its kind in the region.

In the framework of the REDIMA project, ECLAC also contributed to regional integration and macroeconomic policy coordination by fostering networking activities and sharing best practices. Throughout the biennium, subregional meetings (Andean Community, Central America and MERCOSUR) were attended by growing numbers of high-ranking participants who discussed key issues such as coordination of public expenditure on transport infrastructure, deepening capital markets in the region and macroeconomic convergence in the subregions. Furthermore, in response to policymakers' concerns and feedback on the Commission's analytical work, the 2007 *Economic Survey of Latin America and the Caribbean* focused on the dynamics of economic growth in Latin America and the Caribbean.

Mainstreaming the Millennium Development Goals in the work of the organisation and forging strategic inter-agency alliances

Millennium Development Goals constitute the backbone of all activities of the subprogrammes of the organisation. ECLAC has promoted the adoption by the countries of the region of an extended set of Millennium Development Goals indicators on education, gender and environment that are more suitable to their situation, in order to monitor the accomplishment of the Millennium Development Goals in the region through the execution of a project under the United Nations Development Account entitled “Interregional cooperation to strengthen social inclusion, gender equality and health promotion in the Millennium Development Goals”.

ECLAC also forged important partnerships with 14 other United Nations agencies (UNDP, UNICEF, UNFPA, WFP, UNEP, PAHO, ILO, FAO, UNESCO, OHCHR, UNIFEM, OCHA, UNAIDS, and UN-Habitat) around the Millennium Development Goals. It acts as a catalyst for the analytical and normative work in support of the operational activities of the United Nations System at the regional level. It coordinated the 2006 inter-agency report entitled “*Women’s Contribution to Equality in Latin America and the Caribbean*,” focusing on goal 3 of the MDGs (Promote gender equality and empower women). The 2007 report focuses on health-related MDGs, specifically reductions in child mortality and malnutrition, and improved maternal health.

Finally, ECLAC coordinated the preparation of an inter-agency document entitled *The Millennium Development Goals and the challenges facing Latin America and the Caribbean in making progress towards higher levels of well-being, better human capital, and more equal opportunities*, as input for the Nineteenth Summit of Heads of State and Government of the Rio Group, Guyana, 2-3 March 2007. The document discusses the type of problems and challenges facing the region in five areas that are either included in the Millennium Development Goals or closely related to them (poverty, child malnutrition, education, health, children and adolescents); and it makes recommendations for the region’s governments and countries in those areas.

As for productive development, technical cooperation was given to 28 stakeholders, including five countries, in the formulation of their Innovation Development Plans and in the development of their national systems of innovation; and to four countries for the development of a methodology to establish working groups at the local level for the development of clusters and local networks of SMEs and to support institutions, and coordinate these efforts with the relevant Ministries and other institutions at the national level. ECLAC also followed up and managed the Regional Plan of Action for the Information Society in Latin America and the Caribbean (eLAC 2007), approved by the Governments of the region in 2005. It also facilitated the participation of some 1,500 stakeholders from the public, private, academic and civil-society sectors to define priorities for the new eLAC 2010 which was signed by 27 Governments of the region at the Second Ministerial Conference on the Information Society, held in San Salvador in February 2008. It contains 83 specific goals for the promotion of ICTs in the region. The participatory approach championed by ECLAC can certainly be replicated in many other areas of interest.

The social dimension

ECLAC has disseminated its institutional position and research findings on social protection and social cohesion in numerous high-level forums on the theme of social protection, such as the high-level seminar held during the thirty-first session of ECLAC (Montevideo, 2006) and other meetings in preparation for the Seventeenth Ibero-American Summit of Heads of State and Government (November 2007, Chile). As a result, numerous Governments in the region are requesting specific analyses and policy recommendations. The programme has also sought to further reinforce its interactions with civil society and institutions related to social policy, for example through the Latin American and Caribbean Network of Social Institutions (RISALC), which has become an important medium for new inter-agency relations to work jointly on matters relating to the Millennium Development Goals. At the same time, ECLAC has continued collecting, harmonizing and disseminating social statistics for use by Governments in the region. In the past two years, new data from 45 countries and territories of Latin America and the Caribbean on 38 indicators for the follow-up of the Goals, have been included in the flagship publication *Social Panorama of Latin America*, and online consultations of that document have doubled.

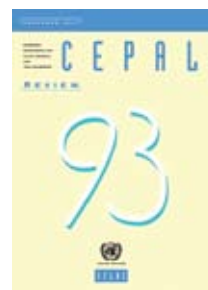
ECLAC also continued its advocacy role with respect to women's rights in the region, through its participation in high-level regional forums. One significant result is the Quito Consensus, adopted at the tenth session of the Regional Conference on Women in Latin America and the Caribbean (August 2007). The Consensus expresses the region's political will to progress towards gender parity in the formulation of public policies. Technical cooperation on gender mainstreaming resulted in thirty countries updating national legislation and programmes and statistical information related to gender equality, the participation of women in decision-making and their contribution to the economy and the reconciliation of productive and reproductive rights and activities. Nine countries developed a total of 14 programmes to mainstream the gender perspective in priority areas of Government policy, while 11 countries established agreements and inter-agency networks to ensure the mainstreaming of the gender perspective into priority areas of their agendas. Lastly, 26 countries in Latin America and the Caribbean mainstreamed a gender perspective in their statistical analyses and the collection and dissemination of data.

Substantively, ECLAC also raised awareness on several issues relevant to the region. First, in response to the petitions of member States involved in the World Conference against Racism, Racial Discrimination, Xenophobia and Related Intolerance, ECLAC addressed forms of discrimination and inequalities faced by indigenous and Afro-descendent groups, and the situations of specific vulnerable populations in Latin America, through case studies and high-level discussions at regional forums. Second, ECLAC also developed its regional perspective on international migration, human rights and development in Latin America and the Caribbean, described in the session document of the ECLAC sessional Ad Hoc Committee on Population and Development (Montevideo, March 2006). The text offers guidance to the region's Governments in dealing with the challenges and opportunities for development posed by migration, particularly with regard to the human rights of migrants and their families. The programme prepared analytical publications on the issue, provided short-term advisory services and serviced several meetings, such as the sixteenth Ibero-American Summit of Heads of State and Government (Montevideo, November 2006) which concluded with the adoption of the Montevideo Commitment on Migration and Development, which calls upon ECLAC to research the integration of migrants in receiving countries. Lastly, ECLAC succeeded in establishing

Disseminating knowledge and policy recommendations



ECLAC disseminates its research findings and institutional positions via an extensive web of publications which include the flagship publications, series and project documents of particular divisions, as well as institutional books and other interdivisional publications.



Among these, the *CEPAL Review*, the journal of ECLAC, is a quarterly publication in Spanish and English that provides since 1976 as a space for ECLAC, UN and non-UN experts to examine social and economic development issues in the region. In 2006-2007 (numbers 83 to 98), the Review examined the region's structural characteristics (12 articles), employment, income distribution and poverty (8 articles), international integration processes (7 articles), macroeconomic, fiscal and financial policies (7 articles), productive policies and transformation (7 articles) social policies (7 articles), development issues in the region (6 articles) and political aspects of development (3 articles).

the topic of ageing as an important issue in public policy and accumulating the knowledge needed for decision-making on the matter. It developed various interrelated products which are widely used by member States, international organizations and civil society.

The sustainability dimension

ECLAC retained its leadership role in relation to a number of topics pertaining to sustainable development and natural resources. In terms of sustainable development, ECLAC initiated various activities related to climate-change adaptation and mitigation, developing new instruments and a regulatory framework to improve institutional efficiency at national, regional and local levels. In the Caribbean, ECLAC put into operation the Regional Coordination Mechanism for implementation of the Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States. ECLAC continued to provide leadership in disaster assessment by disseminating its methodology and indicators for assessing the socio-economic and environmental effects of natural disasters. It organized 12 technical assistance missions in 10 countries and disseminated its methodology through 15 workshops, training 414 professionals. ECLAC also continued its work on urban analysis for sustainability in

Latin America and the Caribbean, developing a methodological framework and a set of indicators useful for policy design and implementation.

Regarding natural resources and infrastructure, 27 countries have acted upon ECLAC recommendations on natural resources management and 16 countries have acted upon its recommendations related to infrastructure and public utilities. In coordination with the IDB, ECLAC has also facilitated the integration of energy sectors in Central America, resulting in an Action Matrix for Central American Energy Integration and Development, involving 64 projects in the subregion. Furthermore, ECLAC has developed its expertise on the new topic of biofuels, leading to a multidivisional and inter-agency effort to respond to the expressed needs of the Member-States.

Lastly, in response to the perceived need to develop a regional strategic vision to encourage public-private partnerships for development, ECLAC prepared 11 case studies as part of an ECLAC/SEGIB/CORFO project to analyse the experiences of Australia, Canada, Czech Republic, Finland, Ireland, Malaysia, New Zealand, Republic of Korea, Singapore, Spain and Sweden, all of which have successful track records in facing the challenges of globalization with relative efficiency.

Implementation rate of the programme of work

The results achieved by ECLAC in influencing the policy agenda and debate in the region on economic, social and environmental issues were made possible by a high rate of implementation of its programme of work. As re-

flected in the table below, by the end of the 2006-2007 biennium, 97% of outputs were implemented, 1% reformulated, 1% terminated and 1% postponed to the 2008-2009 biennium.

ECONOMIC AND SOCIAL DEVELOPMENT IN LATIN AMERICA AND THE CARIBBEAN	TOTAL NUMBER OF MANDATED OUTPUTS	IMPLEMENTATION RATE OF MANDATED OUTPUTS	NUMBER OF TOTAL OUTPUTS	IMPLEMENTATION RATE OF TOTAL OUTPUTS
Executive direction and management	50	100	50	100
Linkages with the global economy, regional integration and cooperation	54	98	63	98
Productive, technological and entrepreneurial development	51	96	52	96
Macroeconomic policies and growth	33	96	33	100
Social development and equity	95	91	97	95
Mainstreaming the gender perspective in regional development	50	96	53	96
Population and development	71	100	71	100
Planning of public administration	68	100	83	105
Environment and human settlements	59	100	60	98
Natural resources and infrastructure	27	92	38	96
Statistics and economic projections	73	98	75	100
Subregional activities in Mexico and Central America	220	100	247	100
Subregional activities in the Caribbean	105	94	105	101
SUBTOTAL	956	97	1027	99

COOPERATION ACTIVITIES

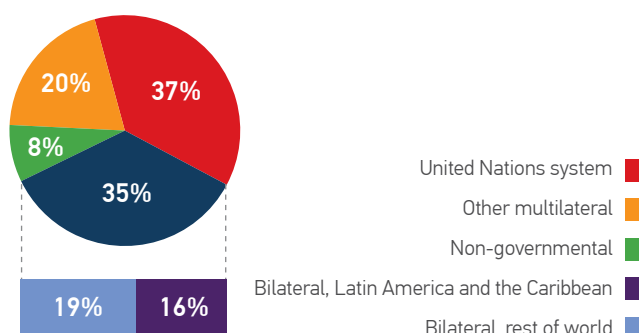
Overview and general trends of international cooperation

Official development assistance (ODA) from the member countries of the Development Assistance Committee (DAC) amounted to US\$ 103.9 billion in 2006; that was more than 5% less than the previous year, which had seen the highest level ever recorded, due in part to relief efforts in Iraq and Nigeria. The Latin American and Caribbean region's share of ODA declined from 11.4% in the 1980s to 10% in 2004-2005. While the lower-middle-income countries had on average maintained their share since the 1980s, the upper-middle-income economies saw a definite drop in their already small share. As the region's economies move towards the global upper-income bracket it is expected that their share of ODA will further decline. Latin American and Caribbean countries have made progress in attaining basic development goals, although at an uneven pace. At the same time, however, most of Latin America shows persistently high levels of poverty and has lagged behind in terms of its progress in this respect. This is indicative of the fact that the middle-income Latin American and Caribbean countries still lack a self-sustaining financial capacity to fund development efforts. The Latin American and Caribbean middle-income countries, which still count 60% of the region's poor, receive a very small share of ODA, close to 0.8%.

Cooperation activities during the biennium

During 2007, the United Nations system achieved considerable progress in streamlining its development cooperation activities in the context of the strategy entitled "Delivering as One." ECLAC has, wherever feasible, played an active role in the common country assessments and the development assistance frameworks that are the main instruments of system-wide coordination at the national level. ECLAC focuses its technical cooperation activities primarily at the regional level within its defined areas of work. Working closely with Governments, it seeks to promote interdependence among Latin American and Caribbean countries as a way to harness economic opportunities and reduce their vulnerabilities in the context of the globalization process. At the subregional level, it has established networks of qualified experts and specialized institutions, working together and exchanging best practices.

FIGURE 6
DISTRIBUTION OF SPENDING ALLOCATED TO EXTRABUDGETARY FINANCING, 2006-2007



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official data to January 2008.

The ECLAC technical cooperation programme complements its core programme of work while simultaneously allowing the organization to develop new thematic areas, which more often than not are subsequently incorporated into its regular programme of work. Since 2006, technical cooperation activities have increased steeply thanks to the strengthening of synergies within ECLAC and to proactive fund-raising.

ECLAC's cooperation activities include the following:

1. National projects, financed by the countries themselves and reflecting the member States' ownership;
2. Regional projects, formulated in response to the priorities of member States and the mandates given by them. ECLAC emphasizes a multisectoral and multi-year approach in order to increase the quality and depth of the support provided.
3. Funding for ad hoc activities, allowing ECLAC to respond rapidly to emerging social, economic and environmental issues at the national level.
4. Operational activities of the United Nations system, which consist in projects of other entities of the United Nations System to which ECLAC gives its support

ECLAC's programme of technical cooperation is financed through various sources: the regular programme of technical cooperation, the ECLAC/UNFPA Regional Programme on Population and Development in Latin America and the Caribbean and fiduciary funds.

The trends observed in previous years have continued. Bilateral funds remain the principal sources of extrabudgetary funding at 34.6%, 16% of which comes from Governments in the region. This is followed by United Nations system funding, representing 37.4% of the total funds for technical cooperation or (US\$ 11 million). Of this, 9.7% comes from ECLAC system funds (including 8.4%, or US\$ 2.5 million, from the contributions of ILPES member States), 16.9% or US\$ 4.9 million from the regular programme of technical cooperation and 10.8% from other United Nations agencies and programmes. Multilateral bodies contribute 20% of total funds. Lastly, the private sector (foundations, universities and private bodies) accounted for US\$ 2.3 million or 7.9%, 5.4% of which came from the Kellogg Foundation in the framework of the project Experiences in social innovation in Latin America and the Caribbean, which seeks to identify, disseminate and reproduce in the region innovative experiences at the local and community level. The Commission's traditional collaboration with universities and research centres in the region and beyond accounted for 1.9% of the total funds for technical cooperation.

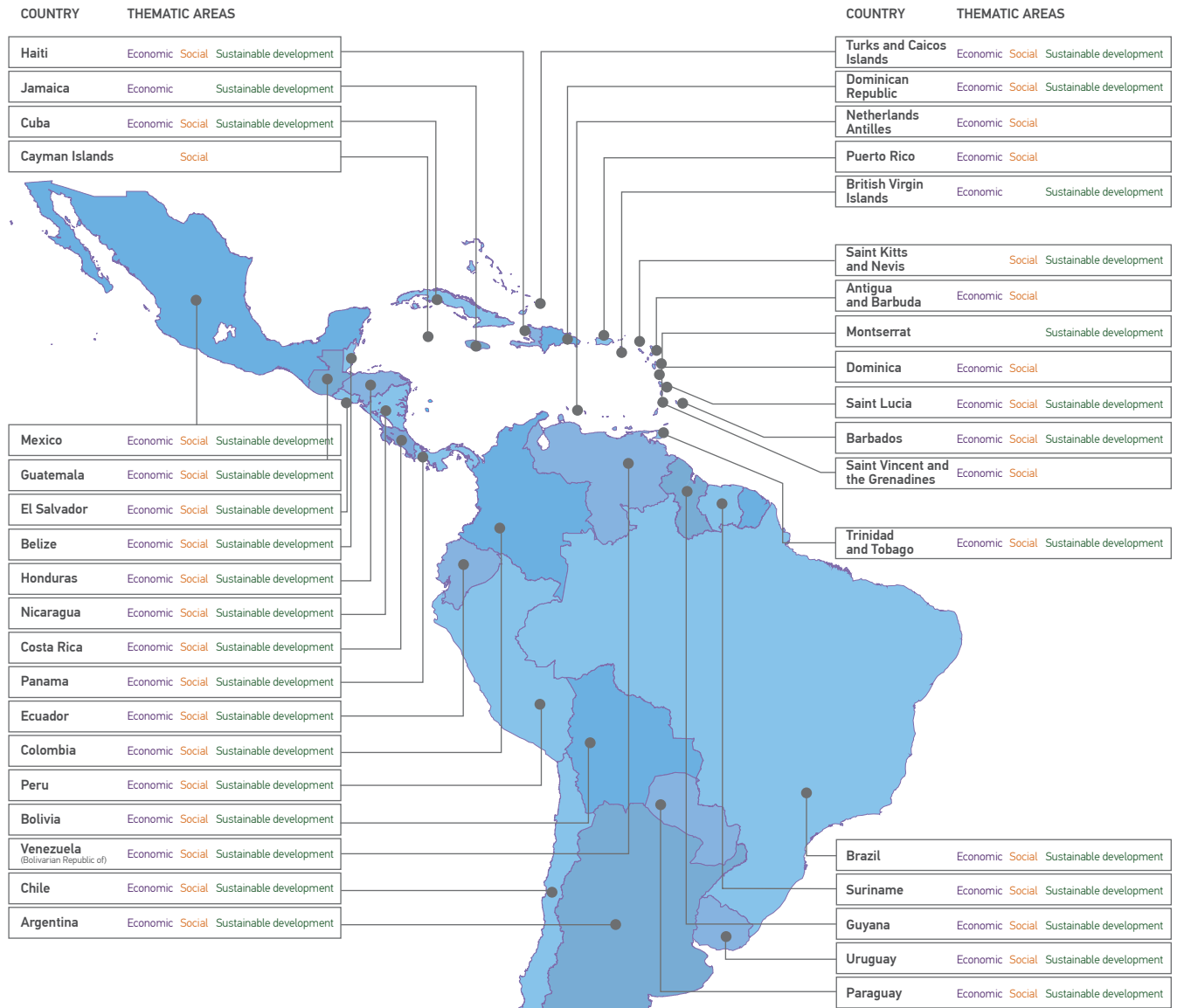
TECHNICAL COOPERATION MISSIONS

Technical cooperation missions constitute a form of direct collaboration with member States in specific areas of interest. In a large number of cases, such missions take the form of substantive collaboration with national authorities, professionals and technical experts, through which ECLAC can learn about country experiences, which can then be disseminated and systematized through more general

analysis and reflection. This knowledge also provides a better empirical basis for the Commission's diagnostic assessments, conclusions and recommendations. The missions sometimes involve a training component such as workshops or courses. This subsection contains a detailed, albeit succinct, account of cooperation activities relating to technical assistance missions carried out by ECLAC officials, regional advisors, experts and consultants during the biennium.

