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Thirty-fifth
session of
ECLAC

Lima, 5-9 May

REPORT ON THE ACTIVITIES OF THE COMMISSION
FROM JANUARY 2012 TO DECEMBER 2013



UNITED NATIONS

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ABBREVIATIONS

@LIS	Alliance for the Information Society
AECID	Spanish Agency for International Development Cooperation
AFD	French Development Agency
ALIDE	Latin American Association of Development Financing Institutions
AusAID	Australian Agency for International Development
BMZ	German Federal Ministry for Economic Cooperation and Development
CAC	Central American Agricultural Council
CAF	Development Bank of Latin America
CARICOM	Caribbean Community
CDCC	Caribbean Development and Cooperation Committee
CELAC	Community of Latin American and Caribbean States
CELADE	Latin American and Caribbean Demographic Centre-Population Division of ECLAC
DANE	National Administrative Department of Statistics
ECA	Economic Commission for Africa
ECE	Economic Commission for Europe
ECLAC	Economic Commission for Latin America and the Caribbean
ESCAP	Economic and Social Commission for Asia and the Pacific
FAO	Food and Agriculture Organization of the United Nations
FDI	Foreign Direct Investment
FEALAC	Forum for East Asia-Latin America Cooperation
FLAR	Latin American Reserve Fund
GDP	Gross domestic product
GIZ	German Agency for International Cooperation
ICP	International Comparison Programme
ICPD	International Conference on Population and Development
ICT	Information and communications technology
IDB	Inter-American Development Bank
IICA	Inter-American Institute for Cooperation on Agriculture
ILO	International Labour Organization
ILPES	Latin American and Caribbean Institute for Economic and Social Planning
IMF	International Monetary Fund
INEGI	National Institute of Statistics and Geography
IPEA	Institute of Applied Economic Research
LAIA	Latin American Integration Association
NGO	Non-governmental organization
OAS	Organization of American States
ODA	Official development assistance
OECD	Organization for Economic Cooperation and Development
OECS	Organization of Eastern Caribbean States
OLADE	Latin American Energy Organization
PAHO	Pan American Health Organization

PPP	Purchasing power parity
RCM	Regional Coordination Mechanism
REDATAM	Retrieval of data for small areas by microcomputer
SEGIB	Ibero-American Secretariat
SICA	Central American Integration System
SIDA	Swedish International Development Cooperation Agency
SIDS	Small island developing States
SIECA	Secretariat for Central American Economic Integration
SISCA	Central American Social Integration Secretariat
SMEs	Small and medium-sized enterprises
SNA	System of National Accounts
UN-Habitat	United Nations Human Settlements Programme
UN-Women	United Nations Entity for Gender Equality and the Empowerment of Women
UNAM	National Autonomous University of Mexico
UNASUR	Union of South American Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
UNOPS	United Nations Office for Project Services
VAT	Value added tax

MISSION OF THE ECONOMIC COMMISSION FOR LATIN AMERICA AND THE CARIBBEAN

To function as a centre of excellence charged with collaborating with member States in a comprehensive analysis of development processes geared to the design, monitoring and evaluation of public policies and the resulting provision of operational services in the fields of specialized information, technical cooperation services, (advisory services) training and support for regional and international cooperation and coordination.

*(Resolution 553(XXVI) of the twenty-sixth session
of the Commission, San José, 1996)*



FOREWORD

Alicia Bárcena

Executive Secretary
Economic Commission for
Latin America and the Caribbean
(ECLAC)

The Economic Commission for Latin America and the Caribbean (ECLAC) is an institution committed to the development of this region. For the Commission, development is a comprehensive process, devised from within, and for the benefit of, the region, comprising the economic, social and environmental dimensions of sustainability and their interrelationships. For more than 60 years, ECLAC has nurtured the tradition of contributing to the building of Latin American and Caribbean thinking on development and has promoted policy analysis and dialogue in this regard. In this endeavour, the Commission draws upon its long experience and recognized capacity to monitor development issues, analyse their impact on the regional and national policy agendas, generate new ideas, proposals and policy recommendations, and provide technical cooperation services and activities that directly benefit the countries of the region.

In light of the accountability and transparency framework promoted by the United Nations, this report of activities highlighting the Commission's key achievements and contributions during the period 2012-2013 is submitted for the consideration of member States.

During this biennium, the region continued to demonstrate economic and social resilience to the effects of the global economic and financial crisis of 2008-2009. Although circumstances vary significantly from one subregion to the next, the region as a whole maintained its dynamism during this period and put in place a battery of solid policy responses. The region that has emerged from a decade of prosperity is fundamentally changed, for instance with regard to its role in the emerging South, jointly with China, Asia-Pacific, and Africa. Such trends have offered historical opportunities for Latin America and the Caribbean, in terms of reducing poverty, extreme poverty and inequality.

The region has, however, not sufficiently addressed its traditional structural gaps and some signs at the end of 2013 call for caution as the external context may become less favourable and the region's development path remains fraught with weaknesses and sustainability challenges. The ongoing social unrest and mobilization in 2012-2013 are other signs that existing development patterns are flawed and that public goods and services in areas such as health, education and transport must be improved, while ensuring a greater voice for the people in the policy debate.

In this context, the Commission's substantive capacity and flexible working methods have enabled it to call for an enhanced role for the State to generate a virtuous structural change, providing a redefinition of the traditional equation between State, market and society, placing equality at the centre of the development agenda. These ideas and policy proposals have been presented in studies and publications, most notably the document *Structural Change for Equality. An Integrated Approach to Development*, which was presented to member States at the thirty-fourth session of ECLAC in San Salvador in August 2012 and widely disseminated in the region and beyond.

The Commission's most recent analyses and public policy proposals have also helped to stimulate discussion on key regional development issues, including financing for development; the need for innovative sources of financing and the situation of middle-income countries;

governance of natural resources; challenges in population and development; the knowledge economy, the role of innovation and access to broadband Internet connections; social protection and cohesion; labour markets; climate change; regional infrastructure; and gender issues. ECLAC has also maintained its essential role as a universal and impartial forum for the fostering of public policy debate, the exchange of good practices and the promotion of regional positions in global forums as well as in regional and interregional summits of heads of State and government and high-level meetings.

ECLAC officers and technical staff have worked professionally to support the design, monitoring and evaluation of public policies and to catalyse debate around them through the Commission's flagship publications—*Preliminary Overview of the Economies of Latin America and the Caribbean*, *Social Panorama of Latin America*, *Economic Survey of Latin America and the Caribbean*, *Latin America and the Caribbean in the World Economy*, *Statistical Yearbook for Latin America and the Caribbean*, and *Foreign Direct Investment in Latin America and the Caribbean*—and through the organization of seminars, technical workshops, training courses, and expert meetings and the delivery of technical cooperation services to member countries in a wide array of areas, encompassing the broad spectrum of economic, social and environmental sustainability issues on the region's development agenda.

Moreover, ECLAC continued to promote greater participation by the countries of the region in global forums and to raise the region's voice in the debate regarding the definition of the post-2015 agenda. In this respect, attention is drawn to the Commission's leadership in coordinating the work of the funds, programmes and specialized agencies of the United Nations system in the region, for instance through the organization of the meeting of the Regional Coordination Mechanism relating to the United Nations Conference on Sustainable Development (Rio+20), which took place in Rio de Janeiro in June 2012 and the preparation of the inter-agency report *Sustainable Development in Latin America and the Caribbean: Follow-up to the United Nations development agenda beyond 2015 and to Rio+20*, which was prepared in 2013.

ECLAC has also served as technical secretariat for various intergovernmental initiatives, such as the Committee of the Whole, the Statistical Conference of the Americas of the Economic Commission for Latin America and the Caribbean, the Regional Conference on Women in Latin America and the Caribbean, the Regional Conference on Population and Development in Latin America and the Caribbean, the Regional Council for Planning of the Latin American and Caribbean Institute for Economic and Social Planning (ILPES) and the Caribbean Development and Cooperation Committee (CDCC).

The positive results achieved during 2012-2013 for the benefit of a wide array of stakeholders in the countries of the region are attributable to the dedication and creativity of ECLAC staff, who are to be commended. The Commission's work was shaped by an unflagging institutional effort to ensure continuous improvement and enhance the efficiency of work, the visibility of products and services and the overall commitment to the values of the international civil service. Lastly, the Commission would like to thank member States for the ongoing trust and support they have placed in the institution in support of the regional development agenda.

PART I

INTRODUCTION



ABOUT ECLAC

The Economic Commission for Latin America (ECLA) —the Spanish acronym is CEPAL— was established by Economic and Social Council resolution 106(VI) of 25 February 1948 and began to function that same year. The scope of the Commission's work was later broadened to include the countries of the Caribbean, and by resolution 1984/67 of 27 July 1984, the Council decided to change its name to the Economic Commission for Latin America and the Caribbean (ECLAC); the Spanish acronym, CEPAL, remains unchanged.

ECLAC, which is headquartered in Santiago, Chile, is one of the five regional commissions of the United Nations. It was founded for the purpose of contributing to the economic development of Latin America, coordinating actions directed towards this end, and reinforcing economic ties between countries and with other nations of the world. The promotion of the region's social development was later included among its primary objectives. In June 1951, the Commission established the ECLAC subregional headquarters in Mexico City, which serves the needs of the Central American subregion, together with Cuba, the Dominican Republic, Haiti and Mexico; in December 1966, the ECLAC subregional headquarters for the Caribbean was founded in Port of Spain, to serve the Caribbean subregion. In addition, ECLAC maintains country offices in Bogota, Brasilia, Buenos Aires and Montevideo, as well as a liaison office in Washington, D.C. The 33 countries of Latin America and the Caribbean, together with several Asian, European and North American nations that have historical, economic and cultural ties with the region, comprise the 44 member States of ECLAC. Twelve non-independent territories in the Caribbean are associate members of the Commission.

Since its inception, ECLAC has undertaken in-depth analyses of the situation in the region through two basic functions: economic and social research and technical cooperation and assistance to governments. The Commission's ongoing concern for equitable growth, technical progress,

social justice and democracy reflects its integral approach to understanding development and the legacy of a rich intellectual tradition. Motivated by a constant interest in emerging global issues and by the need to adapt to today's ever-changing world, ECLAC is committed to addressing problems such as sustainable development, climate change and energy security as well as social issues relating to gender, youth and ethnic minorities.

NOTABLE ACHIEVEMENTS

Under the leadership of Raúl Prebisch, ECLAC devoted itself to the task of performing a fresh intellectual analysis of the region's development challenges, based on its needs, potential and distinctive characteristics. The organization developed a Latin American and Caribbean perspective, which entered the collective imagination, inspired public policies and international cooperation initiatives, and strengthened the region's voice internationally.

Its early influence may be seen in the adoption of an import substitution strategy in several countries of the region, with explicit reference to the ECLAC conceptual and analytical framework; the creation of areas of regional integration such as the Central American Common Market; and the advice it provided on large-scale projects such as the Inter-American Development Bank (IDB) and the Latin American Common Market, the latter leading to the creation of the Latin American Integration Association (LAIA). What is perhaps less well known, but no less important, is the role played by ECLAC in building early national accounts capacities; in development planning, performed by the Latin American and Caribbean Institute for Economic and Social Planning (ILPES); and in improving population censuses and their analysis, carried out by the Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC.

Map 1
ECLAC headquarters and offices



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

Today, ECLAC continues to help the countries of the region critically evaluate specific experiences that represent valuable sources of input for updating their national development agendas. As has traditionally been the case, ECLAC continues to develop a firmly Latin American and Caribbean line of thought that highlights the region's unique features. In its publication *Time for equality: closing gaps, opening trails*, ECLAC formulated a new approach to the region's development challenges, in the best ECLAC tradition; the proposals contained therein were subsequently deepened and broadened in the document *Structural Change for Equality: An Integrated Approach to Development*, which seeks to promote sustainable development with equality. The organization's most important recent achievements include helping countries

understand and cope with the Rio+20 process of redefining a new development agenda, and the rethinking of new alternatives for the generation of resources necessary for development. ECLAC also prides itself in providing a prestigious forum for the exchange of experiences and for fostering dialogue between governments in the region, and facilitating South-South cooperation on a large scale. The countries of the region continue to ask ECLAC for analytical and proactive support in connection with new international cooperation initiatives. In this regard, ECLAC was recently called upon to collaborate with the Community of Latin American and Caribbean States (CELAC), and with several other regional and subregional integration and cooperation processes and mechanisms, in a wide range of development-related areas.



HIGHLIGHTS OF BIENNIAL RESULTS

THE REGIONAL CONTEXT

Economic growth in Latin America and the Caribbean between 2003 and 2011 enabled the region to recover from a lacklustre period that began with the debt crisis of the early 1980s. Between 2003 and 2011, following the five-year period from 1998 to 2002 known as the “lost half-decade”, most of the countries of Latin America and the Caribbean experienced their fastest growth since the 1960s, outpacing the global average and the advanced economies. This led to a significant improvement in the living conditions of the population, as reflected in social and labour indicators. Not only was there progress in reducing unemployment, poverty and extreme poverty, but also for the first time in several decades, a sizeable subset of countries in the region achieved positive results in terms of income distribution. This was also a period of relative macroeconomic stability, with growth accompanied by single-digit annual inflation on average, despite the spike in international prices for oil, foods and other commodities. Most of the region’s countries were able to take advantage of the favourable external environment, pairing economic growth with fiscal surpluses and falling external debt levels.

During 2012-2013, sagging exports and the outlook for a global economic slowdown have progressively dampened economic activity and slowed growth in key variables such as export volumes, investment and employment. In short, from 2013 the Latin American and Caribbean countries have been facing a stagnant external environment requiring caution in implementing macroeconomic policy adjustments so as to avoid exacerbating potential imbalances, in particular in the current account position. The region, with certain exceptions, can draw on substantial strengths to address these challenges: high international reserves, little external public debt and low inflation. While this provides some monetary and fiscal policy space for mitigating temporary external shocks, the outlook for slow

global growth also requires measures geared towards structural change that will boost competitiveness and enhance long-term growth factors.

In order to face the challenges in the currently changing international economic order, ECLAC has been proposing, since 2010, to place equality at the centre of all major policy decisions. Equality entails boosting capacity-building, promoting technological progress, providing job opportunities and universal access to social protection through the production structure and weaving these benefits into the fabric of society. Quality employment with a rights-based approach is the master key to overcoming inequality, closing gaps and mainstreaming perspectives of gender, ethnic and racial equality. The region should break away from production structures centred on static comparative advantages and seek more dynamic competitive advantages in knowledge-intensive sectors with emphasis on technological progress.

THE MAIN ACHIEVEMENTS OF ECLAC IN 2012-2013

ECLAC continued to provide timely and relevant analysis and policy recommendations regarding development issues. The Commission worked closely with the governments in the region and other counterpart institutions to safeguard linkages between individual national experiences and regional perspectives, facilitate data comparability and exchange of good practices, and provide effective technical cooperation services in transboundary issues within its purview.

To that end, the Commission placed emphasis on analytical, normative advocacy and capacity-building work to strengthen the design of sustainable development strategies and public policies and to facilitate the continuous monitoring of their practical implementation. Operational

services in the areas of specialized information, technical cooperation and training fostered cooperation, networking and sharing of good practices at the subregional, regional and international levels, including South-South cooperation.

ECLAC continued to work on an integrated and comprehensive follow-up to the world summits from a regional perspective, in particular the region's final progress towards the Millennium Development Goals in 2015, as well as the negotiations towards the definition of new sustainable development goals started by the Rio+20 process and the path towards a post-2015 development agenda. For that purpose, ECLAC reinforced its leading role as the convener of the Regional Coordination Mechanism of all the specialized agencies, funds and programmes of the United Nations common system in the region, which reports to the Economic and Social Council and the General Assembly.

The economic dimension

The period between 2012 and 2013 was characterized by uncertain growth in the world economy. The region faced an increasingly challenging external environment, with low growth in the industrialized countries, a deceleration of growth in emerging countries (most notably China) and a softening of commodity prices. Given that strong external demand and buoyant prices for the commodities exported by the region had been among the principal engines of growth for Latin America and the Caribbean, this new international context posed significant challenges to the economies of the region. The Latin American and Caribbean region recorded 2.6% growth in gross domestic product (GDP) in 2013, down from 3.1% in 2012, attesting to the continuation of the apparent economic slowdown in the region since 2011. In order to assist ECLAC member States, one of the Commission's flagship publications, the *Economic Survey of Latin America and the Caribbean*, proposed policy responses, particularly those required to promote greater private and public investment within a new international context that appears to mark the end of the commodity boom, resulting in heightened financial uncertainty.

The high level of volatility represents a serious problem for public policy, in particular fiscal policy. In support of activities on topics relating to fiscal policy, ECLAC hosted the twenty-fourth and twenty-fifth Regional Seminars on Fiscal Policy, and published for the first time the *Fiscal Panorama of Latin America and the Caribbean*, which provided an up-to-date overview of taxation in Latin America and the Caribbean—analysing the share of tax revenue in the total income of public sectors across the region, and the significance of levies charged on the exploitation of natural resources,

value added tax (VAT), income tax, taxes on capital, and revenues raised by subnational governments.

With the objective of contributing to the development of countries in the region, ECLAC presented, at its thirty-fourth session, the document *Structural Change for Equality: An Integrated Approach to Development*, which proposes a route towards development anchored in three integrated elements: structural change to underpin progress towards more knowledge-intensive sectors, convergence to reduce internal and external gaps in income and productivity, and equality of rights.

On that occasion, ECLAC also presented the document *Middle-income countries: a structural gap approach*, which calls for a review of the concept of development used to channel cooperation resources, and the adoption of a broader, multifaceted view, which entails not just improving people's standards of living but also achieving sustainable and inclusive growth. This new approach was amply discussed in several international forums, including the United Nations General Assembly, where it helped to support different negotiations.

With respect to the international financial architecture, ECLAC produced several documents on development banking and on the international cooperation system. In this context, the seminar on Global economic governance was organized in Madrid in March 2013. The Commission also made suggestions to CELAC and the Union of South American Nations (UNASUR) on the creation of a regional reserve fund for consideration by their member States. Furthermore, the research and assistance carried out on resource mobilization for productive financing resulted in the nomination of ECLAC as the technical secretariat of the Latin American Association of Development Financing Institutions (ALIDE).

ECLAC also supported regional and subregional integration processes, helping to forge a common vision for member States—for instance, through technical support provided to CELAC in addressing the international financial crisis and in preparing integration indicators, to UNASUR in the form of assistance to its Working Group on Financial Integration—helping them to undertake negotiations outside the region, through several publications on the challenges and opportunities that Asia-Pacific, and, in particular China, may offer. Two noteworthy developments in this regard were the launch of the Latin America-Asia Pacific Observatory and the preparation of the document *Strengthening biregional cooperation between Latin America and Asia-Pacific: The role of FEALAC*, which was

presented at the sixth Ministerial Meeting of the Forum for East Asia-Latin America Cooperation (FEALAC), held in Bali, Indonesia, in June 2013.

During the biennium, ECLAC saw the consolidation of its role as regional focal point in science, innovation and technology and was appointed to act as technical secretariat of the newly created regional Conference on Science, Innovation and Information and Communications Technologies. In this regard, a ministerial meeting was organized in Rio de Janeiro in July 2013, when a cooperation platform was agreed. Two other meetings on the subject were also organized on the information society and open data. Moreover, ECLAC followed up on the developments regarding the regional Plan of Action eLAC 2015, and the Regional Broadband Observatory. During the biennium, the fifth session of the Regional Dialogue on Broadband took place in Barcelona, Spain, in March 2012, and the sixth in Santiago in November 2012. The year 2013 also saw the scale-up of plans for the construction of a new submarine cable between Europe and Latin America.

ECLAC focused its efforts on the analysis of industrial and production policies, including macroeconomic policies for development. With support from the Organization for Economic Cooperation and Development (OECD), the Commission continued its publications programme on small and medium-sized enterprises (SMEs) and, in collaboration with the Food and Agriculture Organization of the United Nations (FAO) and the Inter-American Institute for Cooperation on Agriculture (IICA), it pursued its activities in the field of rural and agricultural development.

During 2013, ECLAC organized two important seminars to consider present and future challenges from a historical perspective, through the analysis of the previous 30 years of economic development in the region: one concerning the debt crisis, and the other relating to growth and equality during the past three decades.

During the biennium, ECLAC remained very active in the area of capacity-building with the organization of a wide spectrum of activities in the field of integration. For instance, support was provided to members of the Andean Community in their re-engineering process. A project was implemented on the internationalization of SMEs and another on strengthening food-exporting countries to enable them to adapt to climate change.

Technical support was extended to several countries in the region on the formulation of agricultural and industrial development strategies. Special mention should be made

of the support provided to Ecuador for the design of a national strategy for changing its production matrix and for the establishment of a contingency fund to protect fiscal revenues against oil price fluctuations.

The social dimension

The Latin American and Caribbean region experienced solid economic growth and attained significant results in reducing unemployment, poverty and extreme poverty. For the first time in several decades, a sizeable subset of countries in the region also achieved positive results in terms of income distribution. However, social vulnerability and socioeconomic gaps remain extremely high. The region still carries a legacy that perpetuates inequalities and exclusion. Rigid productivity gaps persist and low productivity sectors still leave little margin for social mobility.