A total of 1,541 technical cooperation missions were conducted in 37 Latin American and Caribbean countries in 2006-2007. Map I shows that 57% of these were in South America, 29% in Central America and Mexico and 14% in the Caribbean. A wide array of issues were addressed, including the following: processing and analysis of information gathered in population and housing censuses; international trade and treaty negotiations, natural resource regulations and policies; environmental indicators and policies; State modernization and planning; improvement of household surveys and economic and social statistics; assessment of natural disasters; and gender mainstreaming in Government policies and programmes (see maps II, III and IV). Missions concerning economic development issues represented 49% of the total, versus 27% and 24% in social and sustainable development areas. Missions were conducted at the request of member States and were coordinated with related activities or programmes carried out by other international organizations and by national entities operating at different levels (subregional, national and local).

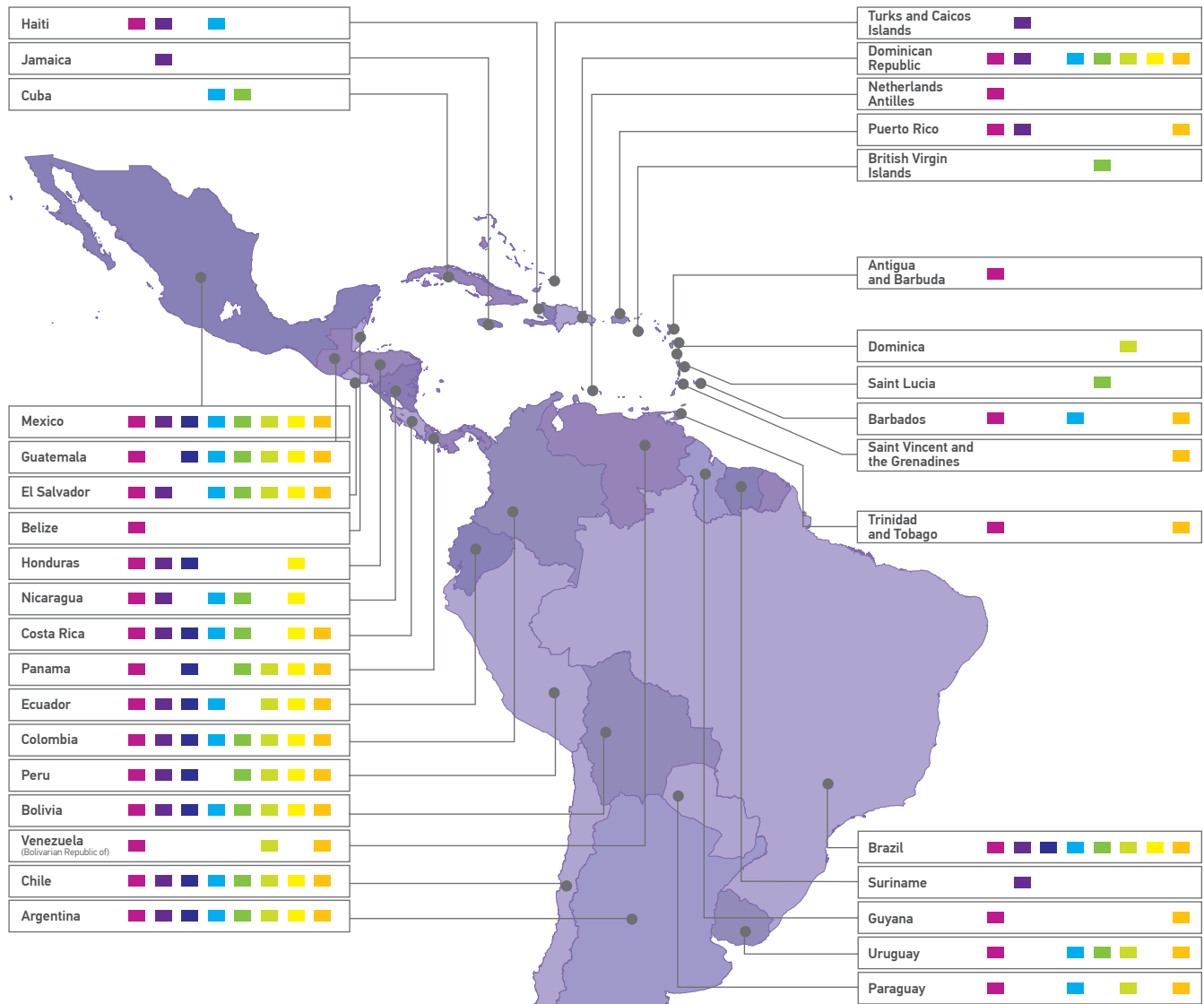
ECLAC: TECHNICAL COOPERATION MISSIONS BY COUNTRY AND THEMATIC AREAS, 2006-2007



TOTAL: 1 541 missions

The boundaries and names shown on this map do not imply official endorsement or acceptance by the United Nations.

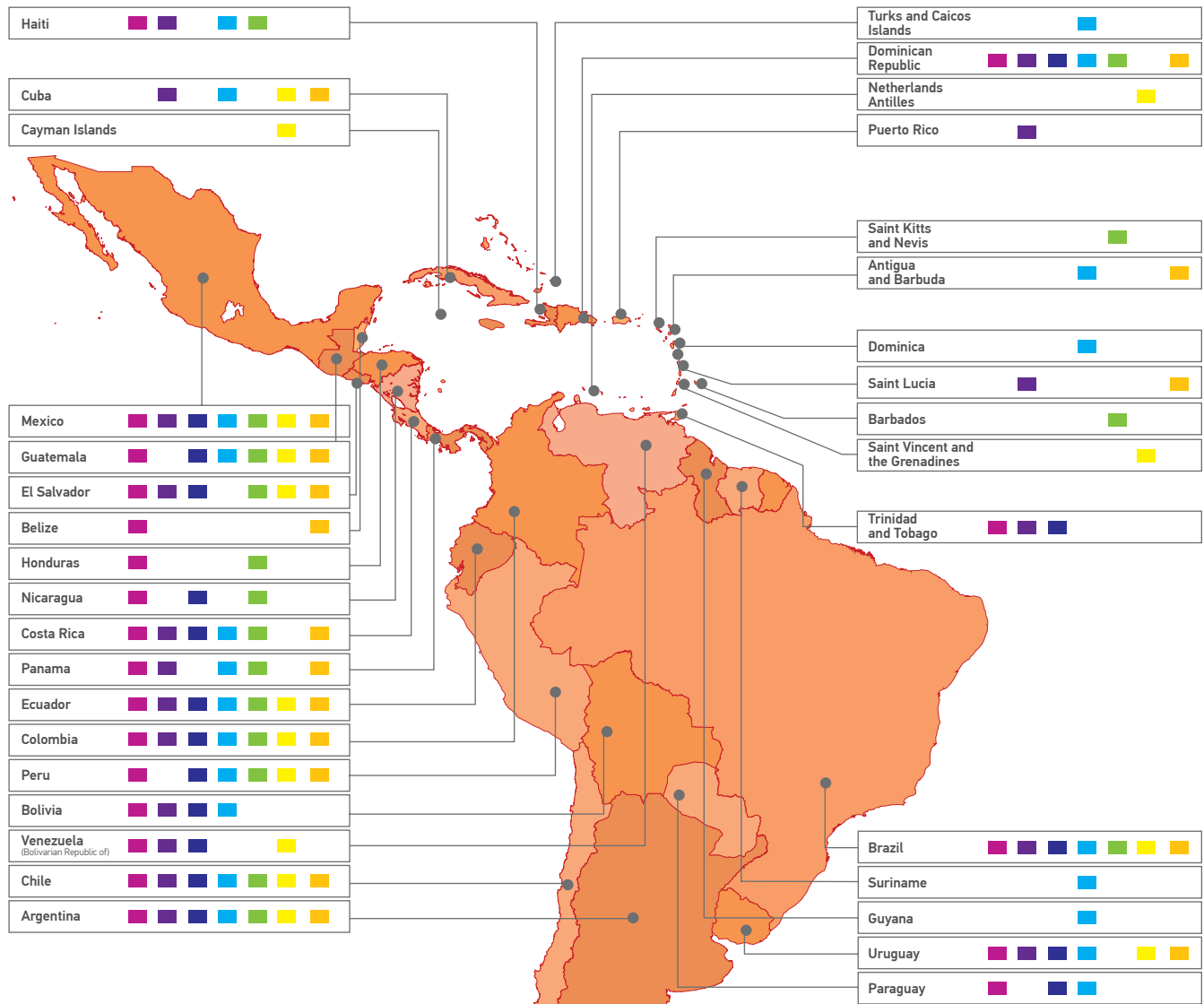
ECLAC: TECHNICAL ASSISTANCE MISSIONS, ECONOMIC ISSUES 2006-2007



Legend and total number of technical cooperation missions by sub-category under economic issues.

International trade / Trade agreements / Competitiveness / Regional integration	171	TOTAL: 757 missions
Economic development / Financing for development	79	
Local and regional development	119	
Productive development / Industrial policy / Small and medium-sized enterprises (SMEs) / Clusters	86	
Statistics and national accounts	60	
Public management / Budgetary policy and public investment	82	
Macroeconomic/fiscal policy and coordination	87	
ICTS / Innovation / Information society / Intellectual property	73	
The boundaries and names shown on this map do not imply official endorsement or acceptance by the United Nations.		

ECLAC: TECHNICAL ASSISTANCE MISSIONS, SOCIAL ISSUES, 2006-2007



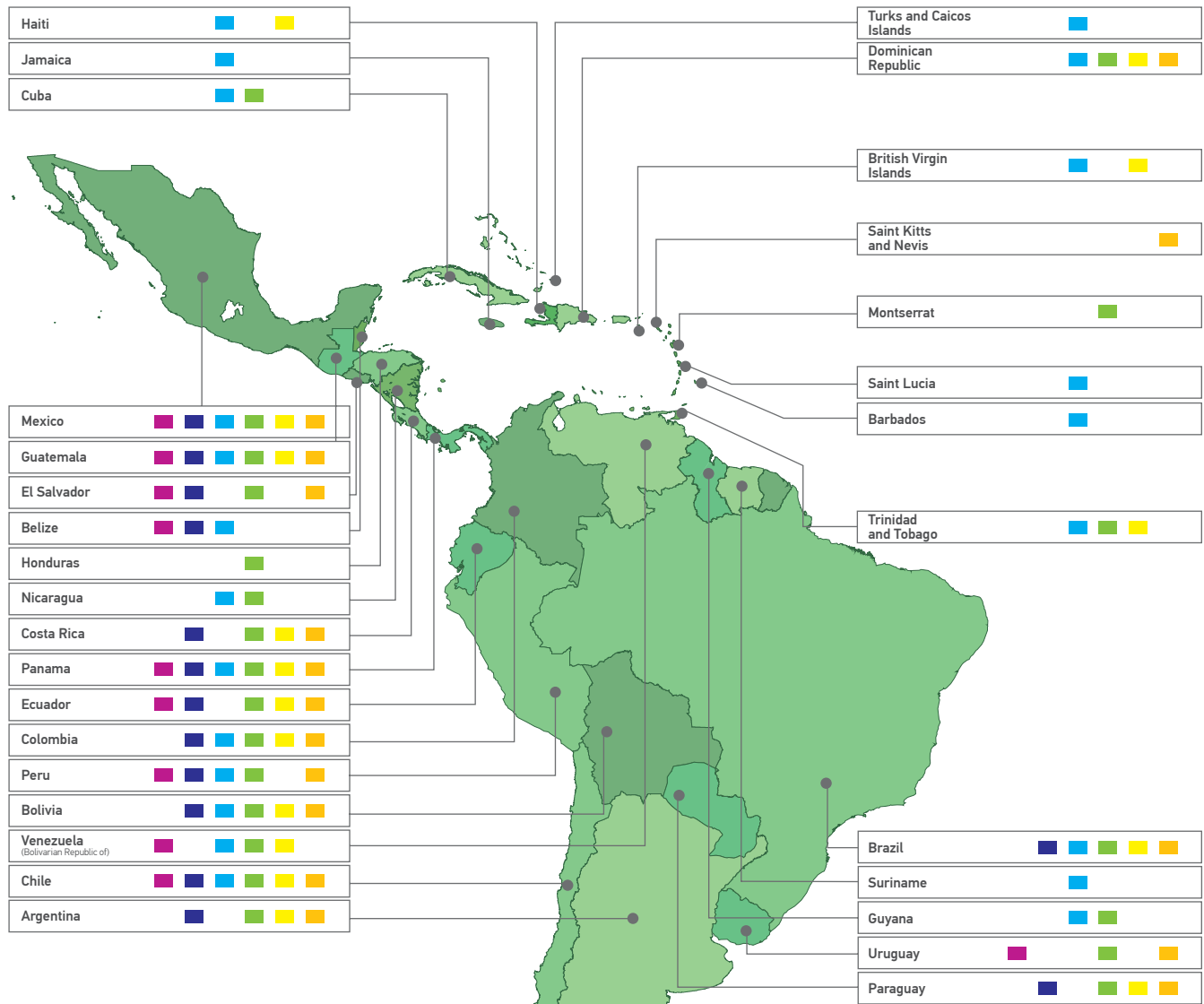
Legend and total number of technical cooperation missions by sub-category under social issues.

Demography and information/Social statistics	72
Development and social policy	57
Youth / Childhood / Family / Ageing / Population	64
Millennium Development Goals: gender equality and empowerment of women	51
Millennium Development Goals: Poverty / Hunger / Undernutrition / Education	71
Migration	27
Social protection and cohesion	69

TOTAL: 411 missions

The boundaries and names shown on this map do not imply official endorsement or acceptance by the United Nations.

ECLAC TECHNICAL ASSISTANCE MISSIONS BY THEMATIC AREA, ENVIRONMENT AND SUSTAINABLE DEVELOPMENT 2006-2007



Legend and total number of technical cooperation missions by sub-category of sustainable development.

Climate change	19
Environmental law and economics	30
Natural disasters	79
Energy	111
Millennium Development Goal 7 - Environmental sustainability	66
Natural resources and infrastructure	68

TOTAL: 373 missions

The boundaries and names shown on this map do not imply official endorsement or acceptance by the United Nations.

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SUBSTANTIVE ACTIVITIES

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Interview with:

Oswaldo Rosales

Director of the International Trade and Integration Division

SUBPROGRAMME 1

LINKAGES WITH THE GLOBAL ECONOMY, REGIONAL INTEGRATION AND COOPERATION

What notable events or landmarks in terms of integration and linkages with the global economy have been observed in Latin America and the Caribbean in the past biennium?

The countries of Central America, in addition to negotiating with the United States and the European Union, have been updating and expanding their commitments in respect of integration. The Caribbean is negotiating with the European Union, while in South America there were more isolated initiatives than collective ones, such as the agreements between Peru and the United States and between Colombia and the United States. Also of importance was the establishment of the South American Community of Nations (UNASUR) and the Bank of the South, instruments which are expected to lead to progress in the integration process. At the same time, the region is strengthening its trade ties with China and the Asia-Pacific region.

In the area of cooperation, what progress was made in the region and in the work of the subprogramme?

The agreement for the construction of the bioceanic corridor which will connect Bolivia, Brazil and Chile was highly important as an effort for physical integration and regional cooperation. We are working with the Andean Development Corporation on an agenda for cooperation in the areas of infrastructure, energy, social issues, trade facilitation, innovation and technological connectivity.

What successful activities or projects during the biennium would you like to mention?

One such activity is our advisory services to Governments and business organizations on the negotiation and administration of trade agreements. In 2007 alone, such services were provided to seven countries in the region. Activities also took place jointly with other international bodies (the World Trade Organization, OECD and the World Bank), with subregional integration bodies and with Asia-Pacific Economic Cooperation (APEC). We received visits from internationally-known experts on trade and took an active part in the first China-Latin America Business Summit, held in Chile under the auspices of ECLAC.

What results have you seen from the strategy applied by the countries of Latin America and the Caribbean in order to move forward with trade agreements following the failure of the Doha Round?

The countries of the region are still committed to the success of the Doha Round, but progress in that area requires a favourable approach by more actors, such as the developed countries. Meanwhile, unilateral subregional initiatives are being organized, to improve access to major world markets.

TRADE AND REGIONAL INTEGRATION

The changing international context has created new opportunities and challenges for Latin America and Caribbean countries. First, the stagnation of multilateral trade negotiations since the sixth WTO Ministerial Conference, held in Hong-Kong SAR of China in December 2005, has created uncertainty as to the progress of the Doha Round and the future rules of multilateral trade. As a result, the region experienced the deepening of bilateral trade agreements and the creation of new ones, and new public-policy requirements for the Governments of the region. Second, the growing importance of new competitors and potential partners in the international arena, such as China and India, has also affected the trade outlook for the Latin American and Caribbean countries.

The Division has consequently pursued two main objectives during this biennium:

- (a) To increase awareness in the countries of the region of the implications and impact of the adoption of new rules and disciplines in the field of trade;
- (b) To strengthen understanding and analytical knowledge among stakeholders in the member States of ways of improving their linkages with the global economy in the context of the parallel advancement of globalization and open regionalism in Latin America and the Caribbean.

MAJOR ACHIEVEMENTS IN 2006 - 2007

Technical cooperation and support for policymaking

One of the priorities of the subprogramme was to increase awareness among member States of the implications of trade agreements and to help them fulfil the requirements of new trade rules. ECLAC, working with OAS and IDB in the Tripartite Committee, provided technical support for hemispheric integration. Countries have prepared national and/or regional trade capacity-building strategies covering three main areas: preparing for negotiations, implementing trade commitments, and adjusting to integration in order to maximize the benefits of trade liberalization. ECLAC, with financial support from the Canadian International Development Agency (CIDA), is also implementing National Trade Capacity-Building Strategies (NTCBS) for FTAA member countries.

The Integrated Database of Trade Disputes for Latin America and the Caribbean

The division disseminates information on trade agreements and disputes, both ongoing and resolved, by launching, and constantly extending and updating a database which provides regional users with information relating to all cases being processed under the WTO Dispute Settlement Body and the regional dispute settlement mechanisms of the Southern Common Market (MERCOSUR), North American Free Trade Area, Caribbean Community (CARICOM), Andean Community and Central American Common Market (CACM).

About 17 missions were organized to provide technical assistance on various aspects of trade agreements, including issues such as rules of origin and the projected impact of trade agreement negotiations, using General Computing Equilibrium Models. Sixteen other missions took place during the biennium, on various aspect of regional integration. Among others, technical assistance was provided to establish an analysis of trade asymmetries in South America, as well as an assessment of the state of integration of the Andean Community.

Another priority has been to support the Governments of the region regarding the uncertainty generated by the breakdown of WTO negotiations. Twelve technical cooperation missions concentrated specifically on the Doha process. The topic was also discussed at a meeting of experts on foreign trade held in May 2006 in Santiago, involving experts from WTO, OECD, Andean Community, MERCOSUR, LAIA and CAF, and at a World Bank seminar in Geneva in which the Division participated.

The subprogramme also organized eight missions to provide policy recommendations on trade relations between China and Latin America, reflecting the growing importance of China in the world economy and as a trade partner of the region.

Lastly, the subprogramme also cooperated in the design of projects aimed at replicating good practices and lessons learned in forging public-private partnerships for development



Latin America and the Caribbean in the World Economy

Latin America and the Caribbean in the World Economy is an annual publication on trends in trade and investment movements. The current edition analyses the Doha Round; the performance of the service sector in Latin America and the Caribbean, with emphasis on business services; regional integration and convergence among trade agreements; economic reordering with regard to Asia and the Pacific; and a comparative analysis on innovation as the main factor of export diversification in some selected countries (Australia, Ireland, Malaysia, Republic of Korea and Singapore).

in some countries of Asia (Japan, Malaysia, Republic of Korea and Singapore) for the benefit of Latin American and Caribbean countries, and hosted the APEC-Prochile seminar on best practices for the internationalization of SMEs.

Research and dissemination

The Division is also involved in leading research on trade-related issues and provides member States with a regional perspective on the global position of Latin American and Caribbean countries in the world economy as well as on regional trade flows and relations. During the current biennium, the subprogramme has published some 26 documents on different areas of its work (negotiation and administration of agreements, Doha round, dispute settlement, regional integration, trade facilitation, China-Latin America relations, innovation, competitiveness and participation in the international economy), including its flagship publication *Latin America and the Caribbean in the World Economy*.

As part of its research agenda, the Division participated in several seminars on the benefits of trade integration, including a GTZ meeting to discuss the benefits of free trade, one

seminar on FTAs and SMEs, the seminar on Mainstreaming Trade into National Development Strategies, organized by ECA and UNDP, and the WTO Annual Public Forum in Geneva, on trade rules and sustainable development in Latin America.

Among other things, the Division focused on the outlook for trade between the region and new actors such as India and China. It participated in a seminar on Opportunities in economic and commercial relations between China and Mexico in the Latin American context, organized by the Presidency of Mexico, the Mexican Senate and the Secretariat of Foreign Affairs. During the biennium, China's and India's trade relations have also been discussed in the two editions of the flagship publication *Latin America and the Caribbean in the World Economy* and in other publications.

MAJOR CHALLENGES FOR 2008 - 2009

The subprogramme will support member States in the uncertain environment resulting from the Doha Round as well as addressing a potential increase of protectionism in face of the slowdown of the world economy. Beyond the usual tasks of reporting, disseminating and sharing knowledge with stakeholders, in the next biennium the Division may also have to respond to an evolution of the world trade situation in which multilateral trade agreements give way to bilateral and regional agreements. Therefore, harmonization of rules among these agreements will be fundamental in order to improve transaction costs and increase the possibilities of achieving convergence. The Division will face the challenge of remaining relevant in a world which will be much more oriented towards these particular aspects of international trade relations.

The Division will also seek to address the special needs of landlocked developing countries and of Small Island Developing States. It will also attach particular attention to promoting regular interaction among those public- and private-sector stakeholders that play a leading role and are the main beneficiaries of trade and regional integration, such as SMEs, major corporations, and non-profit bodies.



Photo: European Commission

SUBPROGRAMME 2

PRODUCTIVE, TECHNOLOGICAL AND ENTREPRENEURIAL DEVELOPMENT

2

Interview with:

Martine Dirven

Officer in Charge of the Production, Productivity and Management Division

Was innovation a significant feature of the region's productive development during the 2006-2007 biennium?

Countries are paying more attention to innovation than some years ago. ECLAC has promoted innovation as an important issue to be included on Governments' policy agendas. We published a book *Progreso técnico y cambio estructural en América Latina y el Caribe* that shows the development of the countries' production structures in comparison with those of other nations. The region has not made sufficient headway, since most advances are neither scientific innovations nor patented inventions; they relate mostly to organization, small improvements and technological adaptations. In other words, the traditional pattern has been to look and copy. We stress the need to move towards a productive structure that incorporates greater innovation, both in the sectors based on the region's abundant natural resources and in other areas.

What contributions relating to science and technology were made under your subprogramme during the 2006-2007 biennium?

We published a very useful and dynamic virtual manual on innovation on our web page. We held meetings with the World Intellectual Property Organization (WIPO) to discuss topical issues. We hope to produce a document setting out the WIPO vision, which is geared to the protection provided by strict regulations, in conjunction with our own view, which is a more regionalistic, more nuanced and pro-development viewpoint.

What has ECLAC done to promote the use of information and communications technologies (ICTs) in Latin America and the Caribbean?

ECLAC, with joint financing from the European Union through its @LIS project, is supporting the countries of the region in formulating and monitoring the Plan of Action for the Information Society in Latin America and the Caribbean (eLAC2007) and its new phase eLAC2010, contained in the San Salvador Commitment adopted in February 2008 at the Second Ministerial Conference on the Information Society in Latin America and the Caribbean. Through the Observatory for the Information Society in Latin America and the Caribbean (OSILAC), which receives funding from the International Development Research Centre (IDRC) (Canada), the Commission has been promoting the inclusion of the issue of ICTs in the surveys and indicators of the region's statistical institutes. ECLAC has also supported local working groups on issues such as telecentres, teleworking and ICT financing, and has prepared and disseminated its own analyses on ICTs. In addition, it fosters a network of stakeholders including Governments, academics, civil society, private business and international organizations and publishes a regular newsletter.

What has ECLAC done to strengthen intraregional cooperation in the area of innovation in Latin America and the Caribbean?

A meeting was held in November 2007 with the members of a regional agricultural innovation group, to discuss how the impact of innovation in the sector could be measured and to set up a monitoring system. A discussion was also held with senior government officials responsible for innovation, science and technology and experts in that area, during which we were requested to organize periodic seminars restricted to State officials to consider improvements to public policies in that area.

PRODUCTION AND INNOVATION IN THE REGION

Latin America and the Caribbean has been traditionally characterized by modest and volatile economic growth; balance-of-payments constraints and increasing delinking of exports and growth; weak linkages between local industry and international production chains; dependency on foreign sources of knowledge and weak innovative efforts locally; persistent and increasing intra- and intersectoral productivity differences; increasing shares of foreign capital in the ownership of the largest companies, especially in dynamic economic activities; limited job creation in high-productivity activities, and concentration of job creation in informal activities and service sectors.

The subprogramme's central tenet is that only with qualitatively superior efforts regarding microeconomic, sectoral, ICT and innovation policies, will the region be able to overcome medium-term challenges and obstacles, even when prudent macroeconomic policies are in place. This defines the substantive issues addressed by the subprogramme, specifically production structure and dynamics; productivity and competitiveness; patterns of investment and international integration; the information society, and knowledge, innovation, technological capacities and vocational training. All of these are targeting the agricultural, manufacturing and services sectors.

MAJOR ACHIEVEMENTS IN 2006-2007

Technical cooperation and support for policymaking

Technical assistance was given to 28 member States and other stakeholders, including five countries in the formulation of their Innovation Development Plans and development of their national systems of innovation and to four countries for the development of a methodology to establish working groups at the local level for the development of clusters and local networks of SMEs, and to support institutions and coordinate these efforts with the relevant Ministries and other institutions at the national level.

The Division was also involved, along with the Statistics and economic projections subprogramme, in the elaboration of a core list of information and communication technology indicators for the region, approved at the thirty-eighth session of the United Nations Statistical Commission. ECLAC started

Promoting the information society

In coordination with the European Union (@Lis), ECLAC promotes the development of a participatory and transparent information society, including issues such as e-government, ICT regulations and closer cooperation between the countries of the region.

ECLAC followed-up and managed the Regional Plan of Action for the Information Society in Latin America and the Caribbean (eLAC 2007), which was approved by the regional governments in 2005. During the biennium, it prepared an extensive number of ICT-related publications and training manuals and facilitated discussions through web fora and meetings, with a total participation of some 1,500 stakeholders from the public, private, academic and civil society sectors, in order to define priorities for the new eLAC 2010 draft Plan. The plan, which contains 83 concrete goals for the use of ICT in development, was adopted by member states at the Ministerial Conference on the Information Society (El Salvador, February 2008).

the technical work which led to the set of indicators, and was a member of the Steering Committee of the Partnership on Measuring ICT for Development, which drafted resolution 38/104 of the Commission.

Lastly, the subprogramme further developed and upgraded tools for policymakers, such as the following software: Index of Technological Specialisation (IET); Trade Competitive Analysis of Nations (TradeCAN), and Industrial Performance Analysis Programme (PADI).

Research and dissemination

In terms of research and dissemination, the subprogramme published the annual flagship publication *Foreign Investment in Latin America and the Caribbean*. The subprogramme also prepared more than 18 publications on various issues related to productive development, including a book analysing evolution and changes in the industrial and agricultural sectors in the past 20 years, a study on the current state of progress in five categories of public policies: innovation, productive



Foreign Investment in Latin America and the Caribbean

Through its annual flagship publication, the subprogramme has reviewed the main trends of FDI in the region. The main message of the 2006 issue was that FDI attraction policies linked to national development strategies are necessary to secure quality FDI, as suggested by the experience of more successful European and Asian countries. The 2007 issue devotes two of its chapters to ICT hardware and operators.

linkages, FDI attraction, agriculture and ICT; and *Espacios iberoamericanos: comercio e inversión*, in collaboration with the Division of International Trade and Integration, presented at the seventeenth Ibero-American Summit of Heads of State and Government (Santiago, November 2007).

New topics such as the information society, the service sector and biofuels were also integrated in the programme of work, in response to the needs of ECLAC member States. This led to a joint multidivisional effort in ECLAC, resulting in several publications, including one on agriculture and biofuels and *La agricultura: ¿otra víctima del cambio climático?* as well as in shaping ECLAC's position on these subjects.

Furthermore, the subprogramme continuously updates its databases on agricultural production structure, industrial performance and ICT.

MAJOR CHALLENGES FOR 2008-2009

Productive development is a long-term issue, and as such, the main thrust of this area of work remains valid. Effective cooperation with the countries is a long-term endeavour requiring continuing efforts in the form of projects and active measures, as well as the development of a long-term vision. The Division has maintained its line of work and policy proposals on productive development throughout the years and most international organizations and policymakers in the region now have similar views. ECLAC will therefore continue to analyse strategies aimed at increasing the productive capabilities of the Latin American and Caribbean countries, with an emphasis on innovation. Its efforts will continue to be focused on policies that create flexible economic structures capable of incorporating knowledge, value added and better and wider access to world markets, while strengthening local and national linkages, with a particular focus on reducing productivity gaps among economic agents.

Several new topics arose during the biennium (biofuels, innovation policies, the information society and services) which will be further expanding in the next biennium. ECLAC has an advantage in the region in terms of developing analytical and normative frameworks with balanced perspectives. However, the ability to respond faster to analyses and policy recommendations and their dissemination remains a challenge. Effective technical cooperation depends upon the prior existence of high-quality academic research; this underlines the importance of understanding challenges to productive development in the countries of the region.

SUBPROGRAMME 3

MACROECONOMIC POLICIES AND GROWTH

3

Interview with:

Oswaldo Kacef

Director of the Economic Development Division

In what areas did the Division focus its work during the biennium 2006-2007?

The work of the Division was focused on analysing issues which connect macroeconomics with progress in growth and the social situation in the region. Regarding growth, for example, seminars were held on the ways in which countries can improve this indicator by applying policies to stimulate investment and saving and by paying attention to certain key relative prices such as the exchange rate. In the social sphere, we considered ways to generate greater fiscal resources to finance the promotion of equity, and analysed poverty reduction through improved labour-market conditions.

What strategy did ECLAC adopt in order to promote the advantages of countercyclical policies in the region, and what results has the strategy produced in the past biennium?

Through its research work and publications, ECLAC makes known its positions in respect of a number of issues. The Latin America and Caribbean region has enjoyed a period of four to five years of growth. At the beginning of this cycle, economic policies were applied which, while they cannot be described as countercyclical, at least were less procyclical than in the past. Recently, however, this has not been the case. We are following this process carefully, because it could be a warning of the repetition of situations we experienced in the past and which led to crisis.

What events did your Division observe during the past biennium in terms of the behaviour of the region's labour market?

We have seen an increase in full-time employment with social-security and welfare coverage, which has a favourable impact on poverty indices, although these are still very high despite a significant fall in the past three years.

ECONOMIC DEVELOPMENT IN THE REGION

Since 2003, Latin America and the Caribbean as a whole has benefited from a period of continued expansion in which countries have experienced steady economic growth and have been able to improve significant aspects of their macroeconomic management and reduce their external vulnerability. In the next few years, the Governments of the region will face the challenge of consolidating economic growth in an environment of stability and more equitable distribution of income and assets. Meeting these goals requires a combination of macroeconomic policies designed to reduce real and nominal volatility and productive development policies that offset the effects of the structural heterogeneity characteristic of the region.

The Economic Development Division contributes to the achievement of this goal through two basic activities: a systematic assessment of the application of economic policies and reforms, including their impacts on the economies of the region, and substantive support for the formulation of these policies and reforms by Governments. The subprogramme seeks to increase awareness among policymakers in Latin America and the Caribbean of key issues at stake for the design and implementation of consistent short-term macroeconomic policies within a long-term growth-enhancing framework; improve understanding in Latin American and Caribbean countries of how to reconcile long-term growth with sustainable development; and enhance regional cooperation and increase understanding of the need to develop macroeconomic coordination in the context of regional and subregional integration processes.

MAJOR ACHIEVEMENTS IN 2006-2007

Technical cooperation and support to policymaking

The Economic Development Division actively contributed to the design and implementation of consistent macroeconomic policies by providing technical cooperation services. Two countries, for example, submitted several requests focusing on issues such as productivity, competitiveness and exports; fiscal decentralization; financing for local development; design of macroeconomic policies; and substantive inputs for a new Constitution in the context of territorial and fiscal reforms. The Division contributed to an ECLAC mission to Bolivia in April 2007 to evaluate the consequences of floods in that

country. Technical support to subregional institutions, such as the Monetary Policy Committee of the Central American Monetary Council, has also been provided.

The subprogramme has also contributed to the coordination of economic policies in the three subregions covered by the Macroeconomic Dialogue Network (REDIMA) project. In the Andean Community, REDIMA activities have resulted in the exchange of experiences and views on: the coordination of public expenditure on transport infrastructure; the deepening of capital markets in the region; the opportunities and challenges of macroeconomic convergence in the Andean Region; and the advantages of having representatives of Ministries of Finance in the decision-making organs of the Regional Infrastructure Integration in South America (IIRSA) initiative, in order to facilitate coordination and thereby support investment in multinational infrastructure projects. In Central America, some specific achievements were: the creation of a macroeconomic working group which will significantly strengthen the capacity to influence policymaking in the region, as well as the continuous support to the technical work of the Monetary Policy Committee of the Central American Monetary Council.

Research and dissemination

The subprogramme organizes expert meetings in order to increase awareness in Latin American and Caribbean countries about how to reconcile long-term growth with sustainable development. Expert meetings during this biennium focused on equilibrium real exchange rates and exchange rate misalignment in Latin America, and on issues of economic growth in Latin America and the Caribbean, sometimes focusing on specific countries and subregions. The Division invited a number of guest speakers, including officers from central banks and Governments of the region, economists from other international bodies, research institutes and universities to share experiences, present their work and make policy recommendations.

Coordination with other international organizations is also sought for the holding of these seminars. While ECLAC and the World Bank have collaborated several times in the last few years, ECLAC and IMF organized a second Regional Seminar on Macroeconomic Policy and Social Equity in Latin America and the Caribbean (September 2007, Lima). The seminar aimed at extending discussion of macroeconomic and social



Adapting the *Economic Survey of Latin America and the Caribbean* and the *Preliminary Overview of the Economies of Latin America and the Caribbean* to stakeholders' needs

Satisfaction surveys and contact with stakeholders suggested an increasing demand for thorough analysis and policy advice concerning pertinent long-term economic issues in the region, as well as general support for the short-term analysis provided by the main publications of the Division. The Subprogramme consequently redirected the flagships' focus while differentiating its two main publications in order to limit the overlapping of their contents. Therefore, starting in 2007, the *Economic Survey of Latin America and the Caribbean* will focus on the analysis of a particular subject of relevance to the region, while presenting a summarized overview of the regional economic performance. The *Preliminary Overview of the Economies of Latin America and the Caribbean* will preserve its focus on the analysis of the current economic issues of the region and on the forecasts of economic growth for the following year.

equity issues beyond technical circles so that relevant actors, particularly parliamentarians from 20 countries in the region, had the opportunity to express their perspectives on the subject.

The Division also provides regular short-term and structural analyses of the evolution of the economies of the region through two flagship publications: the *Economic Survey of Latin America and the Caribbean* and the *Preliminary Overview of the Economies of Latin America and the Caribbean*. It also publishes a variety of specialized, in-depth

macroeconomic analyses through its *Macroeconomía del desarrollo* series.

Other publications focus on various economic development issues, including labour markets and fiscal policies. The focus of fiscal policy will continue in the coming biennium, with the beginning of an ECLAC/GTZ project on fiscal policy and equity and on countercyclical policies. Other themes include external debt and other systemic issues as part of the follow-up to the International Conference on Financing for Development. The subprogramme also published *Finance for Development: Latin America in Comparative Perspective*, critically assessing the new literature on financing and arguing for a more balanced outlook that focuses on the specific conditions of each country. ECLAC presented a background paper on Emerging Trends in Official Development Assistance and its Impact on Financing Poverty and Hunger Eradication in Latin American and the Caribbean at the first Latin American and Caribbean regional consultations in preparation for the Annual Ministerial Review (AMR) at the 2007 high-level segment of the Economic and Social Council on issues of poverty, hunger, financing for development, official development assistance flows, debt-relief initiatives for heavily-indebted countries and innovative financing mechanisms, global taxes, global funds, and policy recommendations.