The equality agenda has been instrumental in gearing efforts towards the perspective “productive structure—employment—social protection”. The 2013 edition of *Social Panorama of Latin America* seeks fresh approaches to poverty and well-being, placing special emphasis on multidimensional approaches.

One of the main priorities during the biennium has been the effort to promote the adoption and advancement of protection and care systems and to foster more inclusive societies, as illustrated by the document *Inclusive Social Protection in Latin America: A Comprehensive, Rights-based Approach 2012*. Similarly, the meeting for strengthening public care systems in Latin America and Europe, held in November 2012 in Montevideo, culminated in the adoption of recommendations to systematize procedures for the design of social care policies by the Governments of Costa Rica, Ecuador and Uruguay.

In terms of information and communications technology (ICT), ECLAC has made substantial efforts to improve health and education systems through the use and effective incorporation of digital technologies in more inclusive educational and health-related initiatives. Conscious of the importance of addressing the care needs of persons with disabilities in the region, ECLAC held an expert meeting in Santiago in May 2013 to define strategic priorities for the regional agenda in this regard and has become a reference within the United Nations common system.

Despite progress in promoting women’s rights and in their participation in the political sphere, inequalities persist and most women are far from achieving autonomy. Public policies must address these challenges and come up with new ways in which the State, the market and the

family can interact to build more equitable societies. The biennium witnessed a consolidation of the Gender Equality Observatory for Latin America and the Caribbean, which provides key inputs for equality policies in the region.

ECLAC has also launched a gender mainstreaming strategy to incorporate the gender perspective at all levels of the Commission. Alongside this comprehensive approach, and the integration of the gender perspective across all areas of the programme of work, ECLAC has explored internal synergies and produced key research and policy recommendations that were discussed at various meetings of subsidiary bodies. For instance, the document *Women in the digital economy: Breaking through the equality threshold*, was presented to great acclaim at the twelfth session of the Regional Conference on Women in Latin America and the Caribbean, which was held in Santo Domingo in October 2013. The document highlights the range of opportunities that ICTs open up for furthering women's autonomy and gender equality. The outcome of the twelfth session of the Regional Conference was the adoption of the Santo Domingo Consensus by 31 member countries of ECLAC. This instrument contains agreements on the inclusion of gender as a cross-cutting component of productive development policies and the design of actions for the development of a new culture of technology.

Another milestone meeting of the biennium was the first session of the Regional Conference on Population and Development, which was held in Montevideo in August 2013. At this conference, the Secretariat presented a review of the implementation in Latin America and the Caribbean of the Programme of Action of the International Conference on Population and Development, as well as a proposal for a regional agenda on population and development for Latin America and the Caribbean beyond 2014. At its conclusion, member States adopted the Montevideo Consensus on Population and Development, strengthening the implementation of initiatives in a wide range of areas, from children and youth, to migration and indigenous peoples and Afro-descendants.

Another important regional agreement was the San José Charter on the Rights of Older Persons in Latin America and the Caribbean, adopted at the third Regional Intergovernmental Conference on Ageing in Latin America and the Caribbean, which took place in San José in May 2012. Participants identified key actions to be implemented in this area over the following five years.

ECLAC provided substantial technical support to countries to enable them to incorporate population and development objectives in their public agendas, and to produce, analyse

and disseminate quality statistical information as a basis for public-policy design. Thus, ECLAC strengthened the CELADE Intensive Regional Course on Demographic Analysis (CRIAD), which trained 16 professionals from 12 countries in 2012 and 13 civil servants from 7 countries in 2013. The course focused on demographic analysis methods and techniques for the study and assessment of population dynamics, and the production of demographic inputs for economic and social management indicators. Further, as a result of training courses and workshops, 154 technical staff from the region applied enhanced data processing methods, using the system for the retrieval of data for small areas by microcomputer (REDATAM), which is a technological tool developed by ECLAC and widely used in the region and beyond.

The Commission's coordinating role and conceptual and methodological approach are particularly relevant for defining gender indicators, and for national capacity-building for collecting data on emerging issues. As a result of technical cooperation services provided by ECLAC, sixteen countries have received support in implementing the agreements reached at the eleventh session of the Regional Conference on Women in Latin America and the Caribbean and in following up on internationally agreed commitments.

Technical cooperation services were provided to the following countries: Haiti, to improve the design of the new conditional cash transfer programme; Argentina, Chile, Colombia and Peru, regarding indigenous and Afro-descendent groups; El Salvador and Ecuador on inclusive social protection frameworks; Uruguay and Costa Rica, regarding care policies and other issues. South-South cooperation transcended continents with technical cooperation services provided to the African Union and the United Nations Economic Commission for Africa (ECA) to enable 12 African countries to adapt the ECLAC cost of hunger methodology.

The sustainability dimension

During the 2012-2013 biennium, further work was undertaken on the interrelationships of economic policy, environmental protection, urban development, social equality and the economic impacts of climate change.

As part of the activities for the United Nations Conference on Sustainable Development (Rio+20), held in Rio de Janeiro (Brazil), in June 2012, the Sustainable Development and Human Settlements Division coordinated an inter-agency report entitled *Sustainable development 20 years on from the Earth Summit: progress, gaps and strategic guidelines in Latin America and the Caribbean*, offering an analysis of progress made and difficulties encountered in

Latin America and the Caribbean in implementing global commitments on sustainable development since 1992, and proposing guidelines for moving towards sustainable development in the region.

At Rio+20, 10 countries in Latin America and the Caribbean signed a Declaration on the application of Principle 10 of the Rio Declaration on Environment and Development. The signatory countries agreed to draft and implement a Plan of Action 2012-2014, with support from ECLAC in its capacity as technical secretariat. One and a half years later, the Declaration had been signed by 17 countries (more than half of all countries of the Latin American and Caribbean region).

ECLAC participated in more than 20 events at Rio+20, with various governments, non-governmental organizations (NGOs) and academic institutes, among others. To disseminate the message of Rio+20, ECLAC, together with the Government of Colombia, organized the Conference on Sustainable Development in Latin America and the Caribbean: follow-up to the United Nations development agenda beyond 2015 and to Rio+20, which was preceded by the Caribbean Forum: Shaping a Sustainable Development Agenda to Address the Caribbean Reality in the Twenty-first Century (Bogota, March 2013). The Conference focused on development goals, global and regional governance and the discussion, from a regional perspective, of agreements adopted in order to inform the ongoing global processes. The inter-agency document *Sustainable Development in Latin America and the Caribbean: Follow-up to the United Nations development agenda beyond 2015 and to Rio+20* was presented for discussions on this occasion, with a view to stimulating and informing the debate on the new post-2015 development agenda, with a focus on sustainable development, equality and structural change.

The Commission's activities on climate change included the development of a specific methodology for the assessment of climate change impacts on coastal areas, which is available to the countries of Latin America and the Caribbean. This methodology and its associated tools aim at suggesting adaptation measures and performing an economic analysis in coastal areas. In this context, ECLAC rolled out a database on natural disaster impact in Latin American and Caribbean countries, containing data from the ECLAC disaster impact evaluation reports since 1972, and covering 28 countries.

On natural resources, ECLAC organized the international seminar "Governance of Natural Resources in Latin America and the Caribbean: Policy challenges, revenue management and inclusive development in April 2012.

The purpose of the event was to discuss the challenges of public policies, institutionalism and regulation of natural resource-exporting countries in the region. Along the same lines, the Commission presented the document *Natural resources within the Union of South American Nations: status and trends for a regional development agenda at the UNASUR Conference on Natural Resources for Comprehensive Development in the Region*, held in May 2013 in Caracas. The document analysed the issue of governance of natural resources in the region and recommended defining a clear set of sovereign national and regional policies on the ownership of natural resources and their appropriation, as well as the distribution of productivity gains derived from their exploitation.

In terms of transportation logistics, ECLAC organized two ministerial-level meetings in Central America, with the Secretariat for Central American Economic Integration (SIECA) and the Mesoamerica Project. These meetings marked a milestone in the Latin American integration process as they were the first step towards the establishment of a regional logistics policy. ECLAC also organized the Regional Meeting in Preparation for the Comprehensive 10-Year Review Conference on the Implementation of the Almaty Programme of Action in Asunción in November 2013, to analyse progress made in the implementation of national transport logistics policies with the aim of reducing inefficiencies.

Energy efficiency has been discussed at length through a variety of channels, most notably through the two energy efficiency policy dialogues convened during the period, the publication of the document *Energy efficiency in Latin America and the Caribbean: progress and challenges of the past five years*, and participation in a regional inter-agency meeting in Montevideo in October 2013.

The public policy dimension

In response to requests from countries in the region, during the biennium 2012-2013, ECLAC continued to conduct economic and social planning activities at the national and local levels, in support of State and government reform and modernization of public policymaking. ECLAC has been promoting a move towards a new agenda of State reform and public-sector modernization, incorporating in its work issues relating to improving efficiency and effectiveness through the intensive use of ICTs in the formulation of e-government strategies and open government action plans. Through ILPES, the Commission taught pioneering courses on open government and e-government, targeting the civil servants in charge of these agendas in their respective governments. ILPES has also developed and

taught several distance-learning courses in capacity-building, especially in the area of planning and with a focus on addressing the realities of the region.

The biennium has been important for ILPES for two main reasons: in 2012 the Institute celebrated its fiftieth anniversary with a number of seminars and activities; and in 2013 it convened the fourteenth meeting of its Regional Council for Planning. Both events signalled the Institute's commitment to innovation in support of the capacity of the governments of the region to enhance the use of the planning function as an important public-policy instrument. For instance, at the fourteenth meeting of the Regional Council for Planning, Latin American and Caribbean governments hailed the renaissance of development planning and its importance as a tool for driving forward a new culture of integration and the development agenda

During the period, ILPES published over 20 papers on development planning and management in Latin America and the Caribbean, provided training to more than 3,000 course participants, organized more than 60 training courses and seminars for experts, officials and decision makers and carried out more than 10 technical cooperation projects in different countries, including Costa Rica, Ecuador, El Salvador, Mexico, Nicaragua, Paraguay and Peru.

In terms of statistics capacities, over the period, and after several years of work, data collection and validation for prices and national accounts for the International Comparison Programme (ICP) were concluded for 39 Latin American and Caribbean countries. This programme, which aims to estimate purchasing power parity (PPP) indices for all countries in the world, represents a key milestone for basic statistics. As Caribbean countries did not participate in the previous 2005 ICP round, they faced greater challenges for adapting to ICP processes and methodologies, and thus ECLAC promoted national capacity-building to enable them to participate in the 2011 round.

In the area of statistics dissemination, ECLAC launched an enhanced version of CEPALSTAT, its main statistical portal and entry-point to most of its databases. The updated version provides new features such as national and regional profiles, capabilities for massive data access, access for application programming interface (API) developers and a collection of infographics. The *Statistical Yearbook* will be redesigned on the basis of these improvements.

The topics initiated during this period include the development of a regional strategy for the implementation of the System of Environmental-Economic Accounting (SEEA) 2012, the exploration of multidimensional poverty

measurements, and technical support in the implementation of the System of National Accounts 2008 and of integrated household survey systems.

One of the major achievements has been the progressive consolidation of the Statistical Conference of the Americas of ECLAC as the main forum for discussion and coordination between National Statistical Offices in the region. The seventh meeting of the Conference, held in Santiago, in November 2013, approved new operational guidelines for the working groups of the Conference, which will allow them to focus on more specific tasks or products rather than on general activities.

Several technical assistance missions were carried out to support the implementation of national accounts and satellite accounts in Argentina, Bolivarian Republic of Venezuela, Costa Rica, Cuba, Ecuador, Guatemala, Honduras, Nicaragua, Paraguay, Peru and Uruguay. Technical missions on pricing were also carried out in Bolivarian Republic of Venezuela, Cuba, Dominican Republic, Ecuador, Guatemala, Honduras and Panama.

Two seminars on national accounts, held in Santiago in November 2012 and November 2013, provided an opportunity to discuss a regional programme for supporting economic statistics and coordinating activities to promote implementation of the System of National Accounts (SNA) 2008 recommendations. Two other regional seminars were also jointly organized with the United Nations Statistics Division on the implementation of SNA 2008 and related basic economic statistics for Caribbean and Latin American countries, the first in Jamaica in January 2013 and the second in Brazil in September 2013.

The subregional dimension

The financial crisis of 2009 underscored the vulnerability of the economies in the Central American and Caribbean subregions. The subregions suffer from inequalities in income and social rights. The process of integration is still under way and is facing various hurdles, which are being countered by efforts to promote renewable and efficient energies, and inclusive and sustainable adaptation to climate change.

ECLAC sought to support governments and stakeholders in both subregions with a view to increasing and strengthening their capacities to address economic and social issues at the national and subregional levels, with particular emphasis on equality and poverty eradication, productive and sustainable development, trade and integration, energy, agriculture and climate change.

During 2012-2013, the ECLAC subregional headquarters in Mexico participated in various forums to disseminate ECLAC work, with the presentation of a paper entitled *Science, technology and innovation policies in small and developing economies: The case of Central America* at several high-level and expert group meetings.

In the area of social development, the Commission's subregional activities in Mexico and Central America included the publication of the biennial document *Indicadores sociales básicos de la subregión Norte de América Latina y el Caribe: edición 2012-2013*, containing the most relevant statistics and trends on social development topics in the subregion. In September 2012, ECLAC organized a meeting in Mexico City on regional public goods for Central American social integration, which reviewed proposals and discussed the possibility of designing and implementing regional public goods on issues relating to social security and social protection, employment and early childhood development.

On energy and natural resources, ECLAC supported the update of the Central America Sustainable Energy Strategy 2020, in order to keep up the momentum with the increased use of renewable energy and electrification, and facilitated debate on this topic through two policy dialogues.

The initiative "The Economics of Climate Change in Central America" provided robust analysis to the ministers of environment regarding the threats and costs of climate change in various sectors as well as policy response options with a focus on sustainable and inclusive adaptation, including the transition to low-carbon economies.

The ECLAC subregional headquarters in Mexico continued to gain recognition during this biennium for the provision of technical cooperation services to governments and other stakeholders.

ECLAC, together with the Central American Monetary Council (CAMC) and the International Monetary Fund (IMF), prepared macroeconomic models to analyse public debt and fiscal sustainability with the central banks of the subregion. In parallel, ECLAC continued to promote with the central banks the launch of a regional initiative to examine and assess the micro- and macroeconomic implications of the adoption of the Basel III criteria on the banking and financial systems of the subregion.

ECLAC helped to strengthen the technical capacity of national officers in the employment of a rights-based approach to macroeconomic policy design and implementation. The project assisted Costa Rica, El

Salvador, Guatemala, Honduras, Mexico and Nicaragua by analysing the design process of macroeconomic policies, particularly fiscal, monetary and labour policies, and their implications for the right to food, education, health and housing access.

In collaboration with the Spanish Agency for International Development Cooperation (AECID) and FAO, the ECLAC subregional headquarters in Mexico executed three analytical projects on the participation of SMEs in intra-regional trade. The projects developed an innovative methodology based on institutional economics to analyse the formation of prices in primary products (corn and beans) in Central America.

The agreement signed between ECLAC and the Central American Social Integration Secretariat (SISCA) on September 2010 strengthened the existing cooperation relationship between the two institutions. In this context, a study on early childhood development policy issues and another on interregional migration, labour markets and social protection in Central America were carried out.

In addition, ECLAC continued to provide regular support to the Mesoamerica Project to enable member countries to better evaluate the relevance of regional cooperation activities to be executed under this project. During the biennium, an ECLAC multidisciplinary team proposed improvements to the maritime transport system in the subregion with a view to reducing transport costs. ECLAC also assisted agencies from the United Nations system in achieving important objectives in the areas of energy, natural resources and environment. Of particular interest is the support it provided to the United Nations Environment Programme (UNEP) in its initiative Enlighten (to eliminate incandescent lighting) with reference to the Mesoamerican countries.

In 2012, in collaboration with the IDB, ECLAC supported the Government of Guatemala in the evaluation and assessment of the damages caused by the San Marcos earthquake of November that year. A final evaluation report, including assessment of sectoral damages, losses and needs, was prepared jointly with the Planning Secretariat of Guatemala.

During the biennium, the ECLAC subregional headquarters for the Caribbean continued to analyse issues of special relevance for the economic, social and sustainable development concerns of the Caribbean. The second Caribbean Development Roundtable, a forum for development experts to examine new approaches and challenges to the sustainable development of small developing States of the Caribbean, was convened on

30 May 2012 in Georgetown. The Roundtable served as the basis for stimulating relevant policy discussions at the twenty-fourth session of CDCC, which immediately followed the Roundtable on 31 May 2012. Both events renewed the role and importance of ECLAC in the Caribbean. In July 2013, Caribbean countries reviewed the activities carried out by the headquarters in Port of Spain at the CDCC Monitoring Committee.

The ECLAC subregional headquarters in Port of Spain was also instrumental in articulating a common position for the subregion at meetings preparatory to the regional conferences on Population and Development and on Women. The subregional headquarters, in collaboration with the United Nations Development Programme (UNDP) and the Caribbean Community (CARICOM), convened a meeting in Bogota, in March 2013, which focused on the status of monitoring and reporting of the Millennium Development Goals in the Caribbean and provided essential input from the Caribbean perspective for the definition of a post-2015 development agenda.

Within the framework of the Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States, the subregional headquarters prepared a policy document entitled Knowledge management: informing decisions to realize good governance, which provided policymakers and practitioners with seven recommendations on using knowledge management to inform decisions, a fundamental basis for good governance.

The ECLAC subregional headquarters for the Caribbean collaborated with CARICOM to convene a CARICOM High Level Ministerial Meeting on the Rights of Persons with Disabilities, which took place in Port-au-Prince in December 2013, to more effectively serve the needs of this vulnerable group of citizens through more cooperation initiatives with other Caribbean States.

The subregional headquarters in Port of Spain continued to assist member States with the development and strengthening of institutional capacity in the compilation and production of timely and reliable gender statistics and indicators. Eighteen gender specialists and statisticians from eight countries attended a workshop where they received training in mainstreaming the gender perspective into data production, analysis and dissemination of national statistics and indicators, as well as in methodologies for generating internationally recommended gender indicators.

The subregional headquarters for the Caribbean successfully partnered development agencies in the subregion —initially

through an expert meeting hosted by ECLAC in Port of Spain, in April 2012— in constructing a robust statistical development strategy for the following five to seven years. ECLAC, CARICOM, the Organization of Eastern Caribbean States (OECS) and other United Nations agencies are continuing to work closely to further this initiative. In the context of the International Comparison Programme (ICP), the ECLAC subregional headquarters also contributed to enhancing the technical capacity of designated price statistics focal points from national statistical offices in 21 Caribbean countries.

In addition, with the assistance of ECLAC, 16 countries increased their knowledge in accessing, collecting and processing national data with a view to assessing the economic and social impact of climate change in the Caribbean.

Disseminating knowledge and policy recommendations

ECLAC disseminates its research findings and institutional positions via an extensive array of publications, which include the flagship publications, series and project documents of particular divisions, as well as institutional books and other interdivisional publications. Its main flagship publications are the following: *Latin America and the Caribbean in the World Economy*, *Foreign Investment in Latin America and the Caribbean*, *Economic Survey of Latin America and the Caribbean*, *Preliminary Overview of the Economies of Latin America and the Caribbean*, *Social Panorama of Latin America*, and *Statistical Yearbook for Latin America and the Caribbean*.





Visits by eminent persons to ECLAC headquarters

On 19 April 2012, the Vice-President of Uruguay, Danilo Astori, delivered a lecture entitled “The challenges of innovation and productivity in a national economic and social development project”.

In the interests of deepening strategic relations with the region, the Chinese Premier, Wen Jiabao, on 26 June 2012, proposed the creation of a China-Latin America high-level cooperation forum and the establishment of a regular dialogue mechanism with foreign ministers from CELAC.

Michael D. Higgins, President of Ireland, called for the harmonization of investment and sustainable development at the seminar on investment for economic growth, social inclusion and environmental sustainability, organized on 5 October 2012 by the European Union, the Government of Chile, the European Union-Latin America and the Caribbean Foundation and ECLAC.

On 26 October 2012, the President of Ecuador, Rafael Correa, delivered a lecture at ECLAC entitled “Challenges of Latin America”. The lecture was attended by authorities, diplomatic representatives, officials from international agencies and members of civil society institutions.

At a meeting with business leaders of Latin America and the Caribbean on 25 January 2013, Enrique Peña Nieto, President of Mexico, reaffirmed the commitment of the Government of Mexico to regional integration and reiterated that business leaders, workers and economic, social and political stakeholders were the force behind cooperation and successful regional integration.

At the presentation of the report *The Drugs Problem in the Americas*, in Santiago on 1 July 2013, the Secretary-General of the Organization of American States (OAS), José Miguel Insulza, emphasized that the drugs problem had been undermining the foundations of development in the Latin American and Caribbean region.

At the opening of a seminar entitled Development and integration in Latin America on 27 November 2013, the former President of Brazil, Luiz Inácio Lula da Silva, and the former President of Chile, Ricardo Lagos, called for a qualitative leap in the region’s integration. The seminar was attended by Luis Alberto Moreno, President of the Inter-American Development Bank (IDB) and Enrique García, President and Chief Executive Officer of the Development Bank of Latin America (CAF).

Implementation of the programme of work

The results achieved by ECLAC in influencing the policy agenda and the debate in the region on economic, social and environmental issues were made possible by a high rate

of implementation of its programme of work. A total of 97% of the planned outputs were implemented. Furthermore, in response to requests from member States, 65 outputs were carried out in addition to those planned for the biennium and 100% of the allocation for the biennium was spent.

Economic and social development in Latin America and the Caribbean	Number of mandated outputs	Implementation rate of mandated outputs	Number of total outputs	Implementation rate for total outputs
Executive direction and management	48	94%	50	94%
1. Linkages with the global economy, regional integration and cooperation	58	93%	61	93%
2. Production and innovation	38	100%	38	100%
3. Macroeconomic policies and growth	36	89%	60	93%
4. Financing for development	20	100%	21	100%
5. Social development and equality	41	98%	50	98%
6. Mainstreaming the gender perspective in regional development	65	97%	65	97%
7. Population and development	73	99%	74	99%
8. Sustainable development and human settlements	43	100%	53	100%
9. Natural resources and infrastructure	37	100%	38	100%
10. Planning of public administration	40	100%	40	100%
11. Statistics	50	96%	52	96%
12. Subregional activities in Mexico and Central America	95	91%	100	91%
13. Subregional activities in the Caribbean	56	91%	63	92%
Total	700	96%	765	97%

PART II
MAIN RESULTS
AND ACTIVITIES BY AREA

Executive direction and management

Linkages with the global economy,
integration and regional cooperation

1

Production and innovation

2

Macroeconomic policies and growth

3

Financing for development

4

Social development and equality

5

Mainstreaming the gender
perspective in regional development

6

Population and development

7

Sustainable development and
human settlements

8

Natural resources and infrastructure

9

Planning of public administration

10

Statistics

11

Subregional activities in Mexico
and Central America

12

Subregional activities
in the Caribbean

13

Country offices

Technical cooperation

Results-based management



EXECUTIVE DIRECTION AND MANAGEMENT

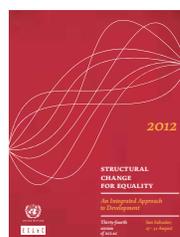
CONTRIBUTION TO KEY ISSUES ON THE PUBLIC POLICY AGENDA

During the 2012-2013 biennium, ECLAC continued to act as a catalyst and leader in highlighting the economic, social and environmental issues on the regional development agenda and in responding to the most urgent needs of the Latin American and Caribbean countries in these areas. The Commission also continued to serve as a regional forum and facilitator in fostering policy dialogue, building regional consensus on development challenges and acting as a provider of related comprehensive analysis. Lastly, it provided support for public-policy formulation, sharing and evaluation and implemented operational activities including the provision of technical cooperation and the dissemination of specialized information and training.

At the thirty-fourth session of the Commission, held in San Salvador from 27 to 31 August 2012, the Commission presented the document entitled *Structural Change for Equality. An Integrated Approach to Development*, which outlines new directions for the regional development policy agenda. In the context of the ongoing technological revolution and the urgent need for environmental sustainability, which raise both challenges and opportunities, the document stresses the need for the countries of the region to engage in virtuous structural change. This entails moving towards knowledge-intensive sectors, with a view to reducing sustainably the domestic and external gaps in income and productivity levels. One approach is to create employment opportunities in higher-productivity sectors, improve overall employment levels, raise real average income, and ultimately, achieve more equitable distribution and greater equality. The State should assume a fundamental role in structural change for equality and integrate macroeconomic, industrial, labour-market and social policies in order to design an enabling growth framework and coherent incentives for investment, accompanied by an inclusive and universal social safety net. This approach and

transformational agenda were overwhelmingly accepted by the member States, who mandated ECLAC to follow the line of that document in conducting its work.

Structural Change for Equality: An Integrated Approach to Development



In today's complex and changing global context, the Latin American and Caribbean region must persevere, more than ever, in three directions: structural change to underpin progress towards more knowledge-intensive sectors, convergence to reduce internal and external gaps in income and productivity, and equality of rights. This is the

integrated approach proposed by ECLAC as a route towards the development the region needs.

This implies tackling three major challenges: achieving high and sustained rates of growth so as to close structural gaps and generate quality jobs; changing consumption and production patterns in the context of a genuine technological revolution with environmental sustainability; and guaranteeing equality on the basis of greater convergence in the production structure, with universal social protection and capacity-building.

Such an endeavour requires the return of politics and of the State's role in promoting investment and growth, redistribution and regulation with a view to structural change for equality, through industrial, macroeconomic, social and labour policies.

This document was very well received and appreciated by governments in the region, who requested that it should be disseminated and further publicized. At their request, ECLAC held seminars and presentations on it, at government and academic levels, in Argentina, Brazil, Colombia, Ecuador, Guyana, Mexico, Peru and Uruguay. Beyond the region, the document was presented at different forums in Belgium, China, Spain and the United States.

ECLAC SUBSIDIARY BODIES AND KEY MEETINGS

ECLAC raised awareness on issues concerning innovation, science and technology and competitiveness and the digital divide on two occasions: at the fourth Ministerial Conference on the Information Society in Latin America and the Caribbean, held in Montevideo, from 3 to 5 April 2013, ECLAC presented the document *Digital economy for structural change and equality*; and at the ministerial meeting “Innovation and structural change in Latin America and the Caribbean: strategies for inclusive regional development” held in Rio de Janeiro, Brazil, on 17 and 18 June 2013, the Commission launched the report *Innovation and structural change in Latin America and the Caribbean: strategies for inclusive regional development*. At this second meeting, a group of Latin American and Caribbean countries adopted the Rio de Janeiro Declaration, in which they decided to promote industrial policies to boost strategic sectors and go beyond increasing the competitiveness of existing sectors to help move forward with an environmentally sustainable technological paradigm, and to promote policies to invest and expand new productive capacities based on knowledge in the area of science, technology and innovation.

The twenty-fourth session of the Caribbean Development and Cooperation Committee (CDCC) was held in Georgetown on 31 May 2012. The Committee reviewed the outcomes of the Caribbean Development Roundtable, the Regional Coordinating Mechanism for the implementation of the Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States, strategies for strengthening statistical capacities in the Caribbean, findings from the second phase of the evaluation of the role of ECLAC in the Caribbean subregion, and the implementation of the programme of work.

In July 2013, in Georgetown, the Monitoring Committee of CDCC adopted by acclamation conclusions and recommendations on key issues for the subregion, such as population, migration and development, small island developing States, and the post-2015 development agenda. ECLAC also participated in the thirty-fourth Regular Meeting of the Conference of Heads of Government of the Caribbean Community (CARICOM), which was held in Port of Spain. The summit, attended by the heads of government and foreign ministers of the Caribbean, celebrated the fortieth anniversary of the signing of the Treaty of Chaguaramas, which established the Caribbean Community and reflected the spirit of integration in the region.

The Commission also organized the Latin American and Caribbean Regional Meeting of Experts on International

Migration in preparation for the High-Level Dialogue on International Migration and Development in Santiago, on 10 and 11 July 2013, and the first session of the Regional Conference on Population and Development in Latin America and the Caribbean in Montevideo from 12 to 15 August 2013. At the latter, member States adopted the Montevideo Consensus on Population and Development, which contains over 120 measures concerning the 10 priority areas to be addressed in the follow-up to the Programme of Action of the International Conference on Population and Development (ICPD), adopted in Cairo in 1994.

At the Regional Conference on Women in Latin America and the Caribbean, held in Santo Domingo on 15-18 October 2013, ECLAC presented the document *Women in the digital economy: Breaking through the equality threshold*, which discussed the issue of gender in the digital economy and the policy challenges facing the region in this regard.

Strategy for mainstreaming gender at the Economic Commission for Latin America and the Caribbean (ECLAC), 2013-2017

In March 2013, the Executive Secretary launched the strategy for gender mainstreaming at ECLAC. The strategy proposes expected results for 2017 and specific indicators for 2013 and for the 2014-2015 biennium. The strategy will be evaluated at the end of 2015 and an implementation plan setting out expected results and updated indicators will subsequently be drawn up for the 2016-2017 biennium. Its main objective is to contribute to gender equality and its incorporation into public policies in Latin America and the Caribbean by mainstreaming the gender perspective in all areas of the Commission's work and by achieving gender parity at all levels of the organization.

From a gender perspective, recognizing equality as a guiding principle has two dimensions:

- (i) Incorporating goals and indicators into the programme of work so that the achievements and challenges of the implementation phase can be identified; and
- (ii) Promoting equal participation, as demonstrated by parity between the sexes at all levels of the professional and administrative categories at ECLAC and in terms of participation in the activities organized by the Commission.

The strategy identifies the following key areas of action during the period 2013-2017: political commitment to gender equality, results-based management for gender equality, knowledge management and dissemination, monitoring, supervision and resources, capacity-building and gender parity.

The seventh meeting of the Statistical Conference of the Americas, the subsidiary body of the Commission that contributes to the progress of statistical policies and activities in the region, was held at ECLAC Headquarters from 5 to 7 November 2013. It was attended by heads of national statistical institutes of Latin America and the Caribbean and experts from the United Nations and other international agencies. In the outcome document, the Conference approved the creation of a working group on statistics for public security and justice, which will be coordinated by Mexico. Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, Panama and Peru will be members, along with the United Nations Office on Drugs and Crime (UNODC). The Conference also agreed to set up a task force composed of Argentina, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Mexico and Peru, and with support from ECLAC, to formulate and propose a methodology for measuring South-South cooperation.

Lastly, ILPES held the fourteenth meeting of the Regional Council for Planning in Brasilia from 21 to 22 November 2013. At this meeting, participants stressed the relevance of coordination, evaluation and forward-planning for driving structural change with equality and also called for the promotion of integration through the strengthening of the regional perspective in development planning and investment in physical and productive infrastructure.

Regional and interregional summits

The Commission continued to provide technical support, with analytical documents and other material, to the Latin America and Caribbean-European Union Summits, the Ibero-American Summits and to the secretariat of UNASUR and CELAC.

At the Summit of the Heads of State and Government of the Community of Latin American and Caribbean States (CELAC) and the European Union (EU), which took place in Santiago, on 27-28 January 2013, ECLAC presented the document *European Union and Latin America and the Caribbean: Investments for growth, social inclusion and environmental sustainability*. The first European-Latin American Economic Forum was organized as a side-event jointly with the Governments of France and Germany, the Paris School of Economics and the *European Union-Latin America and the Caribbean Foundation*.

ECLAC, in conjunction with the OECD Development Centre, also provided substantive support to Ibero-American summits of heads of State and government and

the Ibero-American Secretariat (SEGIB) in the form of the document entitled *Latin American Economic Outlook 2013: SMEs Policies for Structural Change*, presented at the Ibero-American Summit 2012 in Cadiz, Spain, and *Latin American Economic Outlook 2014: Logistics and Competitiveness for Development*, presented at the Ibero-American Summit 2013 in Asunción.

High-level conferences

In February 2013, the conference "The Debt Crisis in Latin America: 30 Years Later" was organized jointly in Mexico by ECLAC, CAF, SEGIB, the German Agency for International Cooperation (GIZ) and the National Autonomous University of Mexico (UNAM). This high-level event put into perspective the external debt crisis as a turning point in the economic history of Latin America and the Caribbean and analysed topics including the origins of the crisis three decades ago, global and Latin American responses, lessons learned, recent experiences in external financing and future prospects.

ECLAC, in conjunction with IDB and CAF, organized in November 2013 the high-level seminar "Development and integration in Latin America" with the participation of the former President of Brazil, Luiz Ignacio Lula da Silva, and the former President of Chile, Ricardo Lagos Escobar. This seminar, attended by policymakers, academics, and researchers, debated the challenges of regional integration and its implications for development from an institutional, social, economic, and financial perspective.

Academic research and debate

ECLAC has been recognized as a regional think tank which has focused on economic, social and sustainable development issues since its establishment. More recently, the University of Pennsylvania ranked it as the fourth best regional think tank in 2013, according to the Global Go-To Think Tank Index 2013.¹

The Commission's body of work in the field of research enriches the global debate and contributes further to institution-building among the governments of the region.

¹ The Global Go-To Think Tank Index is the result of an international survey of over 1,950 scholars, public and private donors, policymakers and journalists who helped rank more than 6,500 think tanks using a set of 18 criteria developed by the Think Tank and Civil Society Programme (TTCSP).

CEPAL Review 2012-2013



The CEPAL Review has continued with its tradition of contributing to Latin American and Caribbean thinking on economic, social and environmental development through the publication of highly analytical studies produced by eminent academics and researchers from the most prestigious universities and research centres in the region and

abroad. These papers and articles either provided new perspectives on traditional development issues such as inequality relating to credit markets, employment and structural change, or addressed new and emerging topics of the development agenda such as the economics of climate change, violence among students and the so-called “new middle class”. In this context, the presence of Caribbean and Andean country authors has increased, as well as the number of article downloads: more than 400,000 including the last six issues in Spanish (numbers 106 to 111) and the last six in English (105 to 110). Since 2011, the CEPAL Review has established itself as the best ranked publication of the list of academic reviews produced in the region and listed in the Social Sciences Citation Index, according to the Journal Citation Reports of ISI-Reuters, surpassing prestigious reviews such as the *Trimestre Económico*, among others. One of the most noteworthy developments relating to the review during the biennium was the publication of a special edition in Mandarin Chinese, published in May 2012, and launched in China.

of academics and researchers from the principal schools of economic thinking on Latin American and Caribbean development. The website has helped to enrich the current debate over the present and future development of Latin America and the Caribbean. One of the highlights was the seminar on neo-structuralism and heterodox economics, organized in Santiago in April 2013, which brought together high-level academics from the region and beyond to address these issues.

Inclusive development project

Objectives

The Inclusive development project is an initiative launched by the Executive Secretary of ECLAC to enrich the debate and discussion of policies linked to strategies and tools for fostering inclusive development in Latin America and the Caribbean as well as for national capacity-building in selected countries in the region in order to formulate, implement and evaluate development strategies of this kind. The main goal of the project is to provide support in the formulation of strategies and policies that promote productive convergence, economic growth and social integration. During the biennium, analyses have been carried out on Argentina, Brazil and Peru.

Argentina

The book entitled *Hacia un desarrollo inclusivo. El caso de Argentina*, based on a joint initiative by ECLAC and the International Labour Organization (ILO), examines important issues for the formulation of an inclusive development strategy in Argentina, consisting of macroeconomic policies as well as policies relating to employment, social security and territorial development, four areas in which major challenges loom ahead, notwithstanding the advances achieved especially in the past decade.

Brazil

The forthcoming document *Hacia un desarrollo inclusivo. El caso de Brasil*, produced jointly by ECLAC and Institute of Applied Economic Research (IPEA), will seek to examine the relevance of the concept of structural heterogeneity as an element of the way the Brazilian economy operates. It includes an analysis of the characteristics and socioeconomic implications of the morphological differences and the robustness of the different segments of the country's production structure.

Peru

The book *Hacia un desarrollo inclusivo. El caso del Perú* is the outcome of an initiative by ECLAC and ILO that seeks to strengthen the analytical framework and the discussion relating to the design of a strategy for inclusive development in Peru, and to support policymaking that promotes productivity convergence, economic growth for equality and social justice.

Project “Raúl Prebisch and the challenges of the twenty-first century”



With its project on “Raúl Prebisch and the challenges of the twenty-first century”, implemented as a collective endeavour by the Commission as a whole, ECLAC has sought to place the ideas of Raúl Prebisch, one of its founding

fathers, and those of structuralist and neo-structuralist thinking at the centre of the current debate on Latin American and Caribbean development. ECLAC believes that these contributions embody the ambition of building a single regional view on development and are still critical to the current debate as they retain their relevance for research, policy formulation and teaching relating to development issues. For this reason, ECLAC has developed an ambitious and innovative website (prebisch.cepal.org) and provides momentum to existing and new networks

CONTRIBUTION TO THE ENHANCED POLICY COHERENCE IN THE ECONOMIC AND SOCIAL ACTIVITIES OF THE UNITED NATIONS IN THE REGION

ECLAC continued to play an important role in support of efforts to achieve the Millennium Development Goals in the region. In 2012, in the interests of informing the debate prior to the United Nations Conference on Sustainable Development (Rio+20), the Commission coordinated the inter-agency report *Sustainable development 20 years on from the Earth Summit: progress, gaps and strategic guidelines in Latin America and the Caribbean*, to which 20 United Nations bodies and specialized agencies² contributed. Again in 2013, ECLAC coordinated the inter-agency report *Achieving the Millennium Development Goals with Equality in Latin America and the Caribbean: Progress and Challenges*, in which 18 United Nations bodies and specialized agencies³ participated.

ECLAC also coordinated the inter-agency report on the advances and difficulties in attaining the targets of Goal 7 of the Millennium Development Goals in the region, entitled *Millennium Development Goals: Advances in Environmentally Sustainable Development in Latin America and the Caribbean*, which was prepared in close collaboration with the regional offices of 11 other United Nations organizations.⁴

The ECLAC Statistics Division also participated in the twenty-fourth meeting of the Inter-agency and Expert Group on Millennium Development Goal Indicators. This meeting was organized by the United Nations Statistics

Division and hosted in Geneva from 16 to 19 October 2013 by the International Telecommunication Union (ITU). The Group includes the United Nations Secretariat, a number of United Nations agencies, as well as national experts from statistical offices concerned with the development of data for the Goals. The main purpose of the meeting was to review the ongoing and planned activities of various United Nations agencies relating to monitoring of progress towards the Goals, and to discuss plans for the relevant upcoming reports.

In January 2013, ECLAC held a meeting of the Regional Coordination Mechanism (RCM) for Latin America and the Caribbean. At the meeting, chaired by Jan Eliasson, Deputy Secretary-General of the United Nations, the Regional Directors of United Nations agencies in Latin America and the Caribbean stated that they valued the RCM as an important mechanism for fostering dialogue and policy coherence, in particular regarding the formulation, monitoring and evaluation at the regional level of globally agreed development goals.

The agencies agreed to work jointly on the follow-up to the development agenda beyond 2015 and Rio+20, as well as at other intergovernmental meetings to be held this year. A document considering various factors including the region's progress towards the Millennium Development Goals, best practices in poverty reduction and the regional proposal for the development agenda beyond 2015 was prepared and circulated to member countries in order to obtain feedback.

ECLAC and the Government of Colombia hosted back-to-back regional consultations with the Caribbean and Latin American countries on the post-2015 development agenda and the follow-up to Rio+20. The Conference on Sustainable Development in Latin America and the Caribbean: Follow-up to the development agenda beyond 2015 and Rio+20 and the Caribbean Forum: Shaping a Sustainable Development Agenda to address the Caribbean Reality in the 21st Century were held in Bogota from 5 to 9 March 2013. The Conference was also attended by representatives of other United Nations organizations and focused on development goals, and global and regional governance. During the Conference, the inter-agency document⁵ coordinated by ECLAC *Sustainable Development in Latin America and the Caribbean: follow-up to the United*

² ECLAC, UNEP, UNDP, the United Nations Population Fund (UNFPA), FAO, United Nations Human Settlements Programme (UN-Habitat), United Nations Educational, Scientific and Cultural Organization (UNESCO), United Nations Entity on Gender Equality and the Empowerment of Women (UN-Women), United Nations Children's Fund (UNICEF), Office of the United Nations High Commissioner for Human Rights (OHCHR), Joint United Nations Programme on HIV/AIDS (UNAIDS), World Food Programme (WFP), Pan American Health Organization (PAHO), United Nations Office for Project Services (UNOPS), International Labour Organization (ILO), World Tourism Organization (UNWTO), United Nations Conference on Trade and Development (UNCTAD), UN-Water Decade Programme on Advocacy and Communication, Global Mechanism of the United Nations Convention to Combat Desertification and United Nations Centre for Regional Development (UNCRD).

³ ECLAC, OHCHR, ILO, FAO, UNESCO, PAHO, UNWTO, UNDP, UNEP, Office of the United Nations High Commissioner for Refugees (UNHCR), UNICEF, UNFPA, WFP, UN-HABITAT, United Nations Development Fund for Women (UNIFEM), UNAIDS, UNOPS, and United Nations Office for the Coordination of Humanitarian Affairs (OCHA).

⁴ UNEP, UNDP, UN-Habitat, UNICEF, UNFPA, OHCHR, UNAIDS, FAO, ILO, PAHO and UNOPS.

⁵ Twenty-one agencies collaborated on this document: ECLAC, UNDP, UNEP, UNFPA, UN-Habitat, UNHCR, UNICEF, UNODC, UN-Women, WFP, UNAIDS, UNISDR, UNOPS, ILO, FAO, UNESCO, PAHO, International Maritime Organization (IMO), OCHA, OHCHR and United Nations Volunteers (UNV).

Nations development agenda beyond 2015 and to Rio+20 was launched and presented to governments of member States in order to support the discussions.