In preparing these publications, the subprogramme continued to improve its databases of macroeconomic variables, delivering essential updated quantitative information concerning the economic performance of the particular countries and the region as a whole. The subprogramme data concerning monetary indicators, external debt, urban unemployment, average real earnings and minimum real wages are now directly fed into the recently-created broad database platform known as CEPALSTAT, for easier and more exhaustive access by stakeholders.

MAJOR CHALLENGES FOR 2008-2009

The biennium was characterized by regional economic growth and current-account and primary fiscal balance surpluses. These favourable conditions began to be challenged in the last part of the biennium and the subprogramme will need to unfold the different possible scenarios for the countries in the region, while offering them expert advice and support.



Photo: ECLAC

SUBPROGRAMME 4

SOCIAL DEVELOPMENT AND EQUITY

4

Interview with:

Andras Uthoff

Director of the Social Development Division

How would you describe the evolution of the concept of social cohesion, which has been strongly promoted in the region by ECLAC, and what has your subprogramme contributed in that regard?

Social cohesion was the central theme of the seventeenth Ibero-American Summit of Heads of State and Government, held in Chile in November 2007, in whose preparation ECLAC played an active part. Strong political will is needed in order to put into practice the concept of social cohesion, and this means uniting interests and defining public policies which will promote it. It is an idea often confused with social inclusion, income distribution and social protection, but for us social cohesion involves a sense of belonging; in other words, individuals feel that they have citizenship in the development model.

Of the activities conducted by your subprogramme in the past biennium, which are notable for having improved social protection in the region?

We contributed to the preparation of the document *Shaping the Future of Social Protection: Access, Financing and Solidarity*, which analyses reforms to health and pensions systems. The study, which was warmly welcomed, admits that there is a serious coverage problem in almost all the countries of the region, especially among those living on informal work. In the document, therefore, ECLAC put forward a number of ways to improve that situation.

Are there obstacles to intraregional cooperation which are obstructing progress towards improved social development and greater equity?

Currently, there is no development paradigm or a single leadership for development. Some countries are actively seeking global or regional integration, something we agree with, but we must also look for formulas to compensate those countries which suffer as a result of integration because of the imbalances present in the region.

How do you evaluate the project entitled Experiences in social innovation in Latin America and the Caribbean, currently in progress with the support of the Kellogg Foundation?

I believe it has been a tremendously successful project. We are collecting material on the various experiences, to determine the ways in which the project has contributed to achieving the Millennium Development Goals and to consider the possibility that the programmes could become part of public policy.

SOCIAL DEVELOPMENT IN LATIN AMERICA AND THE CARIBBEAN

Despite having experienced its best performance in economic and social terms in 25 years, the region still needs significant advances in terms of poverty alleviation and reduction of inequality. In 2007, it is estimated that approximately 35.1% of the region's population, or 190 million people, were poor and 12.7%, or 69 million, lived in extreme poverty (indigent). It is therefore essential to develop inclusive social protection models that combine risks and remedies for all citizens, whereby it will be possible to overcome exclusion and move forward towards social cohesion in a democratic and participatory framework.

The priorities of the social agenda are therefore: the achievement of employability in conditions of competitiveness in order to ensure steady growth with greater equity; the redefinition of social policy institutions; and the need to progress further towards the effective enjoyment of social rights. The goals of poverty alleviation and the attainment of social equity in the region are supported by applied research and the strengthening of the institutional capacity of Governments and other stakeholders in the social policy field to design, implement and assess policies, programmes and projects to enhance social equity and integration and to use and exchange information in designing and implementing social policies and programmes.

MAJOR ACHIEVEMENTS IN 2006-2007

Technical cooperation and support for policymaking

During the thirty-first session of ECLAC (Montevideo, 2006), the Commission presented its institutional position on social protection. In addition, it provided substantive support at numerous high-level meetings, including subregional meetings in preparation for the seventeenth Ibero-American Summit of Heads of State and Government (Santiago, 2007) on the theme of social cohesion. The subprogramme also contributed to a document on poverty, inequality and exclusion, which will be presented to the fifth Summit of Heads of State and Government from Latin America and the Caribbean and from the European Union in May 2008. As a result, numerous Governments in the region requested specific diagnostic studies and policy recommendations. ECLAC and SEGIB also signed five agreements for joint

Innovating social policy from below

The project entitled Experiences in social innovation in Latin America and the Caribbean, implemented jointly by ECLAC and the Kellogg Foundation seeks to identify innovative experiences that can be extended to other countries in the region. The annual contest is open to projects carried out by municipal or local governments, community associations, national and international non-governmental organizations, and other private, non-profit institutions. The six categories are: community health, primary education, youth programmes, rural/agricultural/food safety and nutrition programmes, income generation, and corporate social responsibility and volunteering. In 2007, 804 applications were received and 64 projects were selected, principally oriented towards income generation (20%), education (17%) and rural development (15%).

The winners this biennium were the Instituto de Defensa Legal, a Peruvian NGO that established a community model of family violence prevention and Trébol de Cuatro Hojas, a Brazilian infant and maternal health project which reduced infant mortality from 2.9 to 1.5% in Sobral, Ceara.

projects in the region covering the areas of social cohesion, strategies for internationalization, development alternatives, leadership and public-private partnerships.

In response to demands from member States on social expenditure and the effectiveness of social policy, the subprogramme also conducts ongoing monitoring of social expenditure in terms of its impact on the beneficiary population and the social capital accumulated as a result. The subprogramme consequently developed a satisfactory methodology linking fiscal statistics with national accounts and satellite accounts, a topic which has been requested regularly by Member states seeking more detailed official data, by source and allotment, for the analysis and implications of social policy. The Division also launched a network of regional specialists on this item with the participation of 10 countries and four intergovernmental bodies (European Union, IDB, IMF and the World Bank).

In collaboration with the Secretariat and WFP, the subprogramme developed subregional and national diagnostic studies which are used to formulate basic social policies in the countries in the framework of a project on the cost of hunger and malnutrition in the region. The establishment of a methodology adaptable to the different levels or areas of development (such as the characteristics of each country and region) has filled a gap in programme formulation and led to concrete proposals for systematic progress towards the attainment of the first Millennium Development Goal.

Lastly, the organization also sought to further reinforce its interactions with civil society and institutions related to social policy, for example throughout the Latin American and Caribbean Network of Social Institutions (RISALC) or the ECLAC/Kellogg project Experiences in Social Innovation. RISALC uses virtual forums as privileged, low-cost channels for disseminating information on programmes and projects, exchanges of experiences and best practices that have contributed to progress towards the Millennium Development Goals in countries throughout the region, with the possibility of replicating them within and beyond national borders. The main impact achieved by this project is the extensive dissemination of the 48 social policy initiatives which have to date been selected as the most innovative.

Research and Dissemination

The subprogramme has continued its research and dissemination efforts through the publication of its flagship, the *Social Panorama of Latin America*, the *Políticas sociales* series and the *Challenges* bulletin. The latter, in collaboration with UNICEF, analyses specialized themes that affect vulnerable populations (such as infancy and poverty, malnutrition, and the right to education). Given their complexity, these require integrated inter-agency actions.

ECLAC also continued collecting, harmonizing and disseminating social statistics for the use of the Governments of the region. It has an updated poverty, social-expenditure, labour-market and income-distribution database for at least 18 countries in the region, and plans to expand that database. In the past two years, new data from 45 countries and territories of Latin America and the Caribbean on 38 indicators for the follow-up of the eight Millennium Development Goals have been included in the *Social Panorama of Latin America*;

online consultations of these data have doubled over the past year. ECLAC has also developed a system of social cohesion indicators with funding from the European Commission (the EUROsocial project).

Substantively, the Division continued to foster the rights-based approach to development, consolidating the notion of entitlements, related to certain economic and social rights (such as health, housing and education) in order to advance in the realization of the internationally agreed development goals. Furthermore, in response to requests from member States which participated in the World Conference against Racism, Racial Discrimination, Xenophobia and Related Intolerance, ECLAC works on forms of discrimination and inequalities faced by indigenous and Afro-descendent groups, and the conditions of specific vulnerable population groups in Latin America and the Caribbean, through case studies and high-level discussions in regional forums. The subprogramme published, inter alia, *Poblaciones vulnerables a la luz de la Conferencia de Durban: casos de América Latina y el Caribe* (*Políticas sociales* series, No. 124), on vulnerable population groups, and a report entitled *Los pueblos indígenas y afrodescendientes ante el nuevo milenio* (*Políticas sociales* series, No. 118), concerned with exclusion, racism, and discrimination facing communities in Bolivia, Brazil, Chile and Guatemala. A chapter of the subprogramme flagship publication was also dedicated to the issue, analysing the emergence of indigenous peoples as active social and political actors, the consolidation of international standards on rights and the associated public policy implications.

MAJOR CHALLENGES FOR 2008-2009

Lessons learned in 2006-2007 suggest that in 2008-2009 emphasis should be placed on the establishment of a comprehensive social pact designed to promote access to quality employment and stimulate sustainable growth with greater equity; the complementarities of market-based solutions with institutions that guarantee joint financing in order to achieve universal access to social protection systems, strengthen human capital formation and achieve a much greater redistributive impact; and the redefinition of social policy institutions.

Aside from technical cooperation and applied research, the creation of networks and communities of practice will be promoted in order to generate, update and disseminate

relevant knowledge and information and facilitate the exchange of good practices among policymakers, scholars and other stakeholders. In that regard, support will be provided to member States of ECLAC and to other social stakeholders

to give them insight into the complex interactions between the State, families and the labour market that determine access to the benefits of development and into the elements that give a social content to the fiscal covenant.



Photo: ECLAC

SUBPROGRAMME 5

MAINSTREAMING THE GENDER PERSPECTIVE IN REGIONAL DEVELOPMENT

5

Interview with:

Sonia Montaña

Officer in Charge of the Women and Development Division

What has your Division contributed over the past biennium towards achievement of those Millennium Development Goals and targets which relate to the well-being of women?

ECLAC has made a major contribution towards the most important of the Goals, the eradication of poverty. We showed that there are more women than men living in poverty, that female-headed single-parent families are more weighed down by poverty and that women are slower than men to escape from poverty and quicker to fall into poverty. We also demonstrated that women's employment has a positive impact on reducing poverty. One of the advances achieved is the existence of major public-policy initiatives to recognize women's unpaid work on the base of recognition of those data.

Is there a "before and after" in relation to the tenth session of the Regional Conference on Women in Latin America and the Caribbean, held in Quito in August 2007?

The tenth session of the Conference was one of the most important events since the Fourth World Conference on Women (Beijing, 1995). The objective, which was realized successfully, was to reach consensus on two all-important matters: political participation and gender parity in decision-making processes, and unpaid work performed by women. The tenth session achieved a connection between the goals of women's movements and the measures being taken by Governments. Indigenous women were also strongly represented. The session—which is part of the Beijing and Cairo agendas—marked a leap forward towards maturity, a very important stage in the growth process.

What did your subprogramme contribute to the region during this biennium in respect of the eradication of violence against women?

In recent years we have coordinated the regional study on violence against women in follow-up to the Secretary-General's report on the same subject. The impact of our study was very great. We made progress in identifying sources of information and indicators for the quantification of violence against women within and outside the family, and we are creating a regional gender observatory, which will lead to an improvement in the elaboration of statistical data.

GENDER PARITY IN LATIN AMERICA AND THE CARIBBEAN

Despite the irreversible changes that have occurred in the family, the labour market and political life in the region, gender equality has advanced much more slowly than expected. Women are still over-represented among the poor and very poor, and they have yet to reap the full advantages of their participation in the labour market and in political life. Mainstreaming the gender perspective into the priority areas of Government agendas is essential for breaking the current circle of inequality which limits women to areas of work away from politics and decision-making in general. The development of an integrated and flexible system of gender indicators is equally important in order to improve analysis and accumulate new knowledge to understand socio-economic and gender inequality.

In line with its commitment to the Beijing Platform for Action and the Regional Programme of Action for the Women of Latin America and the Caribbean, the Division has promoted the increased adoption of policies to mainstream the gender perspective into priority areas of Government agendas (economic policy, employment, poverty, social protection, institutional development and security) and the increased use of monitoring tools such as gender indicators and gender planning.

In December 2007, in accordance with the high level of priority attached to gender issues in the region, the former Women and Development Unit was upgraded to the status of a Division.

MAJOR ACHIEVEMENTS IN 2006-2007

Technical cooperation and support for policymaking

ECLAC has continued to design, assess and execute national, subregional and regional projects with the United Nations Development Fund for Women (UNIFEM) on the status of women in the region, and on mainstreaming the gender perspective in the main spheres of the regional development process in Latin America and the Caribbean. National and regional analyses and studies have been prepared and policy guidelines have been formulated, covering a wide range of topics.

Technical cooperation and policy change in the region

- Ten programmes have mainstreamed the gender perspective in policy priority areas.
- Ten countries reported that agreements and inter-agency networks have been established to ensure the mainstreaming of the gender perspective into the priority areas of government agendas.
- Eight countries reported the existence of an independent system of gender indicators, in either statistical or women's offices.
- Five countries reported agreements between national mechanisms for women and national statistical offices for the production of gender statistics.

The subprogramme has been very active in promoting gender-disaggregated data as a basis of social analysis and policymaking with respect to gender issues. In the Caribbean subregion, an agreement was concluded between national statistical offices and national mechanisms for the advancement of women in nine countries and territories, United Nations bodies and CARICOM to mainstream gender in their statistical systems (Antigua and Barbuda, Barbados, Belize, Guyana, Haiti, Jamaica, Netherlands Antilles, Saint Lucia, St. Vincent and the Grenadines, and Trinidad and Tobago). Technical cooperation activities were also conducted in Argentina, Colombia, Cuba, Ecuador and Paraguay to evaluate the quality of the available information for the follow-up of the Millennium Development Goals as well as the state of the relationships between users and producers of gender statistics.

The Division provided support to CELADE-Population Division of ECLAC to process available household survey data for Latin American countries since 1994 and to develop gender indicators for the Caribbean as part of a wider inter-agency project entitled Use of gender indicators in public policymaking, involving UNFPA. Furthermore, the subprogramme was involved in the production of complementary gender-sensitive indicators for the follow-up of the Millennium Development Goals adapted to the realities of the region.

The Division provided training in the framework of university courses and seminars organized by other bodies. It developed training materials on gender-related issues with the production of a *Manual on democratic governance and gender equality in Latin America and the Caribbean* which offers analytical tools for policymakers in the region.

Research and dissemination

Four expert meetings were held on various gender-related issues including Gender, Poverty, Race and Ethnicity: State of the situation in Latin America and in preparation of the creation of an observatory of gender equality in Latin America and the Caribbean. Another expert meeting analysed the mainstreaming of the gender perspective in public policies and the sustainability of gender machineries in May 2006 and led to the organization of an International Seminar on Gender Parity and Political Participation in Latin America and the Caribbean which was requested by the fortieth Meeting of Presiding Officers of the Regional Conference (Santiago, Chile, October 2006).

On International Women's Day 2006, an Open Dialogue on Democracy, Parity and Positive Action held at ECLAC headquarters discussed concepts of democracy, gender parity and positive action in the light of the Latin American experience as well as proposals to strengthen the political participation of women in the region. Participants included representatives of the international community, the academic world and civil society from the entire region. It was attended by about 450 experts and participants and was sponsored by the National Women's Service (SERNAM) of Chile, UNIFEM, UNFPA, UNDP, OXFAM, the Centre for Women's Studies (CEM), the Humanas corporation and the Grupo Iniciativa Mujeres of the women's movement of Chile.

Lastly, the Division has continued to disseminate research findings and policy recommendations via 19 publications this biennium, including twelve issues of its *Mujer y Desarrollo* series. Among other things, the subprogramme launched three regional publications: *Women's Contribution to Equality in Latin America and the Caribbean*, on Millennium Development Goal 3 (Promote Gender Equality), an inter-agency publication coordinated by the Division; *A Gender Parity Horizon in Latin America: The Political Representation of Women*, on the issues discussed at the tenth session of

The Quito Consensus

Countries agreed to adopt all necessary affirmative action measures and mechanisms, including legislative reforms and budgetary measures, to ensure the full participation of women in public office and in political representative positions, with a view to achieving parity in the institutional structure of the State (executive, legislative and judicial branches, as well as special and autonomous regimes) and at the national and local levels, as an objective for Latin American and Caribbean democracies.

The Quito Consensus calls for the implementation of comprehensive public social security systems, with universal access and coverage, linked to a broad spectrum of public policies capable of ensuring women's well-being, quality of life and full citizenship. In labour issues, it seeks to guarantee the elimination of all discriminatory, precarious and illegal labour conditions and to encourage women to participate in creative, innovative occupational sectors that transcend sexist forms of labour segregation.

the Regional Conference on Women in Latin America and the Caribbean: political participation and gender equality in decision-making processes at all levels, and women's contribution to the economy and social protection, especially in relation to unpaid work; and *The Right of Women to Live a Life Free from Violence in Latin America and the Caribbean*.

CONFERENCES AND CONVENTIONS

ECLAC has implemented its mandate as Secretariat of the foremost intergovernmental forum in the region for the analysis of public policies from a gender perspective and served the tenth session of the Regional Conference on Women in Latin America and the Caribbean (Quito, Ecuador, August 2007). This process included the celebration of two virtual forums for national mechanisms for women's and gender issues, in which 24 countries of the region were registered, and the organization of three subregional preparatory meetings that were attended by a total of 35 countries.

The positive impact of this process was confirmed by the adoption of the Quito Consensus, which strengthens political will to make progress towards gender parity and the formulation of public policies. In the same instrument, member States also requested ECLAC to collaborate with them, together with other organizations of the United Nations system, to create “an equality observatory that will help strengthen national gender machineries.”

MAJOR CHALLENGES FOR 2008-2009

In line with the mandates delivered by the Regional Conference on Women in Latin America and the Caribbean (Quito Consensus), and the relevant Millennium Development Goals, the main area of work of the subprogramme in the

biennium 2008-2009 will be closely related to the promotion of gender parity and the recognition of unpaid work and its contribution to families' well-being and to countries' economic development. The subprogramme will also place emphasis on the eradication of violence against women, which is another aggravating factor of inequality.

Considering the diversity characterizing ECLAC member countries in this area, the subprogramme will also maximize opportunities to share experiences, good practices and progress achieved in each country. It will also strengthen the generation of indicators to support design, monitoring and evaluation of policymaking in the areas considered strategic for gender equality by the Beijing Platform for Action.

SUBPROGRAMME 6

POPULATION AND DEVELOPMENT

6

Interview with:

Dirk Jaspers

Director of the Latin American and Caribbean Demographic Centre (CELADE) - Population Division of ECLAC

Against the background of the celebration of the fiftieth anniversary of CELADE-Population Division of ECLAC, what has been the Centre's greatest contribution to the region, and how would you describe the support it has received from the Latin American and Caribbean countries?