STRATEGIC COMMUNICATIONS AND KNOWLEDGE MANAGEMENT

The Commission's public information strategy uses traditional mass media as well as the new social media to transmit a variety of activities and products targeting the most diverse audiences at the local, regional and international levels. Produced in English, Spanish and Portuguese, ECLAC outreach materials provide newsworthy information, which is printed, broadcasted and tweeted every day, thus promoting the ECLAC brand and mission as a substantive think tank that addresses development issues in Latin America and the Caribbean.

The ECLAC Public Information Unit, which is responsible for the design and implementation of this strategy, covered all of the Commission's main meetings and disseminated publications produced by every Division within the organization. The increased coverage of ECLAC activities can be measured through the number of references in the mass media, including leading global financial newspapers and magazines, and global television networks, such as *The Economist*, *The Wall Street Journal*, *The Financial Times*, Cable News Network (CNN), British Broadcasting Corporation (BBC) and CCTV of China.

During the period 2012-2013, more than 10,000 press notices on the Commission's work were recorded, helping to position the organization as one of the leading think tanks in the region. The implementation of a robust new social media strategy proved to be a challenging and time-consuming task. ECLAC has kept abreast of technological change and its social media accounts and hundreds of thousands of followers have been critical in enhancing the Commission's influence in the region. At the end of the period, 99,970 followers had joined ECLAC conversations on Twitter and Facebook, both in Spanish and English, while 465,870 users had viewed ECLAC videos and photos on YouTube and Flickr.

The launch of the 12 flagships was given wide coverage by national, regional and international media outlets, with attendance by 405 journalists at ECLAC press conferences at the Commission's headquarters, subregional headquarters

and national offices. During the biennium, the Commission also formally implemented its new knowledge management strategy integrating the areas of ICTs, web services, documents and publications, public information and library services.

Hernán Santa Cruz Library

The Library of the Economic Commission for Latin America and the Caribbean (ECLAC) is located in the main ECLAC building in Santiago. The Library was established in 1948 to provide specialized information services on the economic and social development of Latin America and the Caribbean, in accordance with the programme of work of the Commission.

The mission of the library is to afford access to all information resources in their different formats and to provide training and other services to support research through the acquisition, organization, preservation and dissemination of information resources, particularly the ECLAC intellectual heritage, in a timely, reliable and pertinent way in accordance with the specific needs of the ECLAC programme of work and the community as a whole.

During the biennium, a huge part of the collection was digitized. Digitization is an essential part of the Library's daily tasks and will further increase the overall accessibility of the its collections. The aim is to complete the digitization of the ECLAC intellectual heritage (25,000 documents) in 2014. The Library has few print collections left and is almost completely electronic (1,000 print versus 85,000 electronic titles). All these documents will be made available through the ECLAC Institutional Repository by April 2014.

Usage of the Library's electronic collections is increasing significantly (16,000-25,000 downloads per year). This is the result of more customer-oriented collection development and a substantial increase in training sessions. Usage of the Library website has grown spectacularly thanks to the redesign of the website in mid-2012 (20,000-70,000 visits per year). Migration to Drupal CMS in 2014 will enable the Library to offer even better services to its users and to start using its own social media channels.

Lastly, the enormous success of the Libguides (27,000 visits in 2012 and 50,000 visits in 2013) shows how the Library directly supports the substantive work of the ECLAC divisions. These Libguides are thematic web portals and are usually developed in collaboration with the divisions.



SUBPROGRAMME 1

1

LINKAGES WITH THE GLOBAL ECONOMY, INTEGRATION AND REGIONAL COOPERATION

Oswaldo Rosales

Chief of the Division of International
Trade and Integration

The Division focuses on the following areas: trade relations with Asia-Pacific, trade negotiations, participation in global and regional supply chains, international cooperation in the area of trade, and trade and climate change. These are all areas of relevance to Latin American and Caribbean countries that wish to improve their participation in international trade and investment flows, while ensuring that trade contributes to sustainable and inclusive development.

The main documents of the division are the 2012 and 2013 flagship reports *Latin America and the Caribbean in the World Economy*, which addressed issues relating to global trends, global value chains, and employment in the trade sector.

Another key document was *Comercio internacional y desarrollo inclusivo: construyendo sinergias*, prepared in the context of a new vision of ECLAC, which focuses on structural change for equality. On the occasion of the visit of the then Prime Minister of the People's Republic of China, Wen Jiabao, to ECLAC, the Division published the document *China and Latin America and the Caribbean, Building a strategic economic and trade relationship*. At the request of the Government of the Republic of Korea, the Division prepared the document *Strengthening biregional cooperation between Latin America and Asia-Pacific: The role of FEALAC*, which was prepared for the sixth Ministerial Meeting of the Forum for East Asia-Latin America Cooperation (FEALAC), held in Bali, Indonesia, in June 2013. The Division also produced a book with the results of a research project on *The Changing Nature of Asian-Latin America Economic Relations*. The Division also organized a variety of activities intended to disseminate relevant information in the region. In partnership with LAIA and CAF, it held two meetings to celebrate the foundation of the Latin America-Asia Pacific Observatory. This Observatory will be instrumental in disseminating knowledge and dialogue relating to economic relations between the two regions.

The Division has carried out several capacity-building activities, including: the workshop “Negotiating trade agreements for the 21st century: The case of the Trans-Pacific Partnership Agreement”, organized by ECLAC, the Australian Agency for International Development (AusAID) and the University of Adelaide, and several workshops on trade indicators in different countries in the region. Lastly, the Division continued to strengthen several freely available databases, including the Integrated Database of Trade Disputes for Latin America and the Caribbean (IDATD) and the Interactive Graphic System for International Trade Data (SIGCI).

These activities resulted in a 68% increase in the number of downloads of documents compared with the previous biennium to almost 6,700,000, as of October 2013. Such success can be attributed partly to the growing number and consolidation of alliances and partnerships with the public and private sector.⁶

⁶ AECID, AusAID, CAF, the Andean Community, the Economic and Social Commission for Asia and the Pacific (ESCAP), GIZ, LAIA, OECD, World Bank, UNCTAD and the Economic Commission for Europe (ECE), among others.

TRADE AND REGIONAL INTEGRATION

The slow recovery of the industrialized countries after the 2008 crisis, together with the swift revival of emerging economies accelerated the geographical shift of the engine of global economic growth towards the South. This transformation has led to a sharp increase in the role of South-South trade, which is expected to surpass North-North trade by 2020. These trends pose new challenges, as the geographical focus of trade negotiations is shifting to Asia and the Pacific. For Latin America and Caribbean, lacklustre demand from the North is being compensated in part by rapidly increasing trade with Asia. The major challenge for the region is to diversify its exports to Asia to promote its role in global value chains. This requires, for example, the upgrading of Latin American and Caribbean companies, particularly SMEs, and more focused policy interventions in areas such as logistics.

Notwithstanding these underlying trends, the international economy and global trade slowed down during 2012 and 2013, while commodity prices stopped rising. In this context, there is growing awareness of the need for Latin American and Caribbean countries to diversify their export mix and increase the value added content of their products. The region needs to invest in technology, human capital, logistics and trade facilitation to enhance the competitiveness of its exports.

In recent years, world trade has been dominated by supply chains as the geographical fragmentation of production becomes more widespread. The participation of countries in international trade depends more and more on their capacity to integrate their production systems with those of their trade partners. Thus, Latin American and Caribbean countries need to improve domestic conditions to facilitate the functioning of supply chains. National efforts have to go hand in hand with a reduction in regional trade and logistics barriers to allow speedier trade flows, which are at the heart of multi-country supply networks.

SMEs must be encouraged to participate in the export sector as a means of promoting structural change, creating employment and reducing inequality

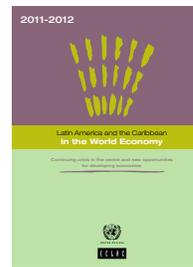
These activities should help to diversify the export basket, boost the region's share of international trade flows, increase the value added in the region's exports, and expand the social benefits of international trade through the incorporation of new actors (SMEs) and the creation of more and better employment.

MAJOR ACHIEVEMENTS IN 2012-2013

Research, analysis and dissemination

During this biennium, the Division produced innovative research in areas such as trade relations with China and the rest of Asia-Pacific, trade negotiations, participation in global and regional value chains, international cooperation in the area of trade and trade and climate change. The main results of this research were published in two annual flagship documents *Latin America and the Caribbean in the World Economy*. The 2011-2012 edition focused on the continuing crisis in the North and new opportunities for developing economies. The 2013 edition dealt with the sluggish post crisis, mega trade negotiations and value chains and examined the scope for regional action.

Latin America and the Caribbean in the World Economy 2011-2012

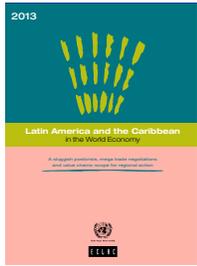


The 2011-2012 edition of *Latin America and the Caribbean in the World Economy* focuses on the theme of the continuing crisis in the centre and new opportunities for developing economies. The document examined the difficult international economic situation and the outlook for the rest of the decade. The global economy faced difficult conditions again in the second half of 2012, with the epicentre in the eurozone. Over the next few years, the developing countries, particularly China and other emerging Asian economies, will continue to be the main engine of the global economy and trade, while growth in the industrialized countries will remain slow and volatile.

Regarding trade policy in this complex international scenario, restrictive global trade practices remained at moderate levels. However, significant risk factors threatened to increase trade restrictions. In trade negotiations, the protracted stagnation of the Doha Round of the World Trade Organization (WTO) accentuated an already strong tendency towards negotiating preferential agreements.

The report took stock of the boom in commodity prices that began around 2003 and its evolving impact on the value of the region's exports, drawing particular attention to the growing role of developing Asia, especially China, as a destination for commodity exports from Latin America and the Caribbean.

Latin America and the Caribbean in the World Economy, 2013



The 2013 edition of *Latin America and the Caribbean in the World Economy* is subtitled “A sluggish postcrisis, mega trade negotiations and value chains: scope for regional action”. The document reviews the main features of the persistently weak global economy and lacklustre world trade and then turns to global and regional trade trends and

prospects. It also considers the main changes in the organization of production and global trade associated with international production networks which are at the heart of the current mega-regional negotiations and reviews three processes which are of particular importance: the Transatlantic Trade and Investment Partnership between the United States and the European Union, the Trans-Pacific Partnership, which brings together 12 countries of Latin America, North America, Asia and Oceania, and the Regional Comprehensive Economic Partnership, formed by the 10 member countries of the Association of Southeast Asian Nations (ASEAN), together with Australia, China, India, Japan, New Zealand and the Republic of Korea. Lastly, the document looks at how the Latin American and Caribbean countries are positioned in international production networks and value chains.

Several documents on trade relations with Asia and Pacific countries were published. The highlights include the document *Negotiating trade agreements for the 21st century: The case of the Trans-Pacific Partnership Agreement*, which was prepared as a stimulant to discussions for the workshop organized jointly by ECLAC and the University of Adelaide’s Institute for International Trade (IIT), with financial support from AusAID under its Overseas Aid Program. The workshop, held at ECLAC headquarters in Santiago, from 26 to 28 March 2012, brought together experienced trade negotiators from Australia’s Department of Foreign Affairs and Trade and the 11 member countries of the Latin American Pacific Basin Initiative.⁷

The document focuses on a number of regulatory issues (investment, services, intellectual property, labour standards, regulatory coherence, environment and competition policy). It also reviews recent and current developments in regional trade agreements, with a special focus on the latest updates in the Trans-Pacific Partnership (TPP) negotiations and the implications of those negotiations for others, especially as

⁷ Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama and Peru.

they pertained to consultations between Latin American countries and those of the Asia-Pacific region.

A second contribution was made through the document *Promoción del comercio y la inversión con China: desafíos y oportunidades en la experiencia de las cámaras empresariales latinoamericanas*, which was the result of the Commission’s consultations on trade and investment relations with China and with chambers of commerce from 13 countries of the region. The document’s main message is the need to diversify regional exports to China, as they are currently concentrated on a very limited number of commodities. With this in mind, the region’s business sectors have identified several market niches in China that can be better exploited in areas such as agro-industry and a wide range of services including tourism, entertainment, architecture, urban planning and environmental management. The consultations were the basis for a series of recommendations to help Latin America and the Caribbean make a qualitative leap in its relations with the Asian country, as discussed at the Seventh China-Latin America and the Caribbean Business Summit, held in San José in November 2013.

A third document, *Strengthening biregional cooperation between Latin America and Asia-Pacific: The role of FEALAC*, was presented, by invitation of the Republic of Korea, at the sixth ministerial meeting of FEALAC, held in Bali, Indonesia, in June 2013. The document proposes that the two regions make efforts to identify and capitalize upon their potential complementarities, by creating biregional business alliances, enhancing cooperation in innovation and human capital, improving the quality of trade and investment, and helping to create more stable conditions for growth.

The document *China and Latin America and the Caribbean, Building a strategic economic and trade relationship* was presented on the occasion of the visit of the then Prime Minister of the People’s Republic of China, Wen Jiabao, to ECLAC. This document looks at recent developments in trade between China and the Latin American and Caribbean region with respect to countries, sectors and goods, as well as Chinese foreign direct investment (FDI) in the region. The document *The Changing Nature of Asian-Latin America Economic Relations* aims to highlight the increasing investment and trade relations between Latin America and Asia, as well as some of their imbalances and provides several examples of how to upgrade trans-Pacific economic relations.

The Division has been involved in the creation of the Latin America-Asia Pacific Observatory, together with LAIA and CAF. The Observatory’s goal is to disseminate knowledge about economic relations between the two regions.

Comercio internacional y desarrollo inclusivo: construyendo sinergias



The Division coordinated a multidivisional document entitled *Comercio internacional y desarrollo inclusivo: construyendo sinergias*. This document analyses the potential contribution of international trade to structural change and reduction of inequality, as outlined in the substantive documents presented at the two previous ECLAC sessions: *Time for equality: closing gaps, opening trails* (2010), and *Structural*

Change for Equality: An Integrated Approach to Development (2012). The main message of the book is that the contribution of international trade to inclusive development is not automatic and depends crucially on the quality of the public-private policies that complement it. The book provides several examples of the positive and negative contributions of exports and imports to employment, the role of small and medium-sized enterprises (SMEs) and the policy initiatives that have had an impact on these links.

Technical cooperation services were provided on several occasions in the area of foreign trade. The workshop on indicators of foreign trade and trade policy provided the tools, criteria and methodological guidance for the use of basic foreign trade indicators and served to enhance the knowledge and skills required for the use of international trade databases.

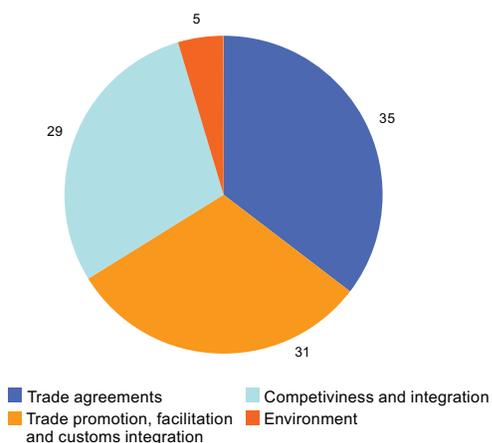
UNASUR received advice on intraregional trade, trade statistics, trade financing and internationalization of SMEs on three separate occasions: Santiago, in May 2012; Rio de Janeiro, in October 2012; and Montevideo, in August 2013. In addition, governments in the region benefited from the international seminar “Facilitating the effective integration of developing countries into the global economy through Aid-for-Trade schemes”, held in Managua in September 2013. Its main objective was to strengthen the capacity of countries in the region to maximize the benefits from Aid-for-Trade interventions at the national and regional level. The seminar sought to provide policymakers and other stakeholders with the technical skills and know-how to enable them to formulate Aid-for-Trade projects specifically aimed at enhancing intraregional trade and improving participation in the global trading system. Training in applied econometrics and trade statistics was provided in Paraguay in September 2012. The goal was to provide governments and the academic and business worlds with empirical findings and lessons drawn from experience and best practices to enable them to adopt policies whereby participation in the global economy, innovation and competitiveness can be directed towards the reduction of inequalities.

TECHNICAL COOPERATION SERVICES

The Commission’s analysis, policy recommendations, technical assistance and participation in high level meetings have enabled the region to improve linkages with the global economy through regional and interregional trade integration, particularly with Asia-Pacific, and to strengthen value chains while integrating SMEs into global markets. ECLAC strengthened the region’s capacity to devise trade policies that would help promote national food exports while adhering to sustainable development and climate-change commitments, in particular as they relate to carbon footprint reduction.

Figure 1

Technical assistance missions
(Percentages)



“The quality of the topics and tools presented by ECLAC experts met the expectations of those officials attending the training course. The participants stressed that the tools learned for foreign-trade analysis will be relevant in the pursuit of future activities...”

We ask to continue the close cooperation between our institutions ...”

Ramón Ramírez, Deputy Minister for Economic Affairs, Paraguay, letter dated 5 October 2012

The Division collaborated on the construction of a social accounting matrix for Uruguay, updated to 2008. Particular recommendations for public policy measures were considered from a technical and economic perspective, including measures to use the benefits of trade to serve the interests of vulnerable groups. This exercise also served to encourage local and regional dialogue on the need to apply policies that complement trade policy in areas

relating to building human capital, efficiency of public social spending, promotion of public-private partnerships to form value chains oriented towards external markets, reduction of levels of protection that cause economic inefficiency and the lessening of subnational inequalities.

"This collaboration has provided a statistical tool for economic analysis, which we have used and look forward to using in the design of economic policies."

Fernando Lorenzo, Minister of Economy, Uruguay, letter dated 20 December 2012

National seminars were held in Colombia, Dominican Republic, Ecuador and Nicaragua, as well as two regional conferences in Santiago, as part of the implementation of the United Nations Development Account project "Strengthening the national capacities of export sectors in Latin America and the Caribbean to meet the challenges of climate change", which was one of the new topics looked at by the Division.

In collaboration with the Universidad EAFIT (School of Administration, Finance and Technology) and with support from AECID, the Division organized a seminar in Medellín, Colombia, in December 2013 on the strategic partnership between the European Union and Latin America. A document on this subject was also published to shed light on the importance of European Union cooperation with Latin American countries. In addition, in the framework of the ECLAC-AECID cooperation programme, the Division organized 18 seminars and training workshops, and produced several documents on strengthening the capacity of regional stakeholders regarding trade policies on sustainable development, impact of productivity, innovation, poverty and climate change. The international seminar on "cooperation on the association agreements between Latin America and the European Union: the experience of Chile and Mexico and the Central America perspective", which took place in Honduras in March 2012, and the international seminar on "CELAC-European Union cooperation for development: post-2015 challenges", held in Chile in October 2012, are also worthy of mention.

LESSONS LEARNED AND OUTLOOK FOR THE NEXT BIENNIUM

After a stalemate of several years, the adoption of the Bali mini-package, with a focus on trade facilitation issues, by all members of the World Trade Organization (WTO) in December 2013 has given new impetus to the multilateral trading system. Nonetheless, many challenges remain as countries decided to resume negotiations on politically more complex issues in 2014. At the same time, several countries are negotiating a plurilateral agreement on services and several mega-trade agreements between large trading blocks. These parallel trends present major challenges to many countries in the region, as they may lose access to markets of developed countries in North America, Asia and Europe. To avoid loss of competitiveness, ECLAC should assist Latin American and Caribbean countries to reinforce their trade and other policies to further improve market access and diversify export supply.

The Division will continue to emphasize the need to improve the competitiveness of regional exports, by increasing regional value added content through the promotion of regional trade integration. In this context, facilitating regional integration in areas such as trade, infrastructure and innovation is vital if the region is to continue building regional value chains and forge closer linkages with the global economy. The Division will continue to advise countries in the region on these issues, focusing not only on trade issues, but also building bridges to complement policies. To accomplish this mission, it will seek to collaborate closely with governments at all levels (local, national, regional, international and multilateral) and the private sector.

Another lesson learned is that ECLAC needs to pursue further the role of international trade as a facilitator of structural change, reduction of poverty and inequality, and sustainable growth. Its projects in the region on the carbon footprint of food exports and internationalization of SMEs, which focused on technical cooperation with governments and private stakeholders in more than eight countries in the region, have demonstrated the benefits of international trade for these purposes.

PRODUCTION AND INNOVATION

Mario Cimoli

*Chief of the Division of Production,
Productivity and Management*

In general terms, the region enjoyed economic growth during the last decade and this is attributed mainly to the rise in demand for natural resources and the commodities boom. Nevertheless, there are increasing concerns that this trend may not be sustainable, particularly in terms of the “reprimarization” of the export structure and the increasing dependency on just a few commodity exports; the region will need to take steps to overcome this dependency. The Division of Production, Productivity and Management has contributed to this debate through research on structural change, capabilities, industrial and technological policies and analysis on how they relate to the region’s development objectives.

To be more specific, the Division published three regular annual publications, several institutional books and more than 20 additional publications in which trends in structural change, technological development; small and medium-sized enterprise development and foreign direct investment were documented and studies disseminated at different levels. At the highest level, a series of ministerial conferences on the information society took place, the most recent one held in Montevideo in April 2013. In 2012, governments instructed ECLAC to establish the Conference on Science, Innovation and Information and Communications Technologies as a subsidiary body of the Commission. At the working level, information was transmitted through a range of workshops and seminars with staff from various governments in the region as well as through regular training programmes. This was complemented by direct technical assistance to 13 different government institutions around the region on a variety of topics, from agricultural development to broadband connectivity.