The major contributions have been the provision of advanced demographic training, the promotion of demographic research and the creation of thinking on population which fits the socio-economic realities of the countries of the region, the production of uniform demographic data and research techniques to ensure comparability between countries, and the establishment of an information-sharing system on population matters. These activities have been conducted thanks to the cooperation of the Governments of the region and, above all, of national statistical institutes and offices.

What messages did you seek to communicate during the celebrations of the anniversary of CELADE-Population Division of ECLAC?

We sought to draw attention to the importance of demographic issues in the region, in light of the challenge of achieving development with social equity. The demographic realities in our countries are not what they were 50 years ago. New issues have arisen, posing a challenge for development and demanding the attention of Governments; the work of CELADE-Population Division of ECLAC remains of great importance in dealing with these issues, which include cross-border migration, ageing, indigenous peoples and urban development. Furthermore, new demands are constantly arising for the training and information necessary for sectoral policies.

What sociodemographic phenomena are particularly important in the region?

Despite the persistence of social and ethnic inequalities which are reflected on the demographic level, the region's population has undergone profound changes. The annual rate of population growth has fallen from 2.8% in the mid-twentieth century to its current level of 1.3%. In just 40 years, fertility has fallen to less than half the world average, standing at 2.4 children per woman, with sharp contrasts between and within countries. Life expectancy has risen by 20 years, currently standing at 73 years. All the above is reflected in a trend towards population ageing, and this may be the demographic change which will have the greatest impact in the future.

What successful and fruitful activity conducted by CELADE-Population Division of ECLAC during the biennium would you like to highlight?

I would like to draw attention to the international seminar entitled "CELADE's Fiftieth Anniversary," a high-level technical meeting attended by eminent specialists in population matters; the contribution of CELADE-Population Division of ECLAC to publications and studies such as the 2006 and 2007 Social Panorama of Latin America, to World Population Prospects 2006, to the Regional Strategy for the Implementation in Latin America and the Caribbean of the Madrid International Plan of Action on Ageing, and to the Second Regional Intergovernmental Conference on Ageing in Latin America and the Caribbean.

DEMOGRAPHIC TRENDS IN THE REGION

The demographic transition continues in Latin America and the Caribbean, mostly owing to the continuing decline in fertility and rising life expectancy, although several countries and specific population groups are still lagging behind. This process has a considerable impact on the age structure of the population, with rapid growth in the adult segment, especially older persons, while the increase in the younger segments is beginning to stabilize.

At the same time, the trend towards urbanization remains persistent, primarily affecting medium-sized cities, while migratory flows out of the region continue to grow and diversify. Continuing emigration out of the region and the diversification of forms of population displacement require that we reconsider the situation of emigrants as social, political and economic actors who need a space protected by a broad-based notion of citizenship and human rights.

In addition to these challenges resulting from demographic changes, there is also the need to continue making massive efforts to reduce poverty and the profound and sustained social inequality which is reflected in the sociodemographic inequities within and between countries.

In this context, the subprogramme has adopted a holistic approach to population issues and seeks to increase governmental understanding and capacity to design and implement policies related to the topic.

MAJOR ACHIEVEMENTS IN 2006-2007

Technical cooperation and support for policymaking

The Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC has continued to support the countries of Latin America in the development of mechanisms for the application of the Madrid International Plan of Action on Ageing and its regional implementation strategy. In December 2006, it conducted a training workshop on indicators of quality of life in old age, in which professionals from 13 countries of the region participated. Additionally, it has collaborated on other activities intended to strengthen the capacity of countries with the support of

Technical cooperation highlights

- 24 member states making use of knowledge and information generated under the subprogramme on demographic trends and population and development issues for the design, implementation, monitoring and evaluation of their social programmes and policies.
- 19 member states have taken action to implement the goals and recommendations of the Programme of Action of the International Conference on Population and Development, the Regional Strategy for the implementation of the Madrid Plan of Action as well as the relevant goals and objectives of the Millennium Declaration and other relevant international conferences related to the field of population and development.

intergovernmental agencies. CELADE-Population Division of ECLAC produced technical assistance documents for use by countries, for example a manual on quality of life indicators in old age, a methodological guide for the development of advocacy strategies and a guide to participatory evaluations of programmes directed to older persons.

CELADE-Population Division of ECLAC continues to be a leader in the elaboration and analysis of demographic data. With regard to increasing the technical capacity of member countries for monitoring population trends and the impact on public policies, in 2007 alone eight training courses on various different functions of the REDATAM+SP software were conducted. Additionally, technical assistance for the creation and operation of census databases and the use of the application R+SP xPlan has been provided not only to countries in the Latin American and Caribbean region, but also to extraregional countries such as Gabon, Kenya, Rwanda, Timor-Leste and Uganda. The use of REDATAM was taught in Africa at a workshop conducted together with UNFPA in April 2007, in which representatives of 14 African countries participated. CELADE-Population Division of ECLAC also elaborated a methodology to measure the household deficit using censal data which has been used by several countries in the region.

Research and Dissemination

During 2007 revised population estimates and projections for all Latin American countries —carried out together with the national statistical offices— were published in the *Demographic Observatory*, taking into account new sources of available information, as well as the life tables for each country. Estimates and projections for the rural and urban population and the economically active population were revised for each country and published in 2006. CELADE-Population Division of ECLAC also developed a methodology to obtain estimates of the population up to 100 years old which is consistent with the estimates and projections elaborated for the population aged 80 years and older.

CELADE-Population Division of ECLAC also organized events and published studies on demographic transformations and gender perspectives; transformations of the family structure and public policies; population and local development; demographic dynamics and poverty; international migration, internal migration, spatial distribution, spatial segregation and detection of shanty towns (for which the Division developed and disseminated a methodology); vital statistics; and adolescent fertility, inter alia.

Lastly, ECLAC succeeded in positioning the topics of indigenous and Afrodescendent population, migration and ageing as a relevant aspect of public policy and in assembling essential knowledge on these topics for decision makers. The subprogramme's activities on indigenous populations, particularly focused on the area of health policies and programmes, which was included as a chapter in the *Social Panorama of Latin America 2007*. Previously, a chapter on the indigenous population in Latin America had been prepared for the *Social Panorama of Latin America 2006* by CELADE-Population Division of ECLAC, which also contributed an additional chapter on internal migration and development to the *Social Panorama of Latin America 2007*. The subprogramme also published three studies on future old-age policy scenarios in three member States, one on social protection in old age in another country as well as two Newsletters on *Ageing and Development in Latin America and the Caribbean*. These new products are currently used by member States, international bodies such as the World Bank, and civil society.

The Latin American and Caribbean Demographic Centre (CELADE)- ECLAC Population Division celebrated its 50th birthday

To commemorate this anniversary, a series of activities were conducted to showcase CELADE's contributions to knowledge of regional demographics and the technical aid it provides to its member countries. The celebrations began on 11 July 2007 with a round table discussion on "Opportunities and Challenges of Chilean Population Dynamics for the 21st Century", marking World Population Day, and extended through the end of the year until the final International Seminar "CELADE's Fiftieth Anniversary", organized in collaboration with the United Nations Population Fund (UNFPA) and the Government of France, where international experts in population issues analyzed the challenges and opportunities of demographic trends in Latin America and the Caribbean, covering the following topics: demographic dynamics; population and development; information methodologies and demographic analysis; training and instruction in population issues; trends and approaches to fertility and mortality; and population mobility and distribution.

MEETINGS AND CONFERENCES

CELADE continues to provide support to the ECLAC sessional Ad Hoc Committee on Population and Development in follow-up to the Programme of Action of the International Conference on Population and Development (ICPD) and in fulfilment of the Regional Strategy for the Implementation in Latin America and the Caribbean of the Madrid International Plan of Action on Ageing, adopted at the Regional Intergovernmental Conference on Ageing held in November 2003.

ECLAC also prepared the main substantive document for the Second Regional Intergovernmental Conference on Ageing in Latin America and the Caribbean: towards a society for all ages and rights-based social protection (Brasilia, Brazil, December 2007), *Ageing and Development in a Society for*

Developing new themes: international migration, human rights and development

ECLAC further elaborated its regional perspective on international migration, human rights and development in Latin America and the Caribbean, described in the session document of the ECLAC Ad Hoc Committee on Population and Development (Montevideo, March 2006). This topic gave rise to a series of presentations, short-term advisory services and meetings, and the High-level Dialogue on International Migration and Development (New York, September 2006), and the sixteenth Ibero-American Summit of Heads of State (Montevideo, November 2006) that concluded with the adoption of the *Montevideo Commitment on Migration and Development*, which calls upon ECLAC to coordinate a study on the social and economic impact of the insertion of migrants in receiving countries.

all Ages in the framework of the ECLAC/UNFPA Regional programme on Population and Development in Latin America and the Caribbean. The Conference ended with the adoption of the Brasilia Declaration, which represents the Latin American and Caribbean contribution to the review and assessment of MIPAA+5.

MAJOR CHALLENGES FOR 2008-2009

Many countries have yet to develop a national system of indicators for internal monitoring of demographic phenomena. Similar systems of indicators for the follow-up to internationally agreed development goals, such as the Programme of Action of the International Conference on

Population and Development (Cairo, 1994), the Platform for Action of the Fourth World Conference on Women (Beijing, 1995), the Madrid International Plan of Action on Ageing (Madrid, 2002), and the Millennium Development Goals have yet to be defined and further developed. Moreover, considering the demographic dynamics in the region, demographic estimates and projections must be revised periodically in order to adjust the figures to take account of population trends.

Challenges for the coming biennium include developing a programme for population estimates and projections by single age groups and calendar years, and calculating more in-depth subnational estimates and projections; and promoting the democratization of population information, the dissemination of data via the Internet, and communication between all data users to encourage support and mutual aid.

Lastly, it is important to capitalize the leadership of CELADE in areas relating to ageing and development in order to incorporate new themes in the agendas of public policies related to ageing. The Division will also seek to extend research into other subject areas where CELADE also has comparative advantages—for example, intergenerational transfers and their impact on economic development and social cohesion, the demographic and epidemiological transition and its effects on social cohesion and the challenges of implementing the Millennium Development Goals, and the impact of ageing on the economy and social protection programmes with a gender perspective. CELADE will also take a leadership role in the preparation, processing and use of census data, as it did previously, facing greater challenges with respect to the standardization of methodologies, updating the contents in terms of emerging themes and ensuring the democratization and dissemination of the information.



Photo: ECLAC/ILPES

SUBPROGRAMME 7

PLANNING OF PUBLIC ADMINISTRATION

7

Interview with:

Juan Carlos Ramírez

Director of the Latin American and Caribbean Institute for Economic and Social Planning (ILPES)

What progress did Latin America and the Caribbean make in the efficiency of public administration during the biennium 2006-2007?

We observed that the region regained its intention to improve institutions and tools in order to implement development planning. Having recovered economic stability to a great extent, the region is once again setting medium- and long-term goals which involve new planning and institutional coordination activities.

How does ILPES sees its role as the main training centre of ECLAC?

Our role has been a positive one. In the past two years we have given greater flexibility to the systems involved in giving our courses, with a view to facilitating access for various groups of public officials, by country and sector. We have updated areas of training by including issues such as social protection, the region's economy and gender policies, and we have used distance learning via the Internet. The lower cost of access for the latter makes it possible to increase student numbers and give greater flexibility in following the courses.

How far did the provision of ILPES courses via Internet progress, and what do you consider particularly important regarding the use of that system in 2006-2007?

We are able to offer distance-learning courses by using a free software program, which is beneficial for the institution and for students who are unable to travel. We have completed seven such courses, each with an average of over 200 participants. In future, we will use a series of pedagogical processes and contents which will continue to improve distance learning, adapting it to the interests of students, officials and institutions.

Which of the activities or experiences of ILPES would you wish to emphasize during the period 2006-2007?

Of particular note was the preparation of the document *Economía y territorio en América Latina y el Caribe: desigualdades y políticas*, which represents a step forward in the study and discussion of the region's development and once again calls this to the attention of national and local governments, as well as the studies on budgeting in the region, and the yearly regional seminar on fiscal policy, with a very high level of participation and interest from the various countries.

PLANNING OF PUBLIC ADMINISTRATION IN THE REGION

The Latin American and Caribbean Institute for Economic and Social Planning (ILPES) was created to support member States in strategic planning and public management through the provision of applied research, training and advisory services. The Institute is also the main training entity of ECLAC and is responsible for the dissemination of the work of the ECLAC system.

The current regional and global context has increased member States' needs in terms of capacities to design and implement budgetary policies, public sector management and policies on territorial development. Being of great relevance in the development agenda of the countries of the region, these thematic areas constitute the main areas of the work programme of ILPES for the biennium 2006-2007.

In these thematic areas, ILPES carried out different activities during the biennium 2006-2007 such as intergovernmental meetings and technical seminars; training through international and national courses, short courses and distance learning; technical documents and teaching material; and advisory services to the countries requesting them.

MAJOR ACHIEVEMENTS IN 2006-2007

Technical cooperation and support for policymaking

ILPES provided technical assistance to various government bodies at the local, subnational and national level in 11 countries of the region.

ILPES also works as a training centre of ECLAC. During the biennium, ILPES has so far conducted 48 international, national and e-learning courses, training 1,776 professionals of 29 countries of the region. The Institute organized 26 international courses with a total of 756 participants from 18 countries of the region and elsewhere (1%). During the biennium, ILPES conducted 14 national courses, with a total of 433 participants, and three short courses with 95 participants. Also, five international e-learning courses were conducted with 492 participants from 29 countries of the region. Some 45% of the participants were women. During the biennium, the Institute succeeded in increasing

the number of courses offered and of professionals trained, as well as improving the geographic distribution of the participants.

Lastly, the Institute started a project related to the Millennium Development Goals, whose main objective is to disseminate initiatives and programmes, through a Network for Interchanging and Disseminating Excellent Experiences for Achieving the Millennium Development Goals, or Net IDEEA-MDGs (<http://ideea.eclac.cl>), funded by the United Nations Development Account in the framework of the project Strengthening the capacity of Latin America and Caribbean countries to fulfil the Millennium Development Goals

Research and Dissemination

The Institute disseminates its research findings and publications, as well as organizes technical seminars and expert meetings in order to promote the exchange of information, best practices and policy recommendations on issues of interest. In 2006-2007, there were 2.53 million downloads of documents and material prepared by ILPES and posted on its website. The subprogramme also organized 28 high-level seminars, attended by about 1,500 participants.

In the area of fiscal policy, ECLAC has consolidated its collaboration with the IDB, the IMF, the World Bank and OECD within the framework of the regional seminars on fiscal policy held every year by ECLAC with the collaboration of the Ministry of Finance of Chile and the German Agency for Technical Cooperation (GTZ), during which international experts discussed economic measures ranging from the harmonization of tax regimes to mitigating climate change and creating countercyclical policies. The Institute also held international seminars on territorial economic development in Latin America and the Caribbean, with GTZ; on Federalism and Development, organized with the Brazilian Association of Municipalities; and on Results-based Management, organized with the Institute for the Technical Development of Public Finance, Mexico (INDETEC) and GTZ.

ILPES also published 20 documents: 14 issues of the *Gestión Pública* series, five issues of the *Manuales* series, and one issue of the Bulletin of the Institute. Three *Notas*

Informativas were distributed about the assessment of projects and programmes. Seven CD-ROMs were produced, with information and material about the courses, seminars and conferences organized by the Institute. Lastly, ILPES produces the database of national public finances, updated twice a year, which is the region's main statistical reference in this subject and now available via the CEPALSTAT system.

MEETINGS AND CONFERENCES

The Institute substantively serviced the twelfth Conference of Ministers and Heads of Planning of Latin America and the Caribbean and the thirteenth meeting of the Regional Council for Planning (June 2007, Brasilia), both intergovernmental forums of ILPES, and presented a study on economy and territory in Latin America and the Caribbean: inequities and policies.

MAJOR CHALLENGES FOR 2008-2009

During the next biennium, the strategy will be geared towards renovating and strengthening national and subregional institutions in the region with respect to the tools and practices used in public policy and programme planning, with emphasis on development plans at the national, subnational, sectoral and institutional levels.

Analytical work will be fostered and the organization of specialized forums and networks will be promoted in order to exchange good practices and lessons learned and facilitate the adaptation and application of successful experiences. Training activities will be consolidated and the range of thematic issues will be expanded to encompass a greater number of topics covered by other subprogrammes of the Commission. New training modalities such as online courses will be adopted or strengthened to provide efficiency gains. The dissemination of the subprogramme outputs and activities will also be expanded with more intensive use of new information and communications technologies.

FIGURE 7
EMPLOYMENT BACKGROUND OF PARTICIPANTS ILPES/ECLAC COURSES, BIENNIUM 2006-2007

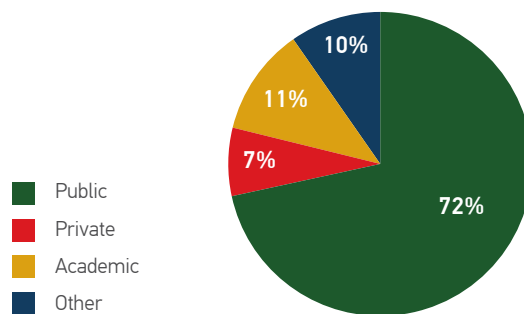


FIGURE 8
COUNTRY OF ORIGIN, ILPES COURSE PARTICIPANTS, BIENNIUM 2006-2007

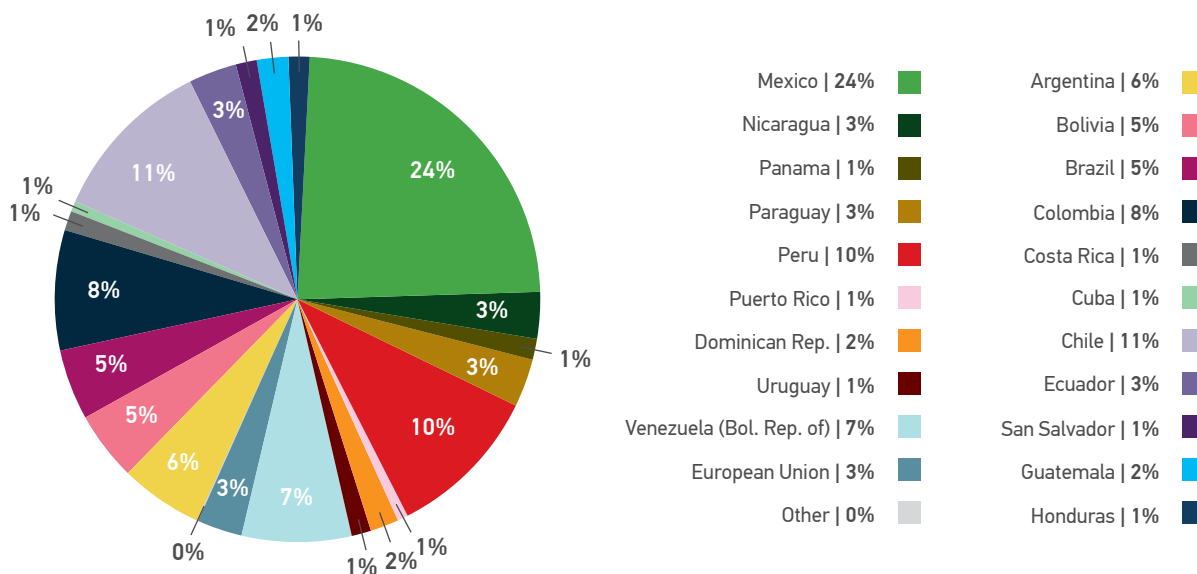




Photo: United Nations/ Eskinder Debebe

SUBPROGRAMME 8

ENVIRONMENT AND HUMAN SETTLEMENTS

8

Interview with:

Joseluis Samaniego

Director of the Division of Sustainable Development and Human Settlements

What activities were undertaken under this subprogramme in the 2006-2007 biennium to address the issue of climate change?