During the biennium, the Division successfully completed the project Alliance for the Information Society (@LIS). This initiative engaged governments to discuss issues on information and communication technologies at the highest levels, and succeeded in securing cooperation to improve broadband access across the region. Several governments have pursued policies in line with the Division’s recommendations and this has resulted in an increase in requests for technical cooperation services.

Overall, the Division has managed to provide top quality research and analysis to stakeholders and to bring together senior policymakers. As a result, governments in the region are increasingly taking measures to change the production structure of their economies.

PRODUCTION AND INNOVATION IN THE REGION

Latin America and the Caribbean have fallen behind the developed countries in terms of both per capita income and productivity. This poor performance is attributed to a production structure with low levels of diversification and weak technological capabilities. Economic growth in the long run requires structural change, movement towards sectors with higher technological intensity and higher dynamism in world markets —which sustain increases in productivity and prevent disequilibria on the external front from curbing the momentum of growth. In the last decade, the expansion of the demand for natural resources helped to boost growth in the region and reduce inequality.

However, in most Latin American countries the continuity of this favourable trend is at risk, raising concerns among policymakers. In particular, the “reprimarization” of the export structure and the increasing dependency on just a few commodity exports will be at the top of the policy agenda over the next few years. This trend highlights the importance of the industrial and technological policies for fostering structural change and the accumulation of capabilities in the Latin American and Caribbean countries. Industrial policy is understood in a broad sense as any policy that changes the incentives provided by the market in order to foster a specific sector (which could be in manufacturing, agriculture or services) or activity.

Structural change and capabilities evolve together and should be addressed as two parts of the same process of development, which requires combining industrial and technological policies. These policies are especially important in developing countries because of the learning externalities and growth push generated by sectors and activities which are more knowledge-intensive.

MAJOR ACHIEVEMENTS IN 2012-2013

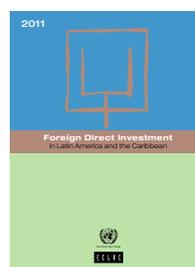
Research, analysis and dissemination

During the biennium, the Division has focused on researching and analysing the production structure in the region and disseminating relevant findings and recommendations through different channels. At the policy level, the need to strengthen public policy to achieve productive convergence and meet goals of technological development and productivity in all productive sectors has been one of the main considerations in the programme of work. The Division also worked to reduce productivity gaps in different industries, but placed special emphasis on agribusiness. Foreign investment and the role of transnational corporations versus domestic economic agents, ranging from small firms to large domestic groups, and the relations between public

and private agents were also extensively studied. Lastly, new technologies, particularly in the areas of information and communications technologies, biotechnologies and nanotechnology emerged as one of the main highlights in regard to innovation in the region.

In terms of FDI, the work of the Division is presented in its flagship publications, *Foreign Direct Investment in Latin America and the Caribbean*. This report has been published continuously for almost 20 years and has become an essential reference for scholars and policymakers in the area. The figures and analysis of FDI in the region are routinely quoted by the press, governments and other international organizations throughout the year. Every year the latest trends are covered in the first chapter of the report, while subsequent chapters are reserved for in-depth analysis of specific FDI-related industries or issues.

Foreign Direct Investment in Latin America and the Caribbean, 2011



At 28% more than in 2010, foreign direct investment (FDI) in Latin America and the Caribbean grew more rapidly than in any other region in the world, and the region’s share of total world FDI rose to 10%. The bulk of the increase in inward FDI for the region went to Brazil but all subregions and almost all the leading economies benefited from stronger inflows. Over

the past decade, the European Union was the origin of an average of US\$ 30 billion per year in foreign direct investment to Latin America and the Caribbean, accounting for nearly 40% of all FDI flowing into the region and making it the main investor there. This publication looks at the principal patterns and characteristics of FDI flows between the European Union and Latin America and the Caribbean, as well as at the strategies adopted by the transnational companies that are behind these investment flows. The report also discusses the international financial crisis, banking and FDI in the region and shows that in the past few years deregulation and technological advances have produced sweeping changes in the financial sector, so central to economic development. The industry has burgeoned and become very rapidly concentrated. Financial markets have become increasingly integrated locally, regionally and globally and this, combined with proliferating financial innovation, has facilitated speculative behaviour. Lastly, the report touches upon FDI in the electricity sector in the region and warns that this sector is of strategic importance in all modern economies, because the ability to supply electrical energy reliably and at reasonable cost is crucial to any productive activity and a basic element in family well-being.

Foreign Direct Investment in Latin America and the Caribbean, 2012



The economic crisis and uncertainty in the developed economies have been displacing investment towards emerging markets. Local conditions in Latin America are favourable and particularly attractive to global investors. Natural resources, especially metals, are enjoying an extended price boom, while the region's domestic markets have seen several years of steady growth and offer business opportunities for services development (telecoms, commerce and financial services). The report deals with transnational company profits and the questions of repatriation and reinvestments and shows that over the past decade the profits of transnational corporations operating in Latin America and the Caribbean have increased fivefold. This surge reflects the growing importance of transnational corporations in the region's economy and their higher average returns, on the back of robust domestic demand and high prices for export commodities. The magnitude of this change calls for an examination of the role of FDI as a source of capital for these economies and its contribution to growth and structural change in the region. The document discusses FDI from an agricultural and agro-industrial perspective, and argues that these sectors are currently the focus of a global debate on food security, energy security and climate change. The world population is expected to reach 9 billion by 2050; to meet the demand for food, agricultural production will need to increase by 70% over the level recorded in 2006 (FAO, 2009).⁸ Virtually all of the net population increase of 2 billion will be in the emerging and developing economies. This demographic trend is accompanied by rising family incomes and an increasingly Westernized diet, based on higher consumption of animal protein and more highly processed foods.

The 2013 edition of *Latin American Economic Outlook 2013: SME Policies for Structural Change*, prepared jointly by OECD and ECLAC, examines the medium-term challenges that the region faces in light of shifting global conditions, and highlights the potential for SMEs to play a greater role in fostering growth and structural change. This report underscores the need for a more integrated approach to SME policy, which takes into account the greater productive context in which firms are embedded. The 2012 document

⁸ Food and Agriculture Organization of the United Nations (FAO), "Global agriculture towards 2050", High Level Expert Forum-How to Feed the World in 2050, Rome, October 2009.

was presented at the twenty-second Ibero-American Summit of Heads of State and Government in Cádiz, Spain, in November 2012, while the latest edition was presented at the twenty-third Ibero-American Summit of Heads of State and Government in Panama City in October 2013.

Addressing the interest of the region in reducing productivity gaps in the agrifood sector, ECLAC, the Regional Office for Latin America and the Caribbean of FAO and IICA jointly produced the *Outlook for Agriculture and Rural Development in the Americas: A Perspective on Latin America and the Caribbean, 2011-2012*. This report emphasizes the need for the countries to adopt differentiated policy instruments to mitigate the effects of severe price (including exchange rate) volatility on society, production and the macroeconomic context. It also suggests the need to institute comprehensive policies to address the impact of acute climate variability on agriculture. The latest edition in the same series, the *Outlook for Agriculture and Rural Development in the Americas: A Perspective on Latin America and the Caribbean, 2013* recognizes that the global situation in recent years has complicated the process of policy formulation and decision-making for both public officials and private entities. But it also provides an opportunity for the development of more sophisticated, comprehensive and long-term public policies, dealing with issues that transcend the purely agricultural.

Among the more than 20 additional publications produced during the biennium, it is worth highlighting two publications: *Broadband in Latin America: beyond connectivity* analyses the evolution of the broadband ecosystem in Latin America, assesses the economic impacts of its diffusion and proposes public policies for its expansion and debate; and *Information and communication technologies for agricultural development in Latin America: trends, barriers and policies* cultivates the idea of taking advantage of ICTs for reversing patterns of unequal development and promoting environmental sustainability in the region's agriculture, hinting that this will require policies for overcoming barriers to their adoption in those segments that are lagging furthest behind.

The commitment to rethink productive development policies prompted high-level meetings in the region. This movement promoted industrial policies designed to boost strategic sectors and go beyond increasing the competitiveness of these sectors to help move forward with an environmentally sustainable technological paradigm, as well as invest in and expand new production capacities based on science, technology and innovation.

ECLAC, acting as technical secretariat, in collaboration with the Office of the Under-Secretary of Telecommunications of

Chile (SUBTEL), created the Regional Broadband Dialogue and subsequently the Regional Broadband Observatory, which allows countries⁸ to exchange knowledge and best practices for developing broadband policies, especially as regards those factors that affect service costs. This intergovernmental coordination, combined with other factors related to national reforms, has had an impact on the market, lowering the price of fixed broadband as a percentage of per capita GDP by two thirds. During the biennium, the fifth and sixth sessions of the Regional Broadband Dialogue took place in Barcelona, Spain, in March 2012 and in Santiago in November 2012, respectively. In 2013, efforts were scaled up with the plan to construct a new submarine cable between Europe and Latin America in order to reduce the costs of international communications.

"The Regional Broadband Dialogue has been a fundamental opportunity to coordinate joint activities between countries thereby enabling them to advance in the development of fibre-optics at a regional level. It has also supported the process of granting access to broadband in Latin America, mainly as it relates to essential factors such as cost and to the quality of broadband services for all the countries that have participated..."

Jorge Atton, Under-Secretary of Telecommunications of Chile, March, 2013

As indicated above, in November 2012, European Union and Latin American authorities analysed policies to develop broadband in the region at the "Seminar on Broadband: investment for growth and equality", which took place at ECLAC headquarters in Santiago. Participants voiced the need for greater coordination between the public and private sectors in terms of defining and implementing policies to extend broadband access in Latin America and the Caribbean. The seminar was part of the preparatory activities for the Summit of Heads of State and Government of the Community of Latin American and Caribbean States (CELAC) and the European Union. The event was organized jointly by DG CONNECT, EuropeAid-Cooperation and Development, the European Union's European External Action Service, the Office of the Chilean Under-Secretary for Telecommunications (SUBTEL) and ECLAC, through phase 2 of the Alliance for the Information Society (@LIS2) project.

In January 2013, the first European Union-CELAC Summit brought together European, Latin American and Caribbean Heads of State in Santiago, to address the topic of an Alliance for Sustainable Development: Promoting

Investments of Social and Environmental Quality. During the Summit, the leaders adopted the Santiago Declaration, which expands the commitments set forth in the Action Plan previously adopted at the Madrid Summit in 2010 for biregional cooperation.

The agenda of the Fourth Ministerial Conference on the Information Society in Latin America and the Caribbean, held in Montevideo in April 2013, focused on the expansion of the digital economy and the need for stronger strategies for regional competitiveness, as well as on the creation of policies for the massive roll-out of new ICT applications. The Conference examined the regional achievements and challenges in terms of the information society, in accordance with the targets of the Regional Plan of Action for the Information and Knowledge Society in Latin America and the Caribbean (eLAC2015), which aims to universalize broadband, achieve transactional and participatory e-government initiatives, provide access to ICTs for all micro, small and medium-sized enterprises, and universalize access and expansion of new technologies in the health and education sectors. According to the document *The digital economy for structural change and equality*, "State intervention is essential for ensuring equality of access and ICT use, which must be considered a national public service because it facilitates the provision of social services such as health care, education and e-government". ECLAC plays a central role as the technical secretariat for eLAC; this role involves coordinating efforts, following up progress, publishing bulletins and exchanging information with relevant stakeholders.

The Rio de Janeiro Declaration represents the culmination of the ministerial meeting on innovation and structural change in Latin America and the Caribbean: strategies for inclusive regional development, which took place in Brazil in June 2013. The declaration was signed by the Ministry of Science, Technology and Productive Innovation of Argentina, the Ministry of Science, Technology and Innovation of Brazil, the National Council of Science and Technology of Mexico and ECLAC, in the presence of representatives from 14 countries⁹. Meeting participants concluded that science, technology and innovation policies form part of a new phase of industrial policy that is essential for promoting structural change towards knowledge-intensive sectors in Latin America and the Caribbean. The event was supported by GIZ, the Brazilian Centre for Strategic Studies and Management in Science, Technology and Innovation (CGEE) and the Brazilian National Bank for Economic and Social Development (BNDES).

⁸ Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

⁹ Argentina, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Mexico, Nicaragua, Peru and Uruguay.

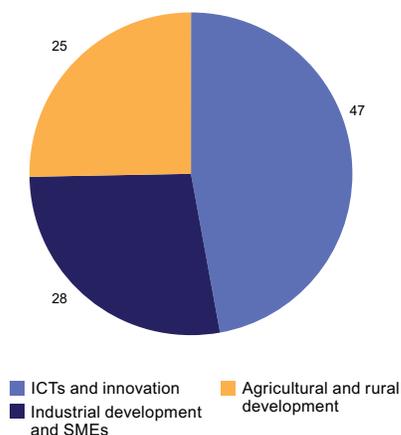
TECHNICAL COOPERATION SERVICES

ECLAC provided technical cooperation services to foster productivity convergence. The aim of these services has been to analyse economic structures and propose the institutionalization of entities to improve supply chains and grant access to infrastructure through innovation and the use of ICTs and engaging the private sector, academia and the public sector.

The assistance provided has followed two lines—the creation of industrial policies and the planning and configuration of territories to achieve productive and technological convergence. At the same time, particular attention has been given to structural equality and sustainability, which should contribute to facilitating the adoption of policies and programmes to enhance productivity in the region.

Figure 2

Technical assistance missions (Percentages)



At the thirty-fourth session of the Commission, held in San Salvador in August 2012, the Conference on Science, Innovation and Information and Communications Technologies of the Economic Commission for Latin America and the Caribbean was confirmed as a subsidiary body of ECLAC, in accordance with the Plan of Action for the Information and Knowledge Society in Latin America and the Caribbean (eLAC2015), and as approved at the third ministerial conference, held in 2010 in Peru. In support of this new regional conference, ECLAC has provided technical cooperation services to countries of the region to advance digital strategies and regional competitiveness, cooperation prospects and opportunities for digital development, connectivity models in public networks, gender perspective in digital agendas and the management of technological waste.

More specifically, ECLAC provided technical cooperation services on several occasions and these have had important ramifications in the region. First, the Division has remained active and engaged in the implementation of the eLAC2015 Plan of Action. Second, technical cooperation services provided to Paraguay led to the creation of the Secretariat of Information and Communications Technologies, as announced at the forum Digital Agenda: Towards the implementation of a participative, inclusive and innovative e-Paraguay platform, which took place on 27 April 2012 in Asunción. Among other duties, the new Secretariat will define policies and cross-cutting ICT strategies for the country and will install public policies regarding competitiveness, productive efficiency, innovation, research and development. The event, attended by 300 people including representatives of government agencies, educational organizations and civil society in general, was co-hosted by the ICT Master Plan and the Civil Cabinet of the Office of the President of the Republic of Paraguay, with support from the @LIS2 project. Third, further contributions were made to the Mesoamerican Information Highway, which was officially launched in 2008, resulting in the establishment of a network of ICT policymakers in Colombia, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, and Panama. Fourth, technical cooperation services were provided for the approval and implementation of a programme to support the National Strategy to Change the Production Matrix of Ecuador, through studies on the economic structure and institutional foundation, and through the formulation of policy proposals to enhance investment, innovation and implementation of programmes for supply chains. Fifth, the creation of a joint team of ECLAC and the United Nations Industrial Development Organization (UNIDO) in Bolivia, which is currently advising the Office of the Deputy Minister for the Domestic and Export Markets on the design of a pilot plan for the promotion of a textile and apparel cluster in El Alto.

In order to provide training for government officials in charge of designing, following up, assessing and implementing policies in science, technology and innovation, and enable the sharing of knowledge and experiences, ECLAC has been organizing since 2010 an annual School for Policymakers in Science, Technology and Innovation in cooperation with GIZ. In 2012, this course was run in Montevideo in partnership with the National Agency for Research and Innovation (ANII) and in 2013 in Buenos Aires (Argentina) with the Ministry of Science, Technology and Productive Innovation. Each year managers in the relevant ministries in Latin America learn from the latest research on this topic and are actively encouraged to take action and form partnerships to foster science and innovation in their respective countries. As a result of this initiative

a cooperation agreement was signed by 17 countries to engage in specific cross-country projects in areas such as nanotechnology, biotechnology and social innovation.

The 2012 and 2013 editions of the Commission's postgraduate summer school hosted a total of 54 young postgraduate and PhD students (including 28 women) from 17 countries. The summer school is a unique opportunity to disseminate the Commission's research among new generations of economists. In the past few years, there has been a notable rise in the number of students coming from outside the region, especially from Asia. Evaluation surveys showed that 82% of respondents found that the summer school was "useful" or "very useful".

LESSONS LEARNED AND OUTLOOK FOR THE NEXT BIENNIUM

Despite overall positive economic growth during the past years, the Latin American and Caribbean region still

faces some old challenges: low productivity growth and little structural change in its production structure. These challenges will continue to be addressed and tackled in the next biennium.

To help the region understand better these issues, it is important to undertake basic research in the areas of industrial policy, small and medium-sized enterprises, science, technology, innovation, agriculture and foreign direct investment, as governments and other stakeholders require increasingly more evidence-based policy advice on new topics that may not have been previously covered by the work of the Division.

The success and exposure experienced during this biennium have placed high expectations in the future work of the Division, particularly with the new mandate to convene the Conference on Science, Innovation and Information and Communications Technologies. This calls for continuous work in this area, given the restrictions that arise from the high dependency on extrabudgetary sources.



SUBPROGRAMME 3

MACROECONOMIC POLICIES AND GROWTH

3

Juan Alberto Fuentes

*Chief of the Economic
Development Division*

The period between 2012 and 2013 was characterized by uncertain growth in the world economy. In order to assist member States of the Commission, the main flagship publication of the Economic Development Division, the *Economic Survey of Latin America and the Caribbean*, focused on the challenges faced by the region in its effort to achieve equitable and sustainable growth in an uncertain world economy. More specifically, the *Economic Survey of Latin America and the Caribbean 2012* focused on the policies implemented in Latin America and the Caribbean in response to an adverse international economy, while the *Economic Survey of Latin America and the Caribbean 2013* analysed three decades of uneven, unstable growth in the region. Both publications were oriented towards identifying policy responses, particularly those required to promote greater private and public investment within a new international context that includes what appears to be the end of the commodity boom, resulting in increased financial uncertainty. These issues were also taken into account in other publications produced by the Division, including the *Preliminary Overview of the Economies of Latin America and the Caribbean*, which is primarily centred on the short-term macroeconomic challenges faced by the region each year.

The Division also embarked on a new study to provide an overview of taxation in the region since most of the region's countries have experienced a sharp increase in their tax burden in relation to GDP, together with major structural changes such as the consolidation of VAT, a significant increase in the share of direct taxation, and a reduction in duties on international trade in the past decade.

ECONOMIC DEVELOPMENT IN THE REGION

In the aftermath of the global financial and economic crisis of 2008-2009, the region's economies fared fairly well and showed resilience in the face of this abrupt and potentially very damaging external shock, particularly compared with its performance in previous crises. The region quickly bounced back from the setbacks experienced during the crisis, staging a strong recovery in 2010 and maintaining a relatively robust rate of economic growth in 2011.

However, during the 2012-2013 biennium, the region faced an increasingly challenging external environment, with low growth in the industrialized countries, a deceleration of growth in emerging countries (most notably China) and a softening of commodity prices. Given that strong external demand and increasing prices for the commodities exported by the region had been two of the principal engines of growth for Latin America and the Caribbean, this new international context posed significant challenges to the economies of the region.

Overall, foreign trade was the primary channel through which the faltering global economy impacted the economic performance of Latin America and the Caribbean: the price of most of the region's main export commodities trended downward, dropping 2.6% in 2012 and remaining flat in 2013, owing to a marked cooling in external demand, particularly in Europe and Asia. Consequently, most countries saw a deterioration in their terms of trade, with widening current account deficits reflecting a downturn in the trade balance. The region's current account deficit is expected to widen to 2.0% GDP in 2013 (compared with 1.8% of GDP in 2012)—the highest in relative terms since 2001.

During this period, private consumption was the main driver of growth, thanks to favourable labour market trends, an expansion of credit and, in some cases, an increase in remittances. In a number of countries, brisk investment (especially in the construction sector) helped temper the slowdown. GDP in Latin America and the Caribbean is expected to grow by 3% in 2013, similar to the pace set in 2012 (3.1%). This performance is due in part to slow growth in Brazil and Mexico and deceleration of economic activity in a number of countries, including Chile, Panama and Peru, which had been posting high rates of growth.

MAJOR ACHIEVEMENTS IN 2012-2013

Research, analysis and dissemination

During the biennium, unfavourable commodity trading conditions worldwide resulted in slower growth and a

climate of uncertainty. In that context, the Division's primary objective was to stimulate discussion through expert group meetings, and to disseminate information through a variety of publications aimed at achieving equitable and sustainable growth in Latin America and the Caribbean.

At the institutional level, 77% of the target audience of several publications that focus on analysis and policy recommendations of macroeconomic issues and long-term growth-enhancing policies reported that these documents helped their institutions improve policy design and implementation, thus promoting long-term growth. Furthermore, several countries in the region, namely, Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Guatemala, Nicaragua, Panama, Paraguay, Peru and Plurinational State of Bolivia, acknowledged that the analysis and policy recommendations derived from these publications had contributed to their own policy formulation and analysis.

Among these publications, the Macroeconomic Report of Latin America and the Caribbean (June 2012) was a new ECLAC publication designed to meet the need for up-to-date analysis of the region's macroeconomic performance amid shifting conditions and to complement other recurrent publications of the Division. This type of publication will continue to be launched as the need arises.

The Preliminary Overview of the Economies of Latin America and the Caribbean was prepared at the end of 2012 and 2013. It contains a description and assessment of the economic performance of the region during the year and provides updated, detailed information on the evolution of macroeconomic variables in the region as a whole and in most individual countries. It stands as the earliest source of information on the region's economic performance for the entire year. The reports include a regional panorama based on a global and sectoral approach and growth projections for the following year. Additionally, individual country chapters cover the economies in Latin America and the Caribbean. This document is prepared by the Division in collaboration with the Statistics Division and the subregional and national offices.

On the basis of its more than 60 years of existence, the *Economic Survey of Latin America and the Caribbean* has become an important source of information and analysis of the economic situation in the region, frequently referred to and cited by government authorities and regional experts. As such, it has contributed to shaping the thinking on development challenges from a Latin American and Caribbean point of view.

Economic Survey of Latin America and the Caribbean 2012



The sixty-fourth edition of the *Economic Survey of Latin America and the Caribbean* reviews the economic performance of Latin America and the Caribbean during the first half of 2012, against the backdrop of a global economic slowdown and heightened uncertainty as to prospects for growth in the major economies. This situation

contributed to a slight cooling of economic expansion in Latin America and the Caribbean as a whole, especially through the trade channel. Demand continued to edge up, thanks primarily to household consumption, while rising investment or the positive contribution of net exports helped sustain brisk economic growth in a number of countries.

The document also assesses the economic policies implemented by the countries of the region in the face of three adverse external contexts: spiralling food and fuel prices in 2008; the global financial crisis (which was at its height between September 2008 and late 2009); and international uncertainty and the global economic cool-down, which started in the second half of 2011.

One of the key factors for achieving high, sustainable growth and reducing vulnerability to an adverse external environment is investment. The document tracks investment in the region over time, identifying its components and examining the pattern of savings for funding it. Lastly, it examines the challenges faced and the progress made on four important fronts: the countercyclical response on the part of the regional development banks; new instruments for facilitating intraregional trade; changes to the Latin American Reserve Fund (FLAR); and the creation or strengthening of mechanisms for fiscal and monetary authorities to cooperate in exchanging information and drafting common standards.

The study *Fiscal Panorama of Latin America and the Caribbean: tax reform and renewal of the fiscal covenant* provides an up-to-date overview of taxation in Latin America and the Caribbean —analysing the share of tax revenue in the total income of public sectors across the region, and the size of levies charged on the exploitation of natural resources, VAT, income tax, taxes on capital, and revenues raised by subnational governments. The analysis also describes the key tax reforms introduced in the region over the past five years. A second part of this document sets out a reciprocity-based policy framework through which to investigate tax-policy issues. It identifies some

Economic Survey of Latin America and the Caribbean 2013



The 2013 edition of the *Economic Survey* looks at how macroeconomic policy contributes to growth. It starts by examining stylized patterns of growth during the past three decades, from the debt crisis of the 1980s to the present. Except in a few cases, per capita GDP had grown very slowly and there had been little convergence towards the levels seen in more developed countries.

This publication highlights the volatile global economic climate the region faced during 2013 owing to slow debt-crisis recovery in a number of eurozone countries, heightened uncertainty as the situation in some of them worsened, the policy response on the part of developed economies, which sent global liquidity soaring, and a slowdown in major Asian economies.

From 2013, the Latin American and Caribbean countries had been facing a stagnant external environment calling for macroeconomic policy adjustments that should be cautious so as to avoid exacerbating potential imbalances, in particular in the current account. The region, with certain exceptions, could draw on substantial strengths to address these challenges: high international reserves, little external public debt and low inflation. While this provides some monetary and fiscal policy space for mitigating temporary external shocks, the expected slow global growth scenario also requires measures geared towards structural change that will boost competitiveness and enhance long-term growth factors.

of the determinants of taxation in individual countries and explains how inclusive and egalitarian reciprocity between citizens and the State can be eroded in practice in the region. Based on this overview, the recommendation is to strengthen reciprocity through policies that encourage the formalization of employment, institution-building and equality as foundations for a renewed fiscal covenant in the region.

The Division engaged in collaborative efforts with government entities, universities, NGOs, and regional and subregional bodies to foster capacity-building in the region. Some of the activities carried out with other United Nations entities, include the publication of several issues of the bulletin it produces jointly with the International Labour Organization (ILO), the ECLAC-ILO Bulletin on the employment situation in Latin America and the Caribbean: “Labour productivity and distribution issues” (May 2012),

“The crisis and the recovery in youth employment” (October 2012), “Advances and challenges in measuring decent work” (May 2013) and “Challenges and innovations of professional training programmes” (October 2013).

Expert group meetings served as the primary conduit for active exchange, analysis and participatory conclusions. The 2012 expert group meeting on taxation and growth with equality addressed the relationship between economic growth and equitable distribution, achieving a 98% satisfaction rate. The Division also held a seminar on macroeconomic policies for growth and equality at ECLAC headquarters in Santiago from 7 to 8 May 2013. This seminar brought experts together to present research and discuss the general context of growth in the region and the role of international integration, factors of production, monetary and fiscal policy, and inequality. The seminar culminated in the publication of four papers¹⁰ presented as part of the *Macroeconomía del Desarrollo series*.

At the Meeting of High-level Officials of the Community of Latin American and Caribbean States (CELAC), held in Quito, on 10 October 2012, on “The International Financial Crisis and the Alternatives for Confronting it in Latin America and the Caribbean”, a declaration signed by representatives of eight governments of the region¹¹ was issued, recognizing the valuable support provided by ECLAC and its contribution in explaining the impact of the crisis on macroeconomic variables in the region.

In support of activities on topics relating to fiscal policy, the twenty-fifth Regional Seminar on Fiscal Policy, held on 5-6 March 2013, was organized by the Executive Secretary of ECLAC through the Economic Development Division, with the collaboration of IMF, the World Bank, IDB, OECD, and under the auspices of AECID, GIZ and the International Tax Compact. Experts agreed at the seminar that constructing fiscal covenants and maintaining stable economic growth were two key factors in increasing tax income and promoting equality. This event was complemented by a workshop on public finances on 7 March 2013, both of which took place at ECLAC headquarters in Santiago.

In conjunction with CAF, GIZ and SEGIB, ECLAC organized a conference on the thirtieth anniversary of the Latin

American debt crisis. The conference took place on 18 and 19 February 2013 at the ECLAC subregional headquarters in Mexico City, and examined the experiences and lessons learned from the debt crisis. The Division also held a workshop on “Economic and fiscal short-term indicators within contexts of incomplete or uncertain information” on 29 and 30 August 2013, at the same venue, at which public officials from central banks, ministries of finance and organizations discussed national experiences and tracked the dynamics of economies, as well as the impact of public policies in the short term. The workshop focused on the countries of Central America and the Caribbean. Previously, in order to strengthen cooperation with the Caribbean in the field of short-term indicators, a joint mission of officials from the Division and the ECLAC subregional headquarters in Port of Spain examined relevant aspects of common interest with fiscal, statistical and monetary authorities of several countries of the subregion.

TECHNICAL COOPERATION SERVICES

The Division provided technical cooperation services relating to fiscal policy and labour markets to several countries during this biennium. Projects in the fiscal area focused on countercyclical fiscal policy, inclusive and sustainable growth, equality, fiscal decentralization, tax structure, public investment and growth.

Officials of the National Administrative Department of Statistics (DANE) of Colombia and the National Institute of Statistics and Informatics (INEI) of Peru benefited from specialized training in the implementation and development of methodologies and techniques used to generate data on productivity by economic sector.

“I would like to express thanks to ECLAC for the technical assistance it provided here in Lima, Peru, at the National Institute of Statistics and Informatics ... Thanks to this assistance, important progress has been achieved in the calculation and comparative analysis of productivity results by economic sector.”

José García Zanabria, Technical Director, National Institute of Statistics and Informatics, Government of Peru, 29 November 2012

Officials from the Government of Paraguay also received technical assistance by way of a course on statistics and econometrics applied to international trade, delivered by the Division at the Ministry of Finance in Paraguay.

¹⁰ (1) *Políticas fiscales para el crecimiento y la igualdad*; (2) *Empleo, crecimiento sostenible e igualdad*; (3) *Política monetaria, cambiaria y macroprudencial para el desarrollo: volatilidad y crecimiento en América Latina y el Caribe, 1980-2011*; (4) *Rasgos estilizados de la relación entre inversión y crecimiento en América Latina y el Caribe, 1980-2012*.

¹¹ Argentina, Brazil, Chile, Colombia, Ecuador, Nicaragua, Panama and Plurinational State of Bolivia.

"I would like to express my thanks for the technical assistance provided to the Government of Paraguay... the participants stated that the tools learned will be fundamental in the performance of their future activities."

Extract from a letter from Francisco Ruíz Díaz López, Director of the Integration Unit, Under-secretary of State of Economics, Ministry of Finance of Paraguay, 28 September 2012

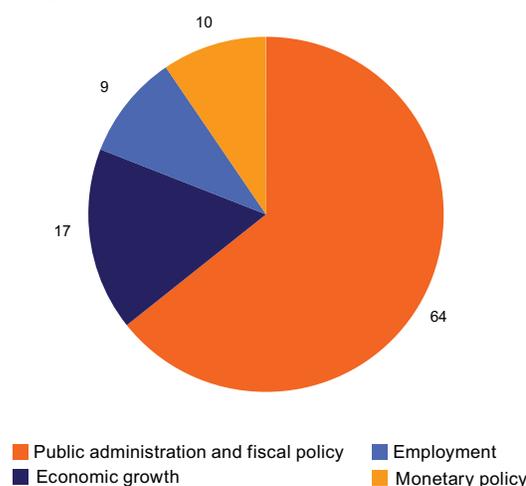
As part of the cooperation agreement signed between ECLAC and the Central Bank of El Salvador, the Division also lent assistance to this institution through the provision of training on econometric estimation models and advisory services on the construction of a set of leading indicators on economic activity.

"In reference to our cooperation agreement with ECLAC, through which the Central Bank of El Salvador has received training on econometric estimation models and advisory services for the construction of a set of leading indicators on economic activity... I would like to express our thanks for the support received in these activities. These activities have contributed to the know-how that the Central Bank has been developing in these areas of analysis and research."

Marta Evelyn de Rivera, President, Central Reserve Bank of El Salvador, 26 July 2012

The biennium saw the launch of the project "Strengthening the capacities of Latin America and Asia to develop and improve labour training systems and to protect workers against unemployment". Funded by the United Nations Development Account, this project seeks to promote the improvement of unemployment protection and national labour training systems in one Asian and three Latin American countries and to involve all relevant stakeholders in the national labour market policy debate, including labour unions, employers' representatives, representatives of the self-employed, relevant NGOs (especially in the field of labour training), think tanks, and national policymakers at different levels. Stakeholders will be brought together in national working groups to develop and discuss policy proposals and their implications, and will receive support and backstopping from national and regional consultants, as well as from staff from the regional commissions (ECLAC or the Economic Commission for Asia and the Pacific (ESCAP)).

Figure 3
Technical assistance missions
(Percentages)



During an international seminar, policymakers at the decision-making level will benefit from discussions with their counterparts from the other project countries, thus allowing for intra- and interregional comparative analysis and South-South cooperation between Latin America and the Caribbean and the Asia-Pacific region, with the goal of designing improved policies for unemployment protection and national labour-training systems. The project has started analysing relevant progress in labour training and unemployment protection at the global and regional levels.

LESSONS LEARNED AND OUTLOOK FOR THE NEXT BIENNIUM

The biennium represented a period of uncertainty for the countries of the region, characterized by indeterminate economic growth due mainly to the eurozone crisis and the economic slowdown in China, Brazil and India. The region coped with this uncertainty by implementing countercyclical measures, reining in debt, balancing public finances, and accumulating significant international reserves.

Nonetheless, the fiscal space has narrowed in a number of countries, owing to increasing debt levels. A precautionary approach should therefore be considered for the next biennium, expanding the fiscal space in countries where it has eroded or is very tight, encouraging the development of prevention plans by drawing on the experience gained thus far so that the necessary policies can be re-implemented as needed. In this context, significant challenges remain present, namely, the need to restore financial system solvency and improve portfolio quality, which is a prerequisite for reviving the credit market.

ECLAC hopes to continue to foster regional stability by analysing the economic environment of the region in its flagship publications and providing a forum for analysis, discourse and participatory conclusions for policy enacting through its various expert group meetings. One of the main challenges during this biennium has been to translate the policy recommendations formulated in the Division's publications into policy actions. One of the objectives for the next biennium will be to measure how well the expert group meetings fulfil their task. Similarly, the usefulness of the Division's publications depends, to a great extent, on the timeliness and accuracy of data used by ECLAC in its analysis and forecasting.

The Division has been using a twofold approach, maintaining close contact with country officials to establish relationships

with government authorities and institutions, and improving the accessibility of data from these countries. In addition, forecasting methodologies are continuously refined in order to counter limited data availability and the uncertainty of the macroeconomic environment.

A number of topics have emerged that deserve attention in the next biennium. These include: the green economy, political economy and the long-term reciprocity between tax revenues and public service quality, analysis of reforms enacted, interaction with NGOs, development of redistribution methods within the tax system, and analysis of success stories outside the region to be used as templates for best practices.



Daniel Titelman

*Chief of the Financing for
Development Division*

SUBPROGRAMME 4

FINANCING FOR DEVELOPMENT

4

The aim of the Financing for Development Division is to propose and design financial policies for development in Latin America and the Caribbean. The Division has achieved very important goals in the global, regional and national areas, mainly through the provision of technical assistance, elaboration of working papers and analytical notes, organization and participation in workshops and forums focused on financial development strategies and public policies.

During this biennium, the Division disseminated proposals with a global and regional scope on a financial architecture for development. The role of middle-income countries, especially in Latin America, was one of the issues that gained prominence in international discussions on the shaping of this financial architecture. The Division then introduced an alternative and complementary approach to the criterion of per capita income for the allocation of financing for development and official development assistance (ODA): a study of the structural gaps not currently reflected in the income per capita indicators. The study has had great impact in Latin American and Caribbean countries, generating several requests for technical assistance and further research into this topic.

In the regional context, the Division made an important contribution by supporting the UNASUR Working Group on Financial Integration, obtaining wide recognition from the member countries. A significant input was the proposal to create a subregional fund of reserves for UNASUR members. Later, it proposed expanding the existing Latin American Reserve Fund (FLAR) and extending it to a larger number of countries (including Brazil and Mexico); the initial reaction among stakeholders was very positive. In addition to these activities, the Division has been recognized as the technical secretariat of ALIDE, with the mandate to coordinate the activities of development banks in the region.

At the national level, the Division has contributed to the short and long term debate of the economic cycle with ideas and proposals that highlight its implications for the production structure, equality and macroeconomic policies, and with special emphasis on the relevance of resource mobilization and inclusive financial development for productive financing.

Lastly, the Division has continued to support economic and social rights by promoting schemes of universal and egalitarian access to social protection. In this regard, it has carried out a series of studies, in cooperation with the Rockefeller Foundation, which are expected to encourage regional debate on the financial and operational conditions needed to achieve universal health coverage.

FINANCING FOR DEVELOPMENT

Latin American and Caribbean countries have traditionally had limited scope for financing economic and social development initiatives because of low national saving rates, inadequate national financial systems and underdeveloped capital markets. These shortcomings have been compounded by the volatility and procyclical character of private financial flows from abroad and low growth in ODA.

The 2008 financial crisis created a series of challenges for the region in relation to financing for development; these challenges went beyond the traditional difficulties associated with volatility and the pro-cyclical nature of financial flows. The region needs to expand its role in the global arena, especially in the new international financial architecture and the international system of cooperation. At the same time, it must recognize the challenges faced at the domestic level where each country needs to strengthen the countercyclical role of national development banks, and promote the financial inclusion of SMEs and low income households while increasing funding for social protection schemes, through the implementation of rights-based social policies.

In recent years, and particularly after the financial crisis, ECLAC received several requests for technical assistance with the effort to transform the international financial architecture and promote international cooperation, as well as with the design of development financing strategies for the region. It was clear that ECLAC needed to respond systematically and progressively to these requests, which called for specialist knowledge and regional experience in cross-cutting areas within the realm of financing for development. Against this backdrop, during the thirty-third session of the Commission, held in Brasilia, ECLAC member States endorsed the creation of subprogramme 4, financing for development, which resulted in the establishment of the Financing for Development Division with the initial mandate of (i) enhancing domestic financial architecture including micro finance, the financing of small and medium-sized enterprises, and social protection financial schemes; (ii) addressing integration and cooperation issues at the regional level; and (iii) analysing the global financial system and the international financial architecture including issues relating to multilateral financial institutions.

MAJOR ACHIEVEMENTS IN 2012-2013

Research, analysis and dissemination

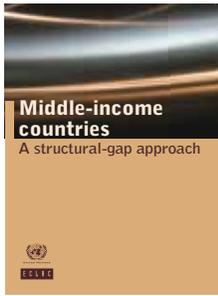
During its first biennium, the Division tackled an extensive programme of work in its different areas, including the

international and regional financial architecture, developing finance and resource mobilization for productive development, and the finance of the social protection system.

In the area of international financial architecture, the Division has undertaken new research on multilateral development banks and their role in the new global economic context, on ODA and its place in the international cooperation system, and the new challenges relating to the governance of the new international financial architecture. The seminar "Global economic governance" was organized in Madrid, in March 2013, with the participation of international organizations, political actors and development bank officials, to serve as a forum to explain and discuss this whole new field of research.

The Division has also taken part in the debate on the post-2015 development agenda and the international cooperation system. One of the main elements of this debate concerns the assignment criteria of cooperation resources, especially ODA, which is currently based on the per capita income criterion. The document *Middle-income countries: A structural-gap approach* was prepared in the context of a mandate entrusted to ECLAC, and was presented at the thirty-fourth session of ECLAC. This document proposes an approach to complement the per capita income criterion in assigning official development assistance, with a new perspective that addresses the structural gaps that constrain the development of middle-income countries (in terms of inequality and poverty, investment and saving, productivity and innovation, infrastructure, education, health, taxation, gender and the environment). This approach recognizes heterogeneity across countries, which is not always captured when the measure of per capita income is used. It also recommends opening up a political dialogue among countries, in order to identify ways of dealing with structural gaps by order of priority, and to establish the most appropriate policy mechanisms and strategic working modalities. This calls for a review of the concept of development used to channel cooperation resources, and the adoption of a broader, multifaceted view which entails not just improving standards of living but also achieving sustainable and inclusive growth, whereby the problems of social inequality and productive heterogeneity characteristic of Latin American and Caribbean countries and middle-income countries as a whole can be addressed.

Middle-income countries: A structural-gap approach



Per capita income is the principal criterion used in allocating funds for development cooperation. Combining this standard with the Millennium Development Goals, which have dominated the cooperation agenda since the year 2000, has meant that resources are now channelled towards lower-income countries to the detriment of the middle-income group.

As a result, the Latin American and Caribbean region, a predominantly middle-income region, has seen a decline in its share of official development assistance (ODA) inflows, both as a percentage of gross national income (GNI) and in comparison with other developing regions. This decline began to steepen in the 2000s.

This trend reflects, on the one hand, the decision to concentrate international cooperation funds on combating poverty and its most immediate effects, and thus to give priority to lower-income countries despite the fact that 70% of the world's poor live in middle-income countries. On the other hand, the channelling of funds to lower-income countries reflects the assumption that, as countries increase their per capita incomes, they will have more resources and tools for combating poverty and for financing their own development. Consequently, middle-income countries would supposedly need less support from the international cooperation system. Some authors have referred to this process as "graduation".

There are two major problems with this approach to allocating development funds. First, overcoming poverty is both a cause and an effect of development. It is a multifaceted process that not only involves improving living standards but also requires attention to a great variety of structural gaps that limit and retard inclusive growth of the kind that can address poverty and inequality issues.

Second, this approach assumes that the lower-middle and upper-middle-income countries fall into relatively homogeneous categories. Yet, in fact, they are very different in terms of poverty rates, social inclusion, and production, institutional and financial capacity. This document underscores the need to return the countries of Latin America and the Caribbean (and middle-income countries generally) to full participation in the international cooperation system. Instead of straightforwardly equating development constraints with per capita income, it calls for refining the approach and evaluating development needs on the basis of the structural gaps that stand in the way.