We were successful in giving visibility and international prominence to the position of the countries of the region in relation to forest conservation on the basis of projects for the carbon market, through inclusion in the decisions adopted at the Conference of the Parties to the United Nations Framework Convention on Climate Change, which was held in Indonesia in December 2007. On that occasion, the five United Nations regional commissions organized a side event to address each region's opportunities for mitigating, and adapting to, this phenomenon. During the biennium, forums were set up and used regularly to reflect on these issues.

What concrete steps has the region taken towards sustainable development?

Environmental management agencies have been strengthened, albeit with limited advances towards integration of economic policies. Appropriate tools are increasingly being used to assess economic variables and the way they interrelate with environmental factors. One of our contributions was to update the database on sustainable development in the region. However, the region's export specialization in sectors that can have a significant impact on the environment is a source of concern, since these sectors are energy-intensive and generate considerable amounts of pollution. Moreover, there are information gaps as regards the environmental performance of cities, in particular in relation to the Millennium Development Goals.

What activities has the Division carried out to improve conditions in human settlements in the region?

In follow-up to the decisions taken at the Meeting of Ministers and High-level Authorities of the Housing and Urban Development Sectors in Latin America and the Caribbean (MINURVI), the Division has focused on compiling data on expenditure on housing and the environment in cities; on the huge potential for improving the quality of urban life through projects and programmes for the carbon market, reorganization of public transport and generation of energy savings. The Division is also compiling information on urban sustainability by measuring the carbon footprint and carbon dioxide emissions of the transport sector.

How would you describe the demands made on the Division during the 2006-2007 biennium in terms of requests for technical assistance and consultancy on environmental sustainability?

There was a high demand for training in areas such as sustainable urban management; trade and the environment; sustainability indicators; support for the conservation of forests for carbon markets; opportunities for responding more fully to climate change; and the use of modelling to assess the environmental impact of trade agreements.

URBANIZATION AND SUSTAINABLE DEVELOPMENT IN THE REGION

While the region has been characterized in the past five years by positive economic growth rates, following previous periods of instability and vulnerability linked to the global economy, the high rate of urbanization of the region (around 75% of the population lives in urban areas) creates complex challenges when it comes to make compatible economic growth requirements and the needs of a high percentage of the population.

The resulting pressure on the environment and natural resources confirms that reaching sustainable patterns of development is still a challenge in Latin America and the Caribbean. The erosion of the natural-resource base, high levels of atmospheric pollution in large and medium-sized metropolitan areas, inadequate management of solid urban and industrial waste, and conflicts among actors involved in land use threaten public health and the environment in the region. This is further reinforced by the growing frequency and magnitude of natural phenomena, associated with global climate change. Lastly, persistent poverty and inequality in the region adversely affect urban settlements in the region.

The subprogramme has therefore been analysing existing public policies in the region and articulating policy recommendations, with special emphasis on the Millennium Development Goals and the Plan of Implementation for the World Summit on Sustainable Development. It concentrates on the following issues: urban poverty, urban public services, public spaces and urban sustainability analysis

MAJOR ACHIEVEMENTS IN 2006-2007

Technical cooperation and support to policymaking

The subprogramme provided technical cooperation services in areas related to public efficiency in the management of human settlements, urban environmental management and analysis of the impact of natural disasters on urban and natural environments. Technical support was provided to several provincial governments with respect to the estimation of externalities associated with air pollution in cities and the analysis of ways to reduce that pollution. The subprogramme subsequently elaborated a guide on economic analysis of environmental externalities for decision-makers.

Assisting Latin American governments to tackle climate change

In collaboration with GTZ, ECLAC has taken two lines of action:

- Technical assistance to countries for the development of two types of clean development mechanism (CDM) projects which take advantage of the opportunities offered by the international carbon credit market.
- Adaptation and reduction of vulnerability to climate change: Studies will be carried out on the legal-institutional framework of climate-change policies to detect the best arrangements and identify the key factors that account for differences in environmental performance among countries of the region. These studies will result in policy proposals, which will be taken into account in long-term public national development policies and private investment strategies to contribute to the achievement of the Millennium Development Goals in the area of infrastructure, health, poverty reduction and conservation of the environment.

ECLAC supported the countries of the region in international forums on the reduction in emissions from deforestation and forest degradation (REDD), establishing a network of Latin American and Caribbean country experts working closely with ECLAC and deeply involved in discussions and policy proposals. Furthermore, Regional Commissions organized two side events on REDD and on regional perspectives in Bali, which provided an opportunity to address the regional implications of climate change and discussed innovative solutions to be undertaken through regional efforts in order to effectively tackle climate change.

Training was also provided through the organization of numerous workshops on environmental and natural-resource management and assessment and on urban-environment land management and planning, including one workshop on the assessment of natural disasters and three on trade and environment at the regional and subregional levels, addressing the relationship between sustainable development, trade, investment and intellectual property rights.

Besides training and advisory services, the subprogramme has contributed to the strengthening of sustainable policies by developing new instruments for policymakers. In collaboration with GTZ (see text box above), the subprogramme started to develop new instruments and options for developing regulatory frameworks to improve institutional efficiency at national, subnational and local levels, and to promote sustainable development in Government policies related to globalisation.

Research and Dissemination

The subprogramme has documented the advances made in Latin America and the Caribbean in the implementation of the Habitat Agenda and the Latin American and Caribbean Regional Plan of Action on Human Settlements and the outcome of the World Summit on Sustainable Development

In terms of sustainable urban settlements, the subprogramme has published a collection of 12 project documents on poverty and urban precariousness in Latin America and the Caribbean on issues related to public spaces, urban land, housing, employment and income generation and public services. It also developed complementary indicators to be used by policymakers engaged in urban sustainability analysis.

With respect to externalities, the subprogramme published jointly with the Natural Resources and Infrastructure Division an estimate of environmental externalities associated with different forms of electric power generation. Furthermore, it designed a methodological framework for estimating the positive externalities associated with urban infrastructure investment projects, and conducted four case studies on the subject. It also analysed the use of different fiscal instruments to capture these externalities.

The subprogramme further developed its expertise and research agenda on the issue of climate change. It participated in several seminars, including the IDB regional workshop on Clean Energy Investment Framework in Latin America and the Caribbean, and Towards Low-Carbon Economies in 2050, a workshop organized by the Japanese Ministry of the Environment, and the Department for International Development (DFID) and the Department for Environment, Food and Rural Affairs (DEFRA) of the United Kingdom, to examine how the combination of policies, projects and carbon-market finance and technologies can help to scale up regional responses to climate change. A study analysing the

Urban development in Latin America

At the third session of the World Urban Forum, Vancouver, Canada, June 2006, the Regional Meeting of Ministers and High-level Authorities of the Housing and Urban Development Sector (MINURVI) presented the updated report of the Regional Programme of Social Housing and Human Settlements, formulated in cooperation with ECLAC and the UN-Habitat Regional Office for Latin America and the Caribbean. The report documents progress in the region in relation to the Habitat Agenda, Agenda 21, and the Human Settlements Regional Action Plan for Latin America and the Caribbean in five key thematic issues: production and improvement of urban land; provision and access to basic services and infrastructure; provision and access to housing; provision and improvement of public areas and social services; provisions for the development of productive activities and the generation of employment and income

ECLAC also provided substantive support to the 15th MINURVI meeting in Montevideo, Uruguay, 4-6 October 2006 and to the 16th MINURVI meeting, Santiago, Chile 6-8 October 2007. The Montevideo Declaration, recognizes the constant contribution and collaboration of ECLAC in the implementation of MINURVI agreements, materialized in the support provided for the elaboration of thematic documents, as well as in the realization of seminars and training courses, and requests ECLAC and UN-Habitat to continue analyzing experiences in the countries of the region, in the framework of the Human Settlements Regional Action Plan for Latin America and the Caribbean, incorporating in the analysis the rural housing sector.

current state and possible trends of the market for carbon credits (Certified Emission Reductions or CERs) generated by projects of the Clean Development Mechanism (CDM) in the framework of the Kyoto Protocol to the United Nations Framework Convention on Climate Change was also presented at the fourth meeting of the working party of the Forum for East Asia - Latin America Cooperation (FEALAC).

MEETINGS AND CONFERENCES

At the fifteenth session of the Commission of Sustainable Development, attended by 16 of the 17 members, ECLAC presented a joint paper of the five Regional Commissions on the regional dimensions of the CSD-15 priority issues, establishing mechanisms of coordination among the five Regional Commissions allowing for further joint work towards the sixteenth session. Furthermore, ECLAC (together with UNDP, the World Bank, IDB and UNEP) is a member of the Inter-Agency Technical Committee, whose objective is to support the work agenda of the Forum of Ministers of the Environment of Latin America and the Caribbean. As such, ECLAC participated in the formulation of the Regional Programme of Action of the Forum for the period 2008-2009 and in prioritizing the activities of the Latin American and Caribbean Initiative for Sustainable Development (ILAC) for the same period. The Committee met twice in 2007 to

analyse progress with the programme of work, and took part in the evaluation of ILAC, which forms part of the Plan of Implementation of the World Summit on Sustainable Development (Johannesburg, South Africa, 2002).

MAJOR CHALLENGES FOR 2008-2009

The subprogramme will seek to fully integrate emerging issues such as climate change mitigation and adaptation into the regional agenda, and will support the countries of the region through capacity-building, applied research and data dissemination. Furthermore the subprogramme will deepen existing topics, such as the fulfilment of the Millennium Development Goals and the institutionalization of sustainable development practices and policies, via the strengthening of public institutions in the region and the promotion of best practices in governance, including public participation and public-private partnerships for sustainable development.



Photo: ECLAC

SUBPROGRAMME 9

NATURAL RESOURCES AND INFRASTRUCTURE

9

Interview with:

Fernando Sánchez-Albavera

Director of the Natural Resources and Infrastructure Division

What progress has the region made concerning renewable energy use and in what way has this subprogramme supported its promotion over the past biennium?

The region has been attaching growing importance to renewable energies, especially in response to rising oil prices, although in some countries there are still gaps in the area of regulation and it has not been possible to establish the necessary institutions to promote and regulate the incorporation of renewable sources into the energy matrix. The Division has provided support to the various countries in that regard.

What has ECLAC contributed to improving energy efficiency in Latin America and the Caribbean?

ECLAC has played a very active role since the first half of the 1990s, when there was a move to enact laws for the promotion of energy efficiency. Most of the countries of the region are emphasizing efficient energy use, given rising energy costs and their impact on industrial competitiveness and, most of all, on the consumption of lower-income households. However, as in the case of renewable energy, there is a lack of institutions to implement such policies, and few countries have national programmes or specialized staff in this area. ECLAC is focusing its support on the elaboration of rules to promote rational energy use and strengthen the corresponding institutional capacities.

Is the existing transport infrastructure in Latin America and the Caribbean likely to be an obstacle to growth in the region?

In the publication *Productive Development in Open Economies*, ECLAC stated that the region had fallen behind in transport infrastructure growth in comparison with other regions of the world. In most of the region's productive centres, deficiencies can be observed in areas such as access to cities and ports, congestion on the roads, the need to improve rail services, and increasing journey times for passengers and goods. This constitutes an obstacle to growth in the economies. The aforementioned publication and a number of subsequent studies have analysed the need to invest in infrastructure and maintenance.

Are regulatory problems holding back improvements in the efficiency of infrastructure services in the region?

In several countries in the region, the regulation of transport infrastructure services operated under concession by the private sector is of poor quality, antiquated and often contradictory, promoting corrupt practices. Together with many States' lack of capacity in supervision and execution, this generates uncertainties in the business world and increases costs, impacting negatively on competitiveness and factor productivity. The regulatory function needs to be reoriented towards producing more effective quality control and playing a positive role in society.

NATURAL RESOURCES AND INFRASTRUCTURE IN THE REGION

The reforms undertaken by the countries of Latin America and the Caribbean in the 1990s resulted in significant changes in institutional frameworks in sectors relating to natural-resource management and supply relating to energy, water, and mining and in the provision of infrastructure services for energy, drinking water, sanitation and transport, inter alia.

Despite improvements achieved since the 1990s, with reforms promoting productive efficiency, higher investment and free price formation, there is still a series of major challenges for policymakers, especially concerning social and environmental dimensions for the sustainable management of natural resources, regulatory mechanisms and public policymaking processes. One of the most pressing needs is therefore to adapt existing regulatory frameworks to the new system in order to achieve social equity and economic balance. The Division has worked to strengthen institutional capacities in the countries of the region to formulate policies and regulatory mechanisms for sustainable natural-resource management and infrastructures.

MAJOR ACHIEVEMENTS IN 2006-2007

Technical cooperation and support for policymaking

The division has faced an increase in the number of requests for technical assistance during the biennium.

In terms of natural-resource management, technical assistance has focused on the following:

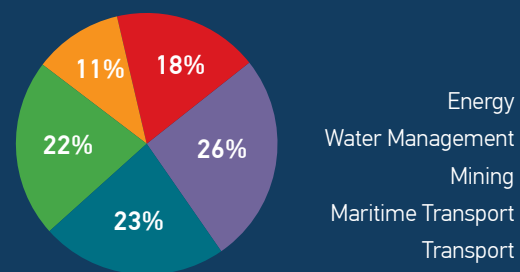
- energy-related issues (with emphasis on renewable energies, access to affordable energy, and energy intensity of growth);
- water-related issues (water-resources legislation and management and drinking water supply and sanitation services);
- mining-related issues (environmental impacts; social problems, distribution of rents, and fiscal policies).

In terms of infrastructures and public utilities, the Division has sought to help beneficiary countries to define the optimal combination of regulation and market competition in each sector. Technical assistance promoted more transparent information systems and balanced rights and obligations of

Technical cooperation highlights

- 23 countries have acted upon recommendations on natural resources management
- 14 countries have acted upon recommendations related to infrastructures and public utilities

FIGURE 9
ADVISORY SERVICES BY THEMATIC AREA, 2006-2007



Governments, users, and public and private providers. The countries also need to increase their regulatory capacity with respect to connectivity and territorial development, efficiency transfer, intermodal complementation and infrastructure productivity.

Technical cooperation and capacity-building were provided to the countries of the region and to other entities including: other United Nations organizations (UNDP, UNIDO, FAO, UN-Energy), and subregional organizations (OLADE, ADC, IDB, IIRSA, OLAMI, FLACSO). The division also disseminated research findings and policy recommendations, participating in the South American Energy Summit, the World Gas Summit, and the fourth World Water Forum. It has taken a strong lead in the region with respect to energy issues presenting proposals on the Framework Agreement on Energy Complementarities, which were well accepted by the Latin American Energy Organization (OLADE), the Commission of Regional Electrical Integration (CIER), the Mutual Assistance of the Latin American Oil Companies (ARPEL), Andean Development Corporation (ADC), the Latin American Integration Association (ALADI) and the Latin American Parliament (PARLATINO).

The subprogramme also provided technical cooperation services in relation to the regulation of infrastructure and public utility services. For example it carried out a study with CAF on a methodological proposal for the evaluation of multinational infrastructure projects; provided support to IIRSA on the integrated development of the Amazon Axis (jointly with CAF) and coordinated the binational project on the Asunción-Montevideo corridor. Technical cooperation services were provided to government bodies in the region, and to regional organizations such as the Inter-American Commission on Ports of OAS, CARICOM countries and IDB. Partnerships with organizations in the region, such as the Central American Commission of Maritime Transport (COCATRAM), PARLATINO and the American Association of Port Authorities have been developed or strengthened during the biennium.

Research and dissemination

The subprogramme disseminated expertise and policy recommendations through 28 publications, including the *Recursos naturales e infraestructura* series.

In the area of water, the Division maintains a constantly updated analysis of the situation in the region, and has made proposals for water-resources management policies to promote economic and social development and environmental sustainability. Efforts also focus on developing regulatory frameworks for efficient and sustainable service expansion and provision in this area.

The Division has published various studies on the situation and trends of mining in the region, on ECLAC positions in this area, and on regimes of participation and positioning in world mineral markets and their impact on national development. In terms of the regulation of the mining sector, priority has been placed on the follow-up and analysis of the mining legislation and on the support towards the institutional development of the mining sector as well as the systematization of best management practices.

In the area of energy, the divisions published information on regional trends in the development of hydrocarbon and electricity industries including aspects such as market structure, prices and investments and the economic and social impacts of rising energy prices. It also monitors the legal framework of hydrocarbons, electricity and renewable

energy, with emphasis on obstacles, policies and mechanisms for the promotion of renewable energy (particularly biofuels), including the Clean Development Mechanism.

Research in the area of infrastructure has examined issues related to infrastructure and development, and regulation and integration of infrastructure in the region. The division has conducted research on issues related to growth and competitiveness, on urban development and infrastructure and on port cities and the impact of globalization. It also focused on regulatory practices related to infrastructure, emphasizing the organization of markets.

The subprogramme has integrated emerging concerns on global climate change and renewable energies. It published a paper on markets for renewable energy and carbon in Latin America, the current situation and perspectives and organized a High-level international seminar on Strategic Perspectives on Sustainable Energies in Latin America and the Caribbean in the context of a GTZ project on modernization of the State, productive development and sustainable use of natural resources (Santiago, June 2007). Topics dealt with included prospects for sustainable energies and international cooperation, particularly within the region and between Europe and Latin America, and scenarios for the future, with particular reference to the instruments, measures and policies needed to effectively promote the incorporation of sustainable energies in national energy markets.