The Division has used several international forums to disseminate its structural gaps proposal, the most notable being the meeting on a new perspective for a development relationship between the European Union and Latin America, organized by the European Parliament, and the regional conference on prospects for and impacts of triangular cooperation in Latin America, organized by the Mexican Agency for International Cooperation for Development (AMEXCID) and the German Federal Ministry for Economic Cooperation and Development (BMZ). The work in this area has been undertaken along two main lines: on the one hand, member States have requested technical support in measuring and analysing national structural development gaps; on the other hand, the concept continues to be further developed, taking into account the multifaceted interrelationships between different gaps and the need for an analytical framework that measures and prioritizes gaps across national contexts. Consequently, a comprehensive regional database of proxy indicators has been built to facilitate the assessment of structural development gaps. In this regard, the first steps have been taken to develop an analytical framework for measuring and prioritizing gaps. Additionally, work is under way to establish national working groups for data collection and analysis, supported by technical backstopping from the Division's staff. Other countries have been invited to join this initiative and preliminary work was presented to representatives from national development agencies at a regional workshop held on 30 September 2013 in Santiago.¹²

In response to a request from the Working Group on Financial Integration of the UNASUR South American Economy and Finance Council, the Division contributed to the debate concerning the redesign of the financial regional architecture. It studied the management and mobilization of international reserves, notwithstanding the fact that the level of reserves was one of the main strengths of the region when facing the international crisis of 2008-2009. The Division presented to UNASUR a proposal to expand the current Latin American Reserve Fund (FLAR) to a larger number of countries, or to create a new one. It justifies having a regional reserve fund on the grounds that it is a crucial part of the financial safety net for development and is needed in order to counter real and financial volatility. Moreover, it discusses the technical viability of establishing a reserve fund for UNASUR countries, with emphasis on

¹² This workshop was attended by representatives of the following countries: Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Jamaica, Nicaragua, Paraguay and Plurinational State of Bolivia.

the dimensions, coverage, financing mechanisms, rules of withdrawal and governance of such a mechanism.

The document *A regional reserve fund for Latin America* contains the Division's proposal for expanding FLAR to five additional countries: Argentina, Brazil, Chile, Mexico and Paraguay. This fund would amount to US\$ 13 billion and would be sufficient to cover the financing needs of the smallest countries of the region and most of the medium-sized countries in the event of a financial crisis. The main ideas of this document have also contributed to the debate on the regional financial architecture in Latin America, as the Division has had the opportunity to present them in several international forums, including a seminar on financial regionalism and macroeconomic stability, organized by FLAR and CAF, and the thirty-sixth meeting of the Network of Central Banks and Finance Ministries, organized by IDB, as part of the Regional Policy Dialogue, and the Centre of Latin American Monetary Studies (CEMLA).

In the field of development finance and resource mobilization for productive development, the Division is undertaking new research on financing of SMEs in Colombia, Costa Rica and Mexico. This research has focused mainly on guarantees for intraregional trade and global chains, financing of international trade and the connection to Latin America, financing of sustainable development and financing of climate change.

Furthermore, the Division has worked intensively in the area of development banking, participating in international seminars and conferences with ALIDE, the Latin American Banking Association (FELABAN) and the Barcelona Centre for International Affairs (CIDOB), among others, to present and discuss public policies with the aim of strengthening development banking capacities and contributing to productive development. In addition to these activities, the Division became the technical secretariat of ALIDE in promoting development banks, and fostering economic development and trade finance in Latin America.

Lastly, in the context of financing for social protection, the Division provided training courses to officials from the Uruguayan Social Insurance Bank and other government institutions, helping to improve skills and knowledge in the areas of health and pensions. It also participated in the international course "Health and economics", organized jointly by the Latin American Faculty of Social Sciences (FLACSO), the Pan American Health Organization (PAHO) and ECLAC in 2012 and 2013. At the national level, the Division published the document *Dos décadas de cambios en la equidad del sistema de salud colombiano: 1990-2010*, which reviews inequalities in access to and use of health

services in Colombia, over the past 20 years. In 2013, in collaboration with the Rockefeller Foundation, the Division conducted new research on universal health coverage from a social, economic and political perspective. This research consists of a series of papers that will be published in *The Lancet* in May 2014 and will promote the regional debate on the financial and operational conditions needed to achieve universal health coverage.

TECHNICAL COOPERATION SERVICES

During this biennium, the Division provided several technical cooperation services. As mentioned above, the UNASUR Working Group on Financial Integration received assistance in setting up regional reserve funds and payment systems. UNASUR also received technical cooperation services in the form of inputs for promoting the more intensive use of local currencies for payment of intraregional trade operations. To this end, the Division prepared a technical note which analyses the regional monetary integration arrangements in Latin America, focusing on the three regional payments systems currently in force, namely, the Agreement on Reciprocal Payments and Credit of LAIA (involving 12 central banks), the System of Payments in Local Currency (Argentina and Brazil) and the Unified Regional Payment Clearing System (SUCRE), involving the member countries of the Bolivarian Alliance for the Peoples of Our America-Peoples' Trade Agreement (ALBA) (Bolivarian Republic of Venezuela, Cuba, Ecuador and Plurinational State of Bolivia). This technical note was provided as an input to the Working Group on Financial Integration to enable it to consider merging these payment systems. It examines the instruments available to Latin American countries and the perceived impacts and challenges that arise from trade dynamism and regional integration. In addition, it provides a comparative analysis of some extraregional experiences in Europe, the Asian Clearing Union and the Cooperation Council for the Arab States of the Gulf.

"The Union thanks ECLAC for the support in the work performed in 2012 and trusts that it will continue to contribute in the future".

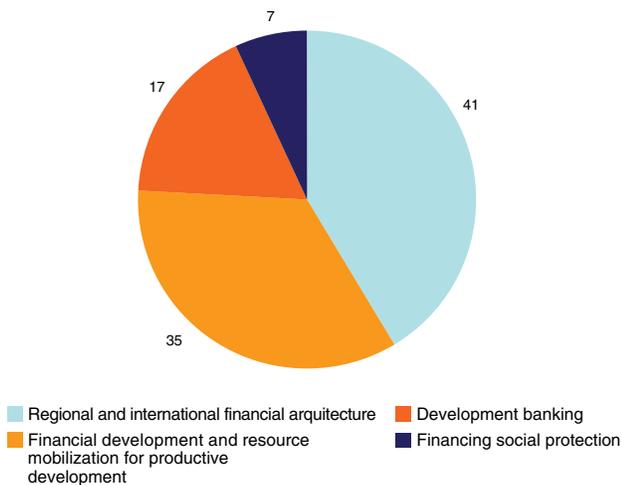
The Union of South American Nations, 24 November, 2012

The Division also provided technical cooperation services to CELAC on different fronts. First, assistance was provided to help with the integration of different payment systems available in the region, in order to move forward with the regional financial architecture. Second, the Division suggested developing an inclusive regional financial

system to facilitate broader access and better use of formal financial systems, improve financial education and provide better protection to consumers. Third, it recommended the creation of a reserve fund for CELAC or the expansion and strengthening of the existing Latin American Reserve Fund (FLAR) for all CELAC members. This is seen as an effective mechanism for strengthening the regional financial architecture. Last, it provided services to strengthen cooperation mechanisms between national, subregional and regional development banks.

Figure 4

Technical assistance missions
(Percentages)



In terms of resource mobilization for productive development, the Division assisted the Ministry for Economic Policy Coordination of Ecuador with the establishment of a contingency fund to protect fiscal revenues from oil price fluctuations, and thus preserve desirable levels of public investment. The services provided included several technical meetings to explain and discuss the implications of creating a fund and a final technical training course to the Ministry.

“The Ministry for Economic Policy Coordination of Ecuador thanks ECLAC for its collaboration in this joint initiative, which has strengthened the Ministry’s technical and operational capacities”.

Valeria Robalino, Technical Secretary, Ministry for Economic Policy Coordination, 27 November, 2013

The Division also provided technical cooperation services to the Central Bank of Cuba, in order to support the discussion of policies and instruments available for microfinance and start-up business financing.

Within the United Nations common system, the Division has lent its expertise to the Department of Economic and Social Affairs, as a focal point in the joint United Nations think tank in the area of financing for sustainable development, providing an assessment of the regional financial system in the region and regional financial cooperation mechanisms available for the mobilization of resources.

LESSONS LEARNED AND OUTLOOK FOR THE NEXT BIENNIUM

In providing technical cooperation services at the regional and national levels, undertaking new research and participating actively in seminars and conferences, the Division learned valuable lessons that will be useful in its future work.

The reform of the international and regional financial architecture remains a key challenge. There is an evident need to forge a regional space in order to develop a symbiotic countercyclical instrument that can be adapted in line with national requirements. The Division needs to be more proactive in addressing this issue, in order to place it at the centre of the region’s political agenda.

The role of public banking in allocating resources needs to be reviewed. This will entail the design of new financial instruments. Advanced technical skills are needed to assist countries with the implementation of such instruments.

An important result is that UNASUR countries have acknowledged the importance of jointly addressing the current international context. Implementation of policy actions is affected by the fact that activities are closely related to both regional and national political agendas. In this respect, the Division remains committed to encouraging countries to translate policy recommendations into legislation.

For the next biennium, the focus of the Division will be on financial policies for development, including prudential macroeconomic regulation at both the domestic and the international level; the development of inclusive financial systems for promoting financing of micro, small and medium-sized enterprises, as well as the development of social protection schemes. Consideration will be given to the challenges facing middle-income countries and the issue of sources of funding, in particular, official development assistance and innovative financing mechanisms. Lastly, the global financial system, the international financial architecture and financial cooperation and integration at the regional level will remain at the centre of the programme of work.



Martin Hopenhayn

*Chief of the Social
Development Division*

SUBPROGRAMME 5

SOCIAL DEVELOPMENT AND EQUALITY

5

Within the framework of a rights-based approach to social protection and care systems, the Social Development Division has provided substantial inputs and recommendations, which have been adopted by a wide range of Latin American countries. The Division has also promoted institutional innovation in the social sector, reinforcing coordination between different government authorities, with emphasis on social impact and social evaluation. Such contributions have been acknowledged and incorporated by diverse national social policy institutions. A broad spectrum of stakeholders have also acknowledged receiving benefits from the Division in other areas of technical cooperation such as improving dialogue for social covenants, incorporating an equality perspective in social policies, and improving methodologies for estimation of social expenditure. Lastly, ECLAC has gained prominence within the Latin American and Caribbean region as a technical source of cooperation in helping to define strategic priorities relating to the status of persons with disabilities.

The Division has espoused new conceptual frameworks, such as the rights- or human development-based approach to poverty along with the use of a multidimensional measurement methodology and rights approach to child poverty. The intent is to evaluate the standard of living, health and education to more accurately assess and take measures to alleviate child poverty.

Conditional cash transfer programmes aim to reduce poverty and increase human capital in the form of education, health and nutrition. The *Ti Manman Cheri* programme, for instance, implemented in Haiti captures the spirit of these programmes as it enables students from disadvantaged neighbourhoods to continue to attend primary school, by reducing the cost of education and it transfers money to the mothers of the students while empowering women by designating them to committees in charge of monitoring and evaluating the programme.

The Social Development Division also contributed substantially to South-South collaboration with ECA and the African countries, specifically in relation to the diffusion and adoption in 12 African countries of the cost of hunger methodology, which had originally been developed by ECLAC for Latin America and the Caribbean.

SOCIAL DEVELOPMENT IN LATIN AMERICA AND THE CARIBBEAN

Poverty levels and inequality remain high in the countries of Latin America and the Caribbean. The region continues to be the most unequal in the world, albeit not the poorest. The food crisis that surfaced in 2007-2008, coupled with the impact of the financial crisis which broke out in 2008-2009, confirms the need to step up efforts in social policy, in particular, in the use of social spending as a crucial instrument for combating poverty, given the redistributive impact of public transfers and the key role of social protection. Per capita GDP in Latin America and the Caribbean grew by 4.5% in 2010, 3.2% in 2011 and just 1.9% in 2012, a year in which the world economy experienced a downturn. Despite modest economic growth, employment rose on the back of job creation, absorbing the slight rise in the labour force participation rate and allowing unemployment to edge down from 6.7% to 6.4%, its lowest level in recent years. The purchasing power of average wages held steady or rose in most countries with available information, in keeping with low inflation, the simple average of which fell from 7.1% in 2011 to 5.4% in 2012. In this context, 28.2% of the population of Latin America and the Caribbean were living in poverty in 2012, with 11.3% in extreme poverty or indigence. In absolute numbers, 164 million people were categorized as poor, of whom 66 million were categorized as extremely poor. These figures represent a fall of about 1.4 percentage points in the poverty rate with respect to 2011 (29.6%). The extreme poverty rate varied little, with the 2012 figure just 0.3 percentage points down on 2011 (11.6%). In concrete figures, the number of poor fell by approximately 6 million in 2012, while the number of indigents remained practically unchanged.

At the domestic level, given the fragmentation and segmentation of markets and health systems, and the uneven educational attainment depending on the income level of the household, efforts have been made to reduce gaps in access to health care, coverage and quality of service, and in particular to reduce the gaps in educational attainment of the new generations depending on their socioeconomic background.

Another important aspect of the social agenda is the need to move from targeted transfers towards minimum income policies and to expand social protection systems associated with employment so as to have established forms of unemployment insurance. This should be accompanied by solidarity-based pillars in the form of pensions and retirement benefits with State-provided, non-contributory financing. In this structure, it is important to recognize not

only the shortcomings but also the structural changes that the region has to continue to address, such as population ageing, changes in the family composition and the weaker employment situation, which is often compounded by labour informality and difficulty in reconciling paid and unpaid work.

Social and gender inequality underscore the need to establish, as part of social protection, early childhood care systems, which can help to break the intergenerational transmission of poverty. These systems must also alleviate demands coming from older persons, who account for a growing percentage of the population. This implies strengthening State-funded pre-school education, health care and care in general and increasing coverage and funding, with special concern for the quality of services.

While the developments of the biennium depict a fairly positive outlook, the social fabric needs an overhaul; the challenge is to create a social covenant that will benefit large, medium-sized and small enterprises, and the onus is on the State to regulate and advance the social structure in harmony with the market, bridging the social gap, which affects marginalized and disadvantaged groups the most. This implies upholding social rights as the normative objective and reconciling it with the budgetary constraints and structural inequalities present today. Achieving this integration is a tall order, but active engagement in the areas of science and ICT, the advancement of health and education policies and programmes and the creation or improvement of protection and care systems should generate productive employment with more rights, collective association and social protection safeguards, while securing long-term equality consistent with the Millennium Development Goals.

MAJOR ACHIEVEMENTS IN 2012-2013

Research, analysis and dissemination

During this biennium the Division worked in collaboration with other ECLAC divisions, subregional headquarters and national offices, taking into account the internationally agreed development goals stemming from the major United Nations conferences in the economic and social fields, including those set forth in the Millennium Declaration. The Division concentrated its efforts on developing applied research, generating analyses, disseminating the results and formulating policy recommendations to strengthen the capacity within the region to implement social protection systems based on financially sustainable mechanisms and integral solidarity frameworks.

The Division also strived to instil in the region's agenda the efficient use of public resources to implement broad-based policies, with emphasis on the employability of family members of working age. It also supported social institution-building to guide public and private efforts to cut off the intra- and intergenerational transmission of poverty, through the use of ICTs, promotion of new approaches and development of comprehensive programmes to support social progress for all societal groups and the regulation of interactions between the main institutions involved in the social protection networks to achieve a social covenant, namely, the State, private sector and families.

In this connection, the Division's publications contributed greatly to disseminating the work accomplished this biennium, serving as catalysts for change in a rights-based movement. Since 2010, when ECLAC put forward its proposed development agenda in *Time for equality: closing gaps, opening trails*, it has systematically examined social gaps in Latin America and the Caribbean and measured progress towards equality.

The Division's flagship publication, *Social Panorama of Latin America*, seeks to contribute to the process with an updated understanding of the social situation in the region. Designed to cast new light on social inequality, the 2012 edition of *Social Panorama of Latin America* is devoted mainly to aspects of care giving on which systematized information for the region has not been available hitherto: paid employment in care-related activities, household expenditure on care, and the situation and care needs of persons with disabilities. This edition aims, in fact, at generating knowledge on a link in the chain of social reproduction which has long been sidestepped by public policy, since the issue was largely overlooked in the discussion or the policy agendas of the countries of Latin America and the Caribbean until a few years ago. It is a core issue because sharp inequalities and gender discrimination come into play and adversely affect women, who bear the burden not only of care but also of unpaid, undervalued work. Women are hard-pressed to juggle unpaid care work in the household and paid work outside the home; lower-income families are the hardest hit because they cannot afford to buy care. This feeds back into the vicious circle of inequality.

The 2013 edition of *Social Panorama of Latin America* presents official ECLAC measurements for the analysis of income poverty and seeks fresh approaches to poverty and well-being, placing special emphasis on multidimensional approaches. These approaches are exploratory and therefore not comprehensive. They have nevertheless been tackled in the 2013 edition of *Social Panorama* because social development trends and new demands voiced by society point to the need for a more nuanced analysis of social progress and lags to underpin an integrated social public policy design.

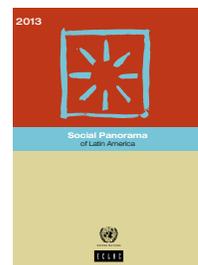
Social Panorama of Latin America 2012



This publication sets out updated figures on poverty and indigence in Latin America up to 2011. Both of these indicators continued to fall in the region and have reached 30-year lows. Most —but not all— of the countries of the region saw poverty decline during the most recent period. The rise in income among the poor has come primarily from

higher wage income, in keeping with the trend over the past few years. It also examines recent progress in the fight against unequal distribution. The new figures available show a continuing trend towards less income concentration. Although inequality indicators have come down only slightly, there has been a substantial cumulative decline since the early 2000s. Despite this progress, the region is still among the most unequal in the world and, not surprisingly, perception surveys show that citizens perceive great inequality. In addition, the document looks at paid care work in Latin America. It defines care, classifies paid care workers and, on the basis of data from continuous household surveys in the region, shows that the care sector currently accounts for 6.7% of employment overall, with substantial differences among countries. The publication also examines recent trends in public social spending. Recent data on budget execution in the social sphere points to slower growth in social expenditure starting in 2011 because of the need to bolster public finances in the face of lower revenues, coupled with instability and uncertainty in the more developed economies. Lastly, it examines the position of persons with disabilities in Latin America and the Caribbean, their care needs and the public policy challenges in this regard; and looks at a number of care policies and programmes in the region, proposes conditions and content standards for a social and fiscal covenant for care with equality, identifies the challenges in building integrated, more egalitarian care systems and explains how those challenges fit into the broader picture of social protection and social security systems.

Social Panorama of Latin America 2013



As in previous editions, the document sets out updated figures on poverty and indigence in Latin America. The 2012 data reaffirm the downtrend observed over the past 10 years, although the rate of poverty reduction and in particular that of extreme poverty have gradually slowed. The data also confirmed the tendency of income distribution to narrow

over several years, even though income concentration edged upward in some countries in 2012. For the first time, the publication also explores other approaches with a view to a multidimensional measurement of poverty. In light of growing interest from the region's countries in respect of these measurements and their potential for public policy analysis, different dimensions, thresholds and forms of aggregation are analysed conceptually and empirically, in order to move forward, still in an exploratory manner, in constructing a multidimensional poverty index that is relevant and feasibly applicable in the region.

This publication examines trends in child poverty using a rights-based approach to the measurement of multiple deprivations. This technique, used in the framework of an agreement between ECLAC and the United Nations Children's Fund (UNICEF), has shed lights on some specific features of poverty and extreme poverty in childhood. The findings call for the analysis of different levels of material deprivation and deprivation of access to public goods and services, which affect children's basic rights and add up to a situation of poverty.

The 2013 edition also considers the constituent dimensions of well-being, which yield an integrated and multidimensional perspective, and examines three dimensions —space, time and coexistence— which have been somewhat overlooked in the debate on well-being in Latin America. In recent decades, the environment in Latin America has suffered impacts of various types and intensities. Air quality deterioration is one of the main changes to have occurred in urban settings, and is a factor in rising discontent. Exposure to urban air pollution, especially particulate matter (PM10), also poses a serious health risk and causes an increase in the mortality rate. Regarding the time dimension, a balance between paid work, unpaid domestic labour and free time is another prerequisite of well-being. Another dimension of well-being is coexistence, which requires that people live together in a positive, democratic and non-violent setting. In this respect, the region's high homicide rate is undoubtedly a critical indicator, since it denotes a high level of violence in society. Domestic violence against women and children also remains all too common.

As usual, the document also offers an up-to-date overview of health and pension coverage in Latin America, both in work and in retirement, and examines recent trends in public social spending and public health spending, looking at the effects of out-of-pocket health spending and demographic ageing on health expenditure.

Promoting the adoption and advancement of protection and care systems has been one of the main priorities during the biennium. In this regard, the document *Inclusive Social Protection in Latin America: A Comprehensive, Rights-*

based Approach 2012 analyses how social protection has become one of the pillars of social development strategies and seeks to promote more inclusive societies, addressing income distribution and investment in human capability.¹³

Similarly, the meeting for the strengthening of public care systems in Latin America and Europe, organized jointly by ECLAC, EUROsociAL and the Ministry of Social Development of Uruguay and held in Montevideo in November 2012, resulted in the adoption by the Governments of Costa Rica, Ecuador and Uruguay of recommendations for systematizing procedures for the design of social policies on care.