Lastly, the subprogramme continued disseminating data to policymakers and researchers of the region on various natural-resource and infrastructure issues such as transport, ports and fuel prices.

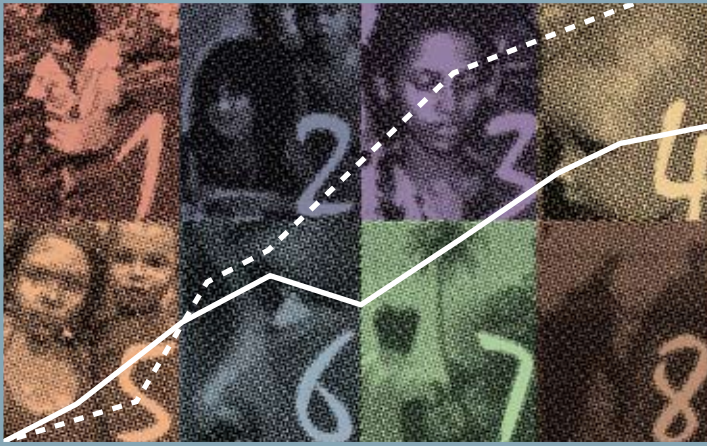
MAJOR CHALLENGES FOR 2008-2009

The division will continue its work on strengthening the institutional capacity of the countries of the region to formulate public policies with respect to natural-resource management and the provision of infrastructure and public utilities. It will also promote policy harmonization and coordination and the sharing of best practices at subregional and regional levels on these issues.

It will emphasize the following aspects: the analysis of consistency between the quality of regulation and the macroeconomic context; case studies of re-nationalization

of services; policies and regulatory frameworks for better management of state companies, and analysis of the impact of international treaties on natural-resource management

and infrastructure services; the application of the principles used in developed countries in the region, investment guarantees, new regulation and deregulation.



SUBPROGRAMME 10

STATISTICS AND ECONOMIC PROJECTIONS

10

Interview with:

Luis Beccaria

Director of the Statistics and Economic Projections Division of ECLAC

What was the Division's contribution during the 2006-2007 biennium in terms of measuring progress in social cohesion in Latin America and the Caribbean?

ECLAC, with support from the Ibero-American Secretariat (SEGIB) and the Spanish Agency for International Cooperation (AECI), prepared the book *Social Cohesion: Inclusion and a Sense of Belonging in Latin America and the Caribbean*, which puts forward a conceptual framework for analysing the issue. In the project relating to a system of indicators of social cohesion, the Division proposed an operational definition, a selection of indicators and a database for 18 countries in the region. However, countries must also make more sustained efforts in the area of research and sharing of experiences.

What important subprogramme task was undertaken in the past biennium to supplement the indicators of progress towards the Millennium Development Goals in the region?

Work was carried out with national statistical offices, officials and agencies responsible for drafting national reports on the Goals, sectoral departments and international organizations. Methodological papers were produced and research was carried out into the causes of discrepancies between the values of the Millennium Development Goals indicators in country reports and the values reflected in United Nations statistical databases. An agenda for harmonizing statistics within the region was also drawn up. Training and technical assistance were provided in the areas of poverty, gender, education and the environment.

What are the priorities of the Strategic Plan 2005-2010 of the Statistical Conference of the Americas of ECLAC?

Looking towards the year 2015, the Conference has identified three central challenges: assessing national trends in the monitoring of progress towards internationally agreed development goals, including the Millennium Development Goals; supporting and promoting organization of the 2010 round of censuses in the countries of the region; and defining the priority stages for the implementation of the system of national accounts (1993 SNA) in all the countries of the region and the revision scheduled for 2008. However, the human, information and financial resources of national statistical systems are still insufficient to respond adequately to the above-mentioned challenges.

How, in your view, can intraregional cooperation help to strengthen statistical studies in the region?

The intraregional cooperation initiatives are embodied in the biennial programme of regional and international cooperation activities, which is designed for multilateral and subregional bodies. Specific areas of statistical development, such as censuses, national accounts, the Millennium Development Goals, gender, migration and remittances, are also addressed by the working groups set up by the Conference as part of their cooperation activities.

STATISTICS IN LATIN AMERICA AND THE CARIBBEAN

The economic, social and institutional transformations in the region and beyond, the gradual shaping of new modalities of development and the growing openness of the economies of the region have generated renewed demands for statistics, in terms of their availability, coverage, quality, and comparability. In this context, the task of the Statistics and Economic Projections Division of ECLAC is to support the countries of the region in building, fortifying, and harmonizing systems of statistical information and data processing for the design, monitoring and evaluation of social and economic development policies in the region.

The substantive work of the Division is organized around four strategic objectives: institutional strengthening, human resources, statistical capacity-building and strengthening of international cooperation. The substantive work for each objective was conducted with member countries through working groups. This reflects the success of the secretariat in fostering technical dialogue among member States and its role as facilitator of the respective discussions.

MAJOR ACHIEVEMENTS IN 2006-2007

Technical cooperation and support for policymaking

The subprogramme continued its efforts to create technical capacities in national accounts and external-sector statistics among countries in the region. As for activities related to the modernization of national accounts and the incorporation of new methodological recommendations, the Division contributed to capacity-building in the region, mainly through the organization of workshops and seminars on national accounts, external trade and international classifications. Besides training and technical cooperation activities, the Division incorporated new subjects in its work programme in relation to tourism and health satellite accounts (in collaboration with member States and other international agencies such as WTO and PAHO), and to environmental indicators (related to Goal 7).

During 2006-2007 the Division consolidated its role as a key player in the institution for the follow-up and analysis of the Goals. As their implementation must take into consideration

Technical cooperation highlights

- 22 countries regarded by the Statistical Conference of the Americas as having made satisfactory progress in implementing the System of National Accounts 1993 and, in some of them, in incorporating satellite accounts, in accordance with international recommendations and their own requirements.
- 18 countries have taken into account ECLAC approach into the design and compilation of poverty and social well-being indicators.

the economic, social and cultural heterogeneity in each country and each region, the subprogramme, in close collaboration with other ECLAC divisions and units, produced additional and complementary indicators in the light of the region's special characteristics, and provided technical assistance in the systematization, production and analysis of information. This resulted in the strengthening of the capacity of National Statistical Offices and country teams to monitor the progress made towards the fulfilment of the Goals, and in increasing the participation of National Statistical Offices in the production of national reports.

Research and dissemination

The Statistics and Economic Projections Division focused on two types of activities: the compilation, production and dissemination of comparable social, environmental and economic indicators and the development of quantitative methodologies to produce new indicators and utilize existing ones to analyse and formulate public policies in the region.

As part of its effort to develop quantitative methodologies for the production of new indicators, the Division focused on the development of business trend surveys in the region. To date, 13 harmonized surveys have been conducted on the manufacturing sector in 12 countries in the region, and efforts have been initiated to promote the use of this type of indicators for the monitoring and evaluation of current economic conditions as well as the formulation of short-term forecasts of economic activity. The progress achieved has allowed comparable country and regional composite indices of economic activity to be produced.

The subprogramme also worked on the use of computable general equilibrium models to analyse trade policies in the region. As a result of this effort, there have been three requests for technical assistance from member States on the use of this type of model for policy analysis. Additionally, the Division has begun work on the development of quantitative tools that will allow it to formulate alternative scenarios for growth of the main macroeconomic variables in the medium-term.

Lastly with respect to the compilation, production and dissemination of statistical indicators; the Division produced the 2006 and 2007 editions of the *Statistical Yearbook of Latin America and the Caribbean* and facilitated access to its databases through the launching of the CEPALSTAT website. The new database portal was formally launched in September 2006 and offers the public access to ECLAC social, environmental and economic statistics through a single website.

MEETINGS AND CONFERENCES

The subprogramme organized and provided substantive support to the fourth meeting of the Statistical Conference of the Americas of the Economic Commission for Latin America and the Caribbean, for which it acts as secretariat. The meeting, held in Santiago, Chile in July 2007, involved representatives of 28 member States and delegations from specialized United Nations agencies, regional organizations and international bodies.

The Conference revised and approved the Strategic Plan 2005-2015, which will give rise to synergies in terms of regional and international cooperation. The year 2015 was chosen as the reference for the strategic vision on the basis of the time frame associated with the Millennium Development Goals, which constitute a significant challenge for the region's

national statistical systems. National statistical offices will also need to focus on preparations for the 2010 round of censuses, the implementation of the System of National Accounts (1993 SNA) in all the countries of the region and the review scheduled for 2008.

Lastly, the Conference examined issues related to the need for further institution-building in national statistical offices in terms of credibility and autonomy.

MAJOR CHALLENGES FOR 2008-2009

The role of the subprogramme has evolved over time. From acting as the key producer of technical material in some areas, it has moved to a more balanced role facilitating statistical production by member States and sharing experiences and best practices in the region. Reinforcing further national institutional capacities will continue to be a priority, especially in respect of the 2010 census.

The challenges for 2008 include strengthening CEPALSTAT, consolidating the new methodology for poverty measurement as well as the methodologies for medium- and long-term economic projections and environmental and satellite accounts. Additionally the Division will need to develop its environmental statistics, one of the areas where information is most insufficient, requiring the design of new data sources in many cases. Technical cooperation services for national statistical offices in the next biennium will be key to improving data quality and comparability.

As for the follow-up of the Millennium Development Goals, knowledge for the implementation of environmental statistics and indicators has been transferred to diverse institutions, and the results should be perceptible in the next round of national reports.



Photo: ECLAC

SUBPROGRAMME 11

SUBREGIONAL ACTIVITIES IN MEXICO AND CENTRAL AMERICA

11

Interview with:

Jorge Máttar

Deputy Director of the ECLAC Subregional Headquarters in Mexico

How did the energy projects in Central America in which ECLAC has participated develop during the 2006-2007 biennium?

Studies were conducted on progress in the use of bioethanol in Central America (based on a pilot project in Costa Rica), in the construction of an oil refinery in the subregion and in the introduction of natural gas. Further knowledge was acquired on the role of biomass in households as well as on the cost of accessing traditional and modern forms of energy. ECLAC collaborated with energy authorities on the elaboration of a sustainable energy strategy for Central America 2020, the diversification of energy supplies in the subregion and the promotion of initiatives for the generation of renewable energies.

What has been the subregion's experience in terms of strengthening risk reduction for natural disasters and developing emergency response systems?

In conjunction with other agencies in the United Nations system, the subregional office coordinated and implemented impact assessment missions in response to natural phenomena in Dominican Republic, Haiti, Mexico, Nicaragua and Peru, which led to recommendations for rebuilding with a view to better risk management and reducing vulnerability. We will be collaborating with the World Bank to strengthen the capacities of countries in the methodology for assessing the impact of natural phenomena.

What steps did ECLAC take during the biennium towards the conclusion of trade agreements, and what was the outcome?

Since the beginning of negotiations relating to the Central America-Dominican Republic-United States Free Trade Area (CAFTA-DR), ECLAC has participated in the working group for strengthening trade capacities, in conjunction with the Inter-American Development Bank (IDB), the World Bank, the Organization of American States (OAS), the United States cooperation agencies and the Governments that are signatories to CAFTA-DR. At the most recent meeting in November 2007, the countries presented their national strategies for action for strengthening trade capabilities. Common needs have been identified, some of which will be the subject of collaboration with ECLAC.

THE CONTEXT IN THE SUBREGION

For many years the development agenda of the subregion (including Cuba, the Dominican Republic, and Haiti) was dominated by the Washington Consensus vision of export-led growth, reduction or limitation of the role of the State and focused poverty-reduction programmes. In recent years, the ability of the export-led model to resolve the major obstacles to bringing development to the general population has been questioned. Although this model has permitted relative macroeconomic stability, the expansion of the export sector has not led to sustained and sufficient overall growth. The agenda was also dominated by the international push for trade liberalization, with notable exceptions in agricultural goods –an important factor for the countries of the subregion– and the negotiation of trade agreements between Mexico and the USA (with NAFTA in operation since 1994, also including Canada) and the Dominican Republic - Central America - United States Free Trade Agreement (CAFTA-DR) signed in 2003-2004.

The challenges in terms of the development agenda for the subregion involved the following:

- Diversifying the policy options and analyses available to member States, given their specific national situations and development needs,
- Generating analysis and knowledge of national and subregional situations and possible consequences of the various policy options,
- Promoting more open dialogue and debate on development models, policy options and regional and national realities. In particular, there is a need to move beyond the overemphasis on trade agreements as the solution and to place trade policy in the context of more integrated and sustainable socio-economic development policies.

The subregional headquarters therefore seeks to achieve dynamic, sustainable and qualitatively sound economic development, together with inclusive and equitable social development within a solid, democratic institutional framework, to enable the subregion to progress towards fulfilling the goals set forth in the Millennium Declaration. This means strengthening understanding and analytical capacity among stakeholders in formulating and implementing economic, social and environmental policies and programmes and increasing awareness among member States of the

development agenda facing the subregion, including its integration process and the global framework.

MAJOR ACHIEVEMENTS IN 2006-2007

Technical cooperation and support for policymaking

During this biennium ECLAC continued to work with member States on trade-related capacity-building, through a technical cooperation project funded by CIDA, to respond to applied research, training and information dissemination needs identified in the countries of the subregion. In the context of the FTAA, the Hemispheric Cooperation Programme is intended to strengthen the capacities of countries to implement and fully participate in multilateral and hemispheric negotiations on trade agreements and to further contribute to growth with equity and inclusive economic development. ECLAC assisted several countries in the subregion to formulate their respective National Trade Capacity-Building Strategies (National Strategies).

As for competition policy, ECLAC launched a project to strengthen competition in the Central American Isthmus in response to an urgent need of Governments to develop a legal and institutional framework in an area where little analysis is available. By the end of 2006 five of the countries involved had enacted related laws and an Intergovernmental

Highlights of capacity-building activities

- From January 2006 to December 2007, 236 advisory services were provided in response to 214 requests by stakeholders.
- From January 2006 to December 2007, 336 stakeholders have been trained in and/or are using services and products of the subprogramme aimed at strengthening understanding and analytical capacity to formulate and implement policies and programmes.
- Thirty-three training activities in competition policy (4), macroeconomic modeling (6), trade capacity building including specialized trade databases (14) and disaster evaluation and risk management (9) were carried out benefiting a total of 949 participants, including 314 women (33%).

Technical cooperation in Haiti

ECLAC has been working closely with the Haitian government, MINUSTAH and UN agencies in the country. In this biennium, technical cooperation included: support to the Haitian Institute of Statistics (IHSI) for its first informal sector survey; annual analysis of the economic performance and outlook of the country; support to the National Coordination on Food Security; capacity strengthening on the evaluation and prevention of the adverse impact of natural disasters; training on competitiveness and trade policy at the request of Ministry of Economics and Finance; analysis on social sector and social cohesion at the request of Ministry of Social Affairs. Support was also provided to the Ministry of Women on the analysis of the Haiti population Census; on the use of Redatam – the software to analyse local indicators; and on soil degradation and socioeconomic impact.

Competition Working Group for the competition authorities of Central America had been set up. ECLAC also published 21 studies on seven Central American countries and three comparative studies on the subject.

The subprogramme has taken various initiatives to create networks of macroeconomists from the subregion's Central Banks and Ministries of Finance in order to build up their technical capacity on fiscal and monetary policy issues and promote macroeconomic coordination, joint discussion and analysis of the challenges and macroeconomic policy alternatives facing the subregion. ECLAC presented a study on the advances, limitations and challenges that launching a new fiscal pact would imply for the subregion at the REDIMA seminar held in Managua in May 2006, and organized training courses in macroeconomic modelling including practical exercises for Central Banks of the five Central American countries, the Dominican Republic and the Secretariat of the Central American Monetary Council, in the context of a Development Account project jointly implemented by ECLAC and DESA.

ECLAC is actively involved along with IDB as the technical secretariat for the Central American Energy Emergency Plan

developed in the previous biennium by six Central American Governments. An Action Matrix containing 64 regional projects was created for the development and integration of their energy sectors. Projects under implementation include energy efficiency measures and the ECLAC bioethanol project, which has prepared the necessary technical studies to move forward with the introduction of bioethanol in Central America. Aside from responding to individual requests for technical cooperation, ECLAC participated, at the request of the Central American Presidents, in the organization and follow-up of the feasibility study to construct an oil refinery in Central America, and also in the technical studies for the introduction of natural gas in the subregion. At the Ministerial meeting held in November 2007 in Guatemala City, the energy-sector ministers from the countries of the Central American Integration System (SICA) approved and signed the 2020 Central America Sustainable Energy Strategy based on the technical analysis and recommendations with six scenarios prepared by ECLAC with the Energy Ministers. This strategy was approved by the Central American Presidents at their December 2007 Summit.

The Forum on Social Cohesion, organized by SEGIB and ECLAC in Mexico City, provided opportunity for experts and Governments officials from Central America, the Dominican Republic and Mexico to consider the contribution of a social cohesion analysis to social policy formulation. Gender analysis of policies was provided to Mexico and technical support to relevant Ministries of the Central American Governments, in particular in the context of the Regional Conference on Women in Latin America and the Caribbean. Courses were given on gender analysis in the workplace and mainstreaming.

Concerning the impact of CAFTA on the agricultural and rural sectors, ECLAC worked in collaboration with IFPRI, IDB and five national research institutes in Central America to analyse the impact of the agreement on economic growth, employment, salaries, income distribution and poverty in the rural zones, using general economic equilibrium models. The studies also include analysis of the impact of access to infrastructure on the level and composition of rural incomes.

Lastly, ECLAC continued to provide leadership in disaster assessment by developing a methodology and indicators for disaster risk management with completed case studies

in Chile, Colombia, Jamaica, Mexico and Nicaragua and through a project to link the information needs of relief, recovery and reconstruction phases into a comprehensive post-disaster needs-assessment methodology. ECLAC has developed a training programme in coordination with IDB, the World Bank, UNDP and national partners and responded to the request of member States for technical cooperation in this respect.

Research and Dissemination

ECLAC subregional headquarters in Mexico also contributed to the policy debate through the dissemination of its publications and the organization of expert-group meetings to discuss relevant policy issues. These products and services aim to provide data and analysis that allow for comparison of countries' experiences and policy approaches and promote direct dialogue between Governments and other actors. In all cases, the products and services were requested by member States or subregional consultative bodies of the member States, and are part of projects and other initiatives on which consultations have been held or are jointly developed. The publications provide analytical information that may provide key inputs to member States in their policy considerations and for which there are limited national resources.

In terms of publications this biennium, the subregional headquarters published assessments of the economies of the six Central American countries. Topics included economic growth; the external sector; the fiscal, monetary and exchange rate situation; structural reforms; production; employment, salaries and prices. A study was also prepared on the dilemma created by the general fiscal policy of the past 15 years geared to the global insertion of national economies while weakening fiscal income and therefore generating increasing demand for public investment in competitiveness and social equity. Another study analysed the evolution of Central American labour markets since 1990 with projections to 2010, and recommendations thereon. Four other studies were published on the following topics: trends in integration and trade in the context of CAFTA; manufacturing and competitiveness, particularly regarding the export sector as an engine of development; on social policy reforms, poverty trends and social vulnerability; and on trade in goods and services and the competitiveness of productive sectors.

A total of twelve meetings of experts were organized in 2006-2007 on various topics such as the development agenda for Central America and the role of ECLAC, evolution and challenges in the agricultural sector; the structure of trade in goods and services and the competitiveness of productive sectors; the liberalization of trade, foreign investment and the development of technological capacities; sustainable development in the energy sector including strategy formulation; public policies; economic relations between Mexico and China; the Dominican Republic 2030 strategy; social cohesion; the relationship between economy and environment; and management of risks associated with disasters.

Lastly, statistical databases updated during the biennium include the agricultural, manufacturing, economic, hydrocarbons, electricity and disaster series. The new Module to Analyze the Growth of International Commerce (MAGIC+) database makes it possible to analyse trade trends, country shares and product contributions in bilateral and global trade, product specialization, unit values of goods, effective tariffs, main trade competitors and the dynamism and competitiveness of specific products in a given period. The Division is currently developing a new database on maquila manufacturing.

MAJOR CHALLENGES FOR 2008-2009

The countries served by the ECLAC subregional headquarters in Mexico are facing the challenge of identifying and putting forward a new development agenda to solve past as well as new difficulties that are rooted on the one hand in structural problems and on the other in the changing international context. Noteworthy in the latter perspective are the slowdown of the United States economy, increased competition from Asia and the volatility of international capital and foreign exchange markets.

In this context the mission of the subregional headquarters is to provide technical advice –based on first-class applied social and economic research– to help member States to widen their policy options in their quest for long-term development and to advance in poverty reduction and the reduction of inequalities in gender, social and economic benefits, which would help them progress towards the Millennium

Development Goals. To do so, ECLAC must be in constant touch with policymakers and civil-society representatives to identify their immediate challenges and help them analyse options on the basis of solid, comparative research, and by promoting substantive discussion on technical matters and policy recommendations.

The challenge for individual countries in the region is to promote sustainable economic development in the context of an open regionalism that allows them to achieve a more dynamic insertion in the international markets as well as a more equitable distribution of the benefits of economic growth in terms of gender and social concerns.

A key element in this endeavour is not only to generate dynamic and sustained economic growth but also to create sufficient quality employment to absorb the expansion of the labour force and reduce poverty. A fundamental obstacle that the region faces, and that ECLAC is helping it to address, is

the lack of human capital –aggravated by migration in most countries of the subregion– and the alarming and widespread rise of the informal sector, with its negative implications in terms of social protection and generation of fiscal revenue.

ECLAC is helping Governments to be fully aware that the aforementioned challenges must be addressed by strengthening democratic institutions, with high consideration for the environment and sustainable development. This will protect the subregion's natural capital and help to eliminate the recurring cycle of vulnerability and environmental degradation. In this regard, a major challenge for the next biennium, and the medium term, is to face the adverse effects of climate change and to include these concerns into the countries' social and economic development agendas. Such commitment will make it possible to analyse its cross-sectoral impact, and identify policy measures to adapt to and mitigate such impacts.



SUBPROGRAMME 12

SUBREGIONAL ACTIVITIES IN THE CARIBBEAN

12

Interview with:

Niel Pierre

Director of the ECLAC subregional headquarters for the Caribbean

What progress was made in 2006-2007 in the Caribbean subregion concerning the Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States?

In 2006 and 2007 ECLAC spearheaded discussions for the establishment of the Regional Coordination Mechanism (RCM) for implementation of the Mauritius Strategy. Governments and regional institutions agreed that such a mechanism is essential to coordinate efforts for the implementation of the Programme of Action for the Sustainable Development of Caribbean Small Island States. This process was promoted by ECLAC through the creation of the post of Regional Adviser based in the Port of Spain office, to support coordination.

What targets did the Small Island Developing States achieve? Did they receive technical and financial cooperation and regional institutional assistance in support of their sustainable development strategies?

The Small Island Developing States of the Caribbean are disadvantaged by the fact that they are mainly middle-income states, despite the fragility of their economies and their environmental vulnerability. As a result, in 2006-2007 the subregion was not successful in obtaining direct support for the implementation of the Programme of Action.

Was the subregion able to consolidate efficient means of reducing disaster risks and improving early-warning systems during 2006-2007?

The Caribbean subregion improved its level of preparedness for natural disasters through support for the strengthening of the Caribbean Disaster Emergency Response Agency (CDERA). ECLAC's role in this area has been to strengthen capacity in the use of its disaster impact assessment methodology through the delivery of training workshops to officials, over 200 of whom were trained during 2006 and 2007. The subregion is working to improve the early warning system for natural disasters.

What have been the most important results concerning measures to improve integration and cooperation and increase the subregion's links with the international economy?

In 2006 and 2007 the subregion was engaged in negotiations for an Economic Partnership Agreement with the European Union. ECLAC is conducting an assessment of the likely impact of this agreement on trade and economic development in the Caribbean. It also supported the preparation of studies which served as inputs for the nineteenth Rio Group Summit of Heads of State and Government, held in March 2007.

THE CONTEXT IN THE SUBREGION

The subregional headquarters in Port of Spain continued to provide technical cooperation services and applied research to the subregion while providing secretariat and other substantive and operational services to the Caribbean Development and Cooperation Committee (CDCC), an intergovernmental subsidiary body of ECLAC, whose mission is to support integration and collaboration within the subregion, as well as with Latin America and the global community.

In the area of economic development, the subprogramme's priorities were influenced by the proposed full establishment in 2008, of the CARICOM Single Market and Economy (CSME). Given the likely persistence of external constraints to growth, and the open nature of the Caribbean economies, priority continued to be given to strengthening competitiveness, especially the export performance of private businesses, and increasing the level and quality of foreign investment flows. In addition, the deepening of regional integration will likely require improved macroeconomic coordination among participating countries, to which the subprogramme contributed through its applied research on fiscal issues.

In the area of social development, priority was attached to demographic issues (including youth and ageing), poverty and social vulnerability, analysis of women's political participation and unpaid work and the impact of migration on the region, mainly in terms of labour mobility, brain drain and remittances.

Lastly, with respect to the environment, the vulnerability of the region to natural disasters, and more generally to the consequences of climate change, as well as existing pressure on the biodiversity of the subregion, call for the establishment of appropriate institutions and capacities to manage the Caribbean Sea and develop policy frameworks for the identification, adaptation and application of new technologies and renewable energy sources, as well as for disaster risk reduction.

MAJOR ACHIEVEMENTS IN 2006-2007

Technical cooperation and support for policymaking

Activities in the areas of the environment and information technology continued to be linked to the implementation of

the Mauritius Strategy in the Caribbean. In this regard, ECLAC through CDCC has established a regional coordinating mechanism (RCM) for the implementation of the Mauritius Strategy in the Caribbean. A consensus was achieved on its guiding principles, objectives, functions, organizational structure and management arrangements. The ECLAC subregional headquarters for the Caribbean will serve as the secretariat of the RCM for the next two years. Other areas of interest were support for the development of alternative sources of energy in the Caribbean, mainly biofuels in Guyana and Jamaica and geothermal energy in Montserrat. With the creation of the Caribbean Sea Commission, ECLAC prepared a draft programme of work and presented it at the fourth meeting of the Commission.

Concerning natural disasters, ECLAC, along with UNDP, the Organization of Eastern Caribbean States (OECS), and the Caribbean Disaster Emergency Response Agency (CDERA) convened a meeting on the theme of Methodologies for Disaster Assessment – a Regional Approach, to present and analyse existing methodologies as well as ongoing initiatives in the area of disaster assessment in the Caribbean subregion with a view to identifying areas for future collaboration in the optimal use of these methodologies to improve effectiveness in disaster response. Subsequently, ECLAC and UNDP conducted impact assessment missions in five countries of the region at the request of Caribbean Governments. Assessments were carried out in Guyana and Suriname after severe flooding wreaked havoc in those countries, as well as in Belize, Saint Lucia and Dominica following the passage of Hurricane Dean.

In the economic area, the subprogramme facilitated a technical meeting of the Pro-Tempore Secretariat of the Rio Group and presented a paper on the treatment of asymmetries in the context of regional cooperation (Port of Spain, January 2007). This meeting addressed issues related to special and differential treatment of goods and services as well as the treatment of asymmetries in the context of regional cooperation.

In the area of statistics and social development, work continued to address the difficulties which beset policymakers in making evidence-based decisions through encouraging decision makers to use evidence-based information in policymaking. This line of work consisted of providing information on the benefits of data sharing and addressing issues related to

Technical cooperation highlights

- The number of strategies to improve linkages with global markets implemented in the region grew from 12 at the end of 2005 to 25 by the end of 2007.
- As at the end of June 2007, the analytical inputs and technical assistance of ECLAC/CDCC contributed to the changes in 22 governmental policies in member countries in the Caribbean.
- 32 policies and programmes using gender mainstreaming methodology were initiated in the sub-region.

data ownership. In activities related to the implementation of internationally agreed development goals, the secretariat has been engaged in the preparation of a social development framework to promote sustained social development in the Caribbean and promote the achievement of the Millennium Development Goals in the subregion. Support was provided for the preparation of the national report of Barbados on progress in achieving the Millennium Development Goals, for presentation to the Annual Ministerial Review of the Economic and Social Council in July 2007.

Research and Dissemination

During the biennium 2006-2007, the secretariat continued to focus on the regional integration process, ensuring that it is based on sound social and economic research and analysis and sharing of experiences, leading to improved policy decisions. The secretariat continued to work closely with CDCC member countries in an effort to ensure the relevance of outputs which would inform policy options through the publication of technical reports and papers.

The subprogramme facilitated subregional debates and documented the state of implementation and future challenges related to the Mauritius Strategy, producing a report relating to challenges in implementation of the Strategy, prepared on the basis of a survey conducted among the Governments of the subregion, the results of which were presented for discussion at the level of the CDCC and the Regional Coordinating Mechanism (RCM) (August 2007). The subprogramme also followed up on the outcomes of the ten-year review of the Programme of Action for the Sustainable Development of

Small Island Developing States. It also convened a meeting on the concept of a rights-based approach to sustainable development, and prepared a discussion paper on sustainable development from a rights-based perspective and the challenges it represents for the Caribbean SIDS.

Work on the thematic area of economic development focused on the fiscal impact of trade liberalization, studies on economic trends in the Caribbean, capital market development in the subregion, taxation, debt accumulation and economic growth.

The subprogramme also prepared several publications on social development issues, including four on youth structure in selected countries in the Caribbean, migration and remittances, the impact of the brain drain, issues related to older persons and poverty, urban violence and social cohesion. A new area of gender assessment during natural disasters was introduced, taking the form of a gender analysis of the Disaster Risk Reduction (DRR) Programme of the Gender Mainstreaming Initiative under the subregional headquarters portfolio (10 Small Island Developing States in the eastern Caribbean).

To promote evidence-based policymaking, the subprogramme has also developed and updated its databases relating to social and economic statistics, women and development, and the sustainable development of the Caribbean Small Island Developing States.

MEETINGS AND CONFERENCES

The thirteenth meeting of the Monitoring Committee of CDCC, attended by representatives of the CDCC member and associate member countries, intergovernmental organizations, and United Nations agencies, was held in Port of Spain, Trinidad and Tobago, in August 2007.

Participants examined the progress report on the implementation of the programme of work for the 2006-2007 biennium, reviewed preparations for the implementation of the 2008-2009 programme of work, and discussed the role of CDCC in regional development and progress in inter-agency collaboration towards the achievement of the Millennium Development Goals in follow-up to the World Summit on the Information Society (WSIS) – Caribbean Information Society; and in disaster impact assessments.

MAJOR CHALLENGES FOR 2008-2009

A key element of the strategy of the subprogramme is to enhance CDCC to serve as a forum for Governments to set priorities on key development issues in the subregion and for assessing and reviewing progress towards the achievement of internationally agreed development goals.

The subprogramme will continue its efforts to actively engage with subregional institutions such as the CARICOM Secretariat, the Organization of Eastern Caribbean States (OECS), the Caribbean Development Bank (CDB), the

Caribbean Regional Negotiating Machinery (CRNM), the Association of Caribbean States (ACS) and with the specialized agencies and programmes of the United Nations system as well as universities and other academic bodies.

Efforts will also be accelerated to ensure that member countries have the capacity to access reliable data and information, reporting and monitoring systems or generate the required indicators and statistics to monitor progress towards internationally agreed development goals, including the Millennium Development Goals.

OTHER ACTIVITIES



EVALUATION

REINFORCING EVALUATION

Evaluation provides transparency and accountability to member States and other stakeholders in and outside the region, support to management and opportunities for organizational learning and innovation. In his report entitled *Agenda for further change (A/57/387)*, the Secretary-General stressed the need for a strengthened system of evaluation and monitoring to better measure the impact of the Organization's work, in line with the increased emphasis on a results-based management approach in which the focus has shifted to evaluation of the results of the Organization's activities.

Evaluations in ECLAC include external and internal evaluations, and can be mandatory or discretionary. In practice, the majority of evaluations are internal and consist of:

- *Mandatory self-assessments*, which are carried out in the twelfth, eighteenth and twenty-fourth months of the biennium and reported to the Office of Internal Oversight at United Nations headquarters in New York; and
- *Discretionary self-evaluations*, conducted at the discretion of programme managers, at least once every two biennia.

The Programme Planning and Evaluation Unit has taken steps to increase the quality of self-evaluation in ECLAC. New monitoring and evaluation guidelines adapted to ECLAC were introduced, in order to clarify requirements in terms of monitoring and evaluation at each stage of the programme cycle. At the onset of the planning process, evaluation plans were reinforced by taking into account monitoring and evaluation strategies. Regular meetings between substantive divisions and the monitoring and evaluation unit at the start of the new biennium will be institutionalised in order to provide additional support to the divisions undertaking evaluations. Furthermore, evaluation surveys were prepared and will be disseminated automatically after training sessions and workshops. A similar initiative (online surveys) was adopted for the evaluation of major ECLAC publications. Lastly, the monitoring and evaluation unit is committed to organizing regular training in evaluation methods, and to the future creation of a pool of certified evaluation officers for the region, as part of an inter-agency effort to promote evaluation in the United Nations system.



Photo: ECLAC/ Christian Larrain

DISSEMINATION AND COMMUNICATION

INFORMATION SERVICES UNIT

Through its Web portal, the gateway to 40 ECLAC websites, the Unit facilitates wider access to ECLAC publications: over the biennium, the portal received 27 million hits and 57 million documents were downloaded. The Web portal was also extended in terms of areas covered and languages (Portuguese and French versions). The online evaluation system for publications was also improved to increase interactive relations between users and ECLAC. In the next biennium, the Unit will introduce technological innovations in the administration of the contents of ECLAC web and distribution systems to promote informative products to the media and target audiences.

The Unit also provides press coverage of ECLAC activities, including high-profile events such as the celebration in October 2007 of the fiftieth anniversary of CELADE - Population Division of ECLAC. Dissemination campaigns and press conferences were organized to raise the profile of major ECLAC publications. The Unit produced 12 *Notas de la CEPAL* including two special editions on the fiftieth anniversary of CELADE and on issues related to the Doha Round, reaching about 8,000 opinion leaders. It also produced 250 press releases, 370 interviews with staff members of the Commission, and organized 70 visits of professionals and of the general public to the ECLAC buildings in Santiago. These activities resulted in high visibility for the work of the organization, reflected in 15,000 press clippings counted

during that period. The Unit also closely collaborated with the Department of Public Information at United Nations Headquarters to disseminate United Nations material and the Secretary General's messages throughout the region.

DOCUMENTS AND PUBLICATIONS DIVISION

In 2006-2007, the Documents and Publications Division processed 2000 new documents, including 13 ECLAC books, three *Cuadernos de la CEPAL*, 12 editions of the ECLAC Review (in Spanish and English), 14 co-editions and co-publications, 255 conference documents and 57 new documents for the biennial session of the Commission.

Several measures were taken internally to increase process flows, resulting in more timely publications and savings of US\$ 200,000. Furthermore, flagship publications were disseminated in Spanish and English simultaneously, and an increasing number of documents were translated into French and Portuguese, thereby increasing their readership. The Division also engaged in substantive editorial marketing, improved the presentation of ECLAC publications, and adopted a more coherent style.

The Division also continued its dissemination strategy by taking part in annual book fairs (Santiago, Buenos Aires, Bogotá, Guadalajara and that of the Latin American Studies Association (LASA)) to disseminate ECLAC publications and network with publishers.

ABBREVIATIONS

ADC	Andean Development Corporation
APEC	Asia-Pacific Economic Cooperation
ARPEL	Mutual Assistance of the Latin American Oil Companies
BMZ	Federal Ministry for Economic Cooperation and Development (Germany)
CARICOM	Caribbean Community
CELADE	Latin American and Caribbean Demographic Centre - Population Division of ECLAC
CIDA	Canadian International Development Agency
DESA	United Nations Department of Economic and Social Affairs
ECA	Economic Commission for Africa
FAO	Food and Agriculture Organization of the United Nations
FLACSO	Latin American Faculty of Social Sciences
FTAA	Free Trade Area of the Americas
FTAs	Free Trade Agreements
GTZ	German Agency for Technical Cooperation
IDB	Inter-American Development Bank
ICTs	Information and communications technologies
IDB	Inter-American Development Bank
IDRC	International Development Research Centre
IFPRI	International Food Policy Research Institute
IICA	Inter-American Institute for Cooperation on Agriculture
IIRSA	Initiative for the Integration of the Regional Infrastructure of South America
IMF	International Monetary Fund
LAIA	Latin American Integration Association
OAS	Organization of American States
OECD	Organisation for Economic Co-operation and Development
OLADE	Latin American Energy Organization
OLAMI	Latin American Mining Organization
PAHO	Pan American Health Organization
RISALC	Latin American and Caribbean Network of Social Institutions
SEGIB	Ibero-American Secretariat
SMEs	Small and medium-sized enterprises
SIDS	Small Island Developing States
UNDP	United Nations Development Programme
UNIDO	United Nations Industrial Development Organization
UNIFEM	United Nations Development Fund for Women
UNFPA	United Nations Population Fund
WFP	World Food Programme
WTO	World Trade Organization



UNITED NATIONS

ECLAC