Addressing persons with disabilities and their care needs has gained momentum in the region. ECLAC held an expert meeting to define strategic priorities for the regional agenda regarding the situation of persons with disabilities at its headquarters in Santiago, in May 2013. The meeting focused on themes structurally related to the protection and the full exercise of the right to live a life of independence, non discrimination and social participation. The resulting report entitled *Report of the meeting of experts to define strategic priorities for the regional agenda on the situation of persons with disabilities* helped place disability on the post-2015 development agenda.

"I am profoundly grateful for the report, which is, without a doubt, a thorough, exhaustive and meaningful study for our countries."

Camerina Robles, Representative of the Mexican Coalition for the Rights of Persons with Disabilities (COAMEX)

In terms of ICTs, the Division made a tremendous effort to bring health and education systems to the twenty-first century through the use and effective incorporation of digital technologies in more inclusive educational and health-related initiatives. The main objective is to increase the technical capacities of policymakers in the design, implementation and assessment of ICT strategies aimed at reducing social inequalities, in terms of access and quality of education and health programmes. The international seminar on digital technologies: facing the challenges of an inclusive education in Latin America; some cases of good practices, was held at ECLAC headquarters in Santiago

¹³ The concept of 'human capability' is broader than that of "human capital". Human capability focuses on the expansion of human freedom, so that people will be able to lead the lives they have reason to value, while human capital only takes into account human qualities in relation to economic growth (Charles Gore, "Irreducibly social goods and the informational basis of Amartya Sen's capability approach." *Journal of International Development*, vol. 9 No. 2. 1997, pp 235-250).

on 26 and 27 April 2012. Eight studies of good practices integrating digital technologies in the education systems of various Latin American countries had been sponsored by the @LIS2 programme in Argentina, Brazil, Chile, Colombia, Costa Rica, Mexico, Panama and Uruguay. The results were reported on in the document presented at the seminar “Las tecnologías digitales frente a los desafíos de una educación inclusiva en América Latina. Algunos casos de buenas prácticas”. The document analyses the conditions that facilitate the implementation of ICT initiatives in education.

ECLAC also supported the development of the inter-agency Regional Observatory on Inclusive Education committed to the realization of the human right to education for all. The Observatory tracks progress States make towards ensuring the right to education for all, in particular efforts made in overcoming all forms of discrimination in education, as well as possible drawbacks and violations. The main objective is to promote public debate in relation to the actions that should be taken towards inclusive education through the Latin American Campaign for the Right to Education (CLADE), in alliance with the UNESCO International Institute for Educational Planning (IIEP) in Buenos Aires, the UNESCO Regional Bureau for Education in Latin America and the Caribbean (OREALC), the UNESCO International Bureau of Education, the Organization of Ibero-American States for Education, Science and Culture (OEI) and UNICEF.

The incorporation of ICTs into health systems (e-health) advances both social and economic objectives. ICT tools can help control costs, optimize processes and reallocate resources while enhancing the quality, safety and continuity of healthcare; this is especially relevant in Latin America where the priority is to improve access by patients to health care. *The eHealth handbook for managers of health-care services and systems* is the result of a collaboration between ECLAC and the Spanish Society of Health Informatics (SEIS) and was produced under the @LIS2 programme. The handbook has been distributed to health ministries and secretariats in the region, as well as to academic entities, in order to strengthen technical capacities in the implementation of ICT in the health sector and reduce access inequalities.

“Adding to the success of the e-health meeting that took place last year, the eHealth handbook for managers of health-care services and systems was received with great acclaim by health professionals, demonstrating that its primary objective has been far surpassed. All of this was achieved in a short space of time, with a team of 38, dispersed over 6 different countries, across 2 continents.”

Lucian Sáez Ayerra, Chairperson of the Spanish Society of Health Informatics (SEIS)

The Latin America and Caribbean Network of Social Institutions (RISALC), which functions as a virtual network for discussion of social policies, has continued to expand and is becoming recognized as a tool for the transmission of knowledge. As many as 1,638 institutions from 29 countries are registered with RISALC. Documents available on this network soared from 2,042 in June 2012 to 3,095 in December, 2013.

TECHNICAL COOPERATION SERVICES

Technical cooperation services provided to the Government of Haiti were instrumental in improving the design of the new conditional cash transfer programme, *Ti Manman Cheri*. Launched in May 2012, the *Ti Manman Cheri* programme seeks to retain students from disadvantaged neighbourhoods in primary school, by reducing the cost of education. A related objective is the empowerment of women, as mothers of the students are the recipients of money transfers of US\$ 10, US\$ 15 and US\$ 20 per month for one, two and three or more children, respectively. At the same time, it opens up an opportunity for the empowerment of women in the public sphere, as monitoring and evaluation of programme performance are the responsibility of committees of mothers supported by *Ti Manman Cheri* social workers.

Under the ECLAC/BMZ-GIZ joint programme, the international seminar on social covenants for more inclusive social protection and the related project have sought to support governments by conducting studies, generating methodological tools and assisting with dialogue processes in order to achieve broad social covenants for more inclusive social protection frameworks. As testament to the progress being made in this area, the Governments of El Salvador and Ecuador have adopted social protection policies based on ECLAC recommendations.

“The ECLAC interventions and contributions, based on achievements and challenges observed elsewhere in the region, have enabled us to identify and analyse our own advances and opportunities for the improvement of the social protection system of El Salvador.”

Alexander Segovia, President, Technical Secretariat of the Office of the President, Government of El Salvador

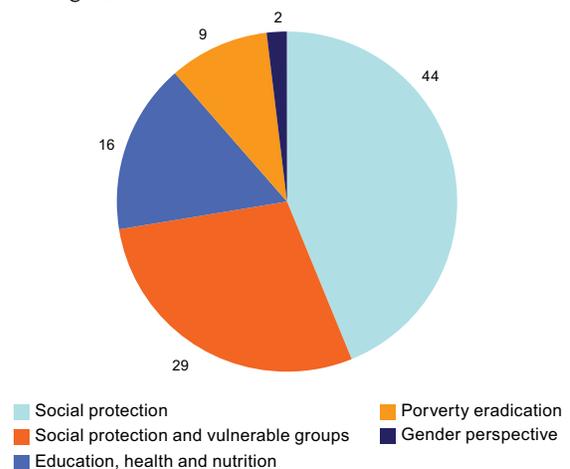
In partnership with UNICEF, ECLAC developed the multidimensional measurement methodology and rights approach to child poverty. This effort was driven by new conceptual frameworks for analysing social development and well-being, such as the rights-based and capabilities approaches, which provide a broader definition of poverty than that based solely on unmet basic needs. The methodology involves three basic dimensions: education, health and standard of living, which then are divided into sub-groups and more complex measurements. In this context, technical cooperation services were provided to Pontificia Universidad Católica Argentina (UCA) to illustrate how this methodology could be implemented in Argentina. Staff from government institutions and statistics offices in El Salvador, Peru and Trinidad and Tobago also received training in the use of this methodology.

In 2004, ECLAC and the W.K. Kellogg Foundation had initiated a programme designed to identify, analyse and disseminate social innovation geared towards the attainment of the Millennium Development Goals. During the biennium, ECLAC provided technical cooperation services to the Centre for Social Innovation of the National Agency for Overcoming Extreme Poverty (ANSPE) of Colombia, which allowed them to successfully implement the project “Hilando” (Spinning). The purpose of this project has been to map social innovation and document a National Social Innovation Strategy for Overcoming Extreme Poverty.

In terms of South-South cooperation, technical cooperation services were supplied to the African Union and ECA to adapt the cost of hunger methodology developed by ECLAC. This methodology is currently being implemented in 12 African countries (Botswana, Burkina Faso, Cameroon, Egypt, Ethiopia, Ghana, Kenya, Malawi, Mauritania, Rwanda, Swaziland and Uganda). Moreover, in June 2013, training on the design of social protection and conditional cash transfer programmes, based on the Latin American experience, was provided to the Government of Indonesia’s National Team for Accelerating Poverty Reduction (TNP2K).

With respect to care provision policies, the Division provided technical cooperation services in support of the development of an Integrated National Health System (SNIS) in Uruguay and the establishment of a national care network specifically targeting older persons in Costa Rica.

Figure 5
Technical assistance missions
(Percentages)



LESSONS LEARNED AND OUTLOOK FOR THE NEXT BIENNIUM

Despite overall positive reception of the substantive ECLAC recommendations on social protection programmes, better coordination is needed among stakeholders in social security, social assistance and labour market regulation.

As in the previous biennium, the lack of reliable and timely ICT education statistics across the region makes it very difficult to monitor the implementation of ICT policies. New policies must be generated that go beyond mere access to ICTs. The creation of the Inter-agency Regional Observatory for Inclusive Education is a step in the right direction. However, collaborative efforts will be needed to ensure the production of standardized statistical information.

Member States in Latin America and the Caribbean remain committed to a rights-based approach to social policies. In collaboration with partners and stakeholders, the Division will continue to work, to develop inclusive social protection and care systems, conditional cash transfer programmes, and to implement a multidimensional methodology to measure child poverty as well as the development of e-initiatives, especially in the fields of health and education. Fostering South-South collaboration will also continue to be part of its agenda.



Sonia Montaño

*Chief of the Division
for Gender Affairs*

SUBPROGRAMME 6

MAINSTREAMING THE GENDER PERSPECTIVE IN REGIONAL DEVELOPMENT

The Division for Gender Affairs contributed to the advancement of gender mainstreaming in the region both within the organization and within the political community, generating knowledge of gender power relations in the region, identifying measures to promote women's access to political participation and decision-making, analysing successful gender equality policies, strengthening national capacities to produce gender statistics, generating innovative methods to broaden a gender-based approach to poverty and care policies, and addressing gender patterns in regard to time use and women's participation in the digital economy.

The adoption of the Santo Domingo Consensus by member States at the twelfth session of the Regional Conference on Women in Latin America and the Caribbean, held in October 2013, marked a milestone in the work of the Division. The Consensus ratified previous commitments and forged new ones to attain greater women's autonomy, with a special focus on women's economic autonomy in the context of the digital economy. This is also closely connected to physical autonomy and participation in decision-making. The work of the Division for Gender Affairs resonates with the commitments made in this Consensus, which recognizes that mainstreaming gender equality as a cross-cutting element of productive development policies is of paramount importance and that special emphasis should be placed on the adoption of policies that reduce the digital divide and design actions for the construction of a new, inclusive, technological culture.

The preparatory process for the Conference added new stakeholders and generated dialogue between public officials working on gender equality policies with those from the economic sector, recognizing the need to go beyond social policies to impact the lives of women and promote their autonomy. New efforts have been made to improve the communication between producers and users of gender statistics for policymaking and to promote capacity-building of the national machineries for the advancement of women and other stakeholders such as statistical offices and sector ministries for the formulation, monitoring and dissemination of gender equality policies. Assistance to the countries in the development of strategies for mainstreaming the gender perspective in their national policies was also key in this biennium.

The Gender Equality Observatory for Latin America and the Caribbean completed five years of continuous evolution, becoming a unique tool in the region in terms of its scope and content. Its contribution to national institution-building, by providing training and capacity-building, conducting research into gender issues and disseminating the results, facilitating the exchange of experiences between countries and drawing attention to the status of women in the region has been valued by member States. The Observatory has become a repository of statistical information on gender which serves as the basis for governments in the region in their effort to formulate gender equality policies.

GENDER EQUALITY IN THE REGION

Eighteen years after the adoption of the Beijing Platform for Action (1995) and three years after the adoption of the Brasilia Consensus (2010), gender relations in the Latin American and Caribbean region have undergone a significant cultural change. As a result, the region has gained equal rights for women in a number of spheres and has made political and economic achievements and strides towards women's leadership.

The most revealing advances in education have been achieved in the last 18 years, despite persistent gaps in specific sectors of the population. By 2005, parity in education had been achieved. Progress has also been made in the adoption of legal frameworks for equality, with the construction and strengthening of mechanisms for the advancement of women, the design of plans and programmes for gender equality with a focus on the social sector, the criminalization of domestic violence and the guarantee of women's human rights.¹⁴ Years of social and political struggle by women's movements in the region, the adoption of legislation and policies based on the Beijing Platform for Action and the Convention on the Elimination of All Forms of Discrimination against Women, and a steady cultural change in the role and rights of women have laid the foundations for new policy areas that will foster the consolidation of changes towards gender equality.

The machineries for the advancement of women in the region have played a key role in this process and have moved forward with policy formulation and implementation, making significant progress in some areas of gender equality. The success of such machineries depends on a wide range of factors which create the conditions for progress or, on the contrary, weak or unsound, gender-based institutional frameworks. Sound political regimes, democracy, robust institutions and the political and economic reforms being implemented have created opportunities for gender equality policies.

Today's gender equality agenda requires concerted efforts and progress in the three spheres of women's autonomy—physical, economic and parity in decision-making. Despite progress made in women's rights and in their

participation in the political sphere, inequalities persist and most women are far from achieving any of the three. Public policies must confront these challenges and require a readjustment of the way in which the State, the market and the family interact to build more equitable societies.

Achievements in terms of physical autonomy and freedom from violence are partial and vary greatly by country. Governments in the region have stepped up their response to the phenomenon of violence against women, and have made significant progress in legislation relating to women's physical autonomy. Comprehensive laws have been passed in the field of sexual and reproductive health, new legislation on violence against women has been adopted and some countries have defined the crime of femicide.¹⁵ However levels of violence against women have remained constant in the last years and domestic violence has worsened.

In recent years, significant changes have marked the political participation of women and their access to the decision-making processes, not only in relation to their parliamentary participation but also in terms of cultural changes of greater relevance that favoured the access of women to the highest levels of power in countries including Argentina, Brazil, Chile, Costa Rica, Jamaica and Trinidad and Tobago. Economic growth in Latin America coexists with governments in which women hold the highest posts within the executive power.¹⁶

Female economic participation rates vary significantly between countries and even within countries, depending on age, educational level and socioeconomic characteristics. Increases in these rates have gone hand in hand with the steady rise in educational levels among women, which now match those of men. A key component in the debate relating to the economic participation of women in the labour market is the recognition that reproductive household work is crucial to socioeconomic development, and that great disparities persist in the way unremunerated work is divided up within the household. The State, the market and other institutions must devise practices, develop norms and offer services to help make care activities a shared responsibility

¹⁴ The ECLAC publication *El Estado frente a la autonomía de las mujeres* examines the progress and setbacks of gender equality in the region, taking as its starting point the Beijing Platform for Action adopted at the Fourth World Conference on Women in 1995, the regional consensus adopted at the different sessions of the Regional Conference on Women in Latin America and the Caribbean and the Millennium Development Goals.

¹⁵ Femicide or femicide has been defined as "violent death of women, by virtue of being such" or "murder of women for reasons related to their gender". The term violent death emphasizes violence as a determinant of death from a criminal perspective and includes death resulting from offences such as manslaughter or qualified murder, or parricide in countries where the legal definition of this crime still exists. Economic Commission for Latin America and the Caribbean (ECLAC), *No more! The right of women to live a life free of violence in Latin America and the Caribbean* (LC/L.2808/Rev.1), Santiago, 2009.

¹⁶ See ECLAC, *Gender Equality Observatory of Latin America and the Caribbean. Annual Report 2012* (LC/G.2561/Rev.1), Santiago.

for all actors. Likewise, a cultural change that encourages men to share household responsibilities is crucial.

MAJOR ACHIEVEMENTS IN 2012-2013

Research, analysis and dissemination

The Division has generated knowledge of gender relations in the region, strengthened national capacities to produce gender statistics, consolidated relations between producers and users of gender statistics, proposed initiatives to disseminate a gender-based approach to poverty, addressed gender gaps on time use, mainstreamed the gender approach into national policies and identified measures to promote women's access to political participation and decision-making. These efforts involved technical assistance to countries, organizing expert meetings, updating the Gender Equality Observatory for Latin America and the Caribbean, updating the processing of the gender indicators available in the ECLAC database and expanding it to new sources.

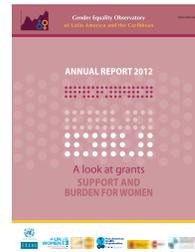
The Gender Equality Observatory for Latin America and the Caribbean received more than 350,000 visits during the biennium and recorded over 130,000 downloads of documents from its website. At the same time, care-related policies and laws that protect women against violence, particularly in the Caribbean region, have been added to the Observatory's repository. In addition, an analysis matrix to identify fair gender equality policies was elaborated and uploaded to the website, and five evaluations of public policies were developed using this matrix.

The delegations of the member States of the Economic Commission for Latin America and the Caribbean participating at the twelfth session of the Regional Conference on Women in Latin America and the Caribbean, gathered in Santo Domingo from 15 to 18 October 2013...

"...Recognize the work carried out by the Gender Equality Observatory for Latin America and the Caribbean of the Division for Gender Affairs of the Economic Commission for Latin America and the Caribbean, for its contribution to training and capacity-building, to the exchange and dissemination of information and experiences and to drawing attention to the status of women in the region, and support that work and reinforce it with concrete measures, particularly with sex disaggregated economic indicators for evaluating women's progress in the economy."

Santo Domingo Consensus, paragraph 128

Gender Equality Observatory of Latin America and the Caribbean. Annual Report 2012. A look at grants: support and burden for women



The Gender Equality Observatory of Latin America and the Caribbean is the result of an inter-agency effort on the part of ECLAC, the United Nations Population Fund (UNFPA), the Pan American Health Organization (PAHO), the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), the Ibero-American Secretariat (SEGIB), the

Spanish Agency for International Development Cooperation (AECID) and the Development Policy Planning and Evaluation Directorate of the Ministry of Foreign Affairs and Cooperation of Spain. Its creation was requested by member States at the tenth session of the Regional Conference on Women in Latin America and the Caribbean, held in Quito in 2007. Over the past years it has established itself as a regional reference for those working for gender equality. Recently, the Government of Norway also joined this initiative.

The third report of the Gender Equality Observatory for Latin America and the Caribbean focuses on indicators of physical, economic and decision-making autonomy as seen against the backdrop of the regional agenda shaped by the consensus adopted by the Regional Conference on Women in Latin America and the Caribbean. It also discusses conditional cash transfer programmes, their strengths and limitations, and their role as a component of social protection systems that could serve as a means to promote women's autonomy. One of the positive developments with regard to autonomy in decision-making is that there have been more women at the helm of government in the region in recent years, more women in the countries' legislatures, especially in the past decade, and more women in the judiciary (although much more recently and in just a few countries). These developments indicate that the glass ceiling that had prevented women from attaining the most senior posts is beginning to crack.

Indicators of women's economic autonomy pose the greatest public-policy challenge. Thus, the challenge for the Observatory is to develop new indicators in this area and to include new data sources and actors. These are indispensable tools for the incorporation of social and economic issues, including ICTs, into gender equality policies.

The Division for Gender Affairs strategically led efforts to incorporate a gender perspective into the work of ECLAC across substantive areas. The idea of mainstreaming the gender perspective into the activities of ECLAC has been

particularly fruitful in the joint activities undertaken by the Division for Gender Affairs and the Statistics Division, where significant progress has been made in incorporating gender indicators to the cadre of data available. By the same token, the Sustainable Development and Human Settlements Division has made a conscious effort to follow and advocate agreements on gender and sustainable development derived from the United Nations Conference on Sustainable Development and designed to introduce public care policies that facilitate sustainable, equitable development. Joint efforts with the Division of Production, Productivity and Management have also contributed to gender mainstreaming by preparing the position document for the twelfth session of the Regional Conference on Women in Latin America and the Caribbean, which addressed gender equality, economic empowerment and ICTs.

Three subregional preparatory meetings and three meetings of the Presiding Officers of the Regional Conference on Women in Latin America and the Caribbean, organized during the biennium, have supported countries in incorporating the issue of ICTs with a gender perspective into their national agendas.

At the twelfth session of the Regional Conference on Women in Latin America and the Caribbean, held in Santo Domingo from 15 to 18 October 2013, 31 member countries of ECLAC adopted the Santo Domingo Consensus, which sets forth agreements to promote the inclusion of gender as a cross-cutting component of productive development policies and to design actions for the construction of a new technological culture, targeting girls and women. During the session, the secretariat contributed to the regional debate by presenting the position paper, *Women in the digital economy: Breaking through the equality threshold*, which portrays the various factors that determine women's inclusion in the labour market of the region, as well as access to and the use they make of various elements of the digital economy.

The Division also participated in the first meeting of the Regional Conference on Population and Development in Latin America and the Caribbean, where the participants discussed national experiences in population and development and post-2015 prospects. On the priority issue of gender equality, delegates decided, among other things, to fulfil the commitment to strengthen institutional mechanisms for building development policies that

Twelfth session of the Regional Conference on Women in Latin America and the Caribbean



The representatives of member States and associate members of ECLAC who participated in the twelfth session of the Regional Conference on Women in Latin America and the Caribbean, held in Santo Domingo from 15 to 19 October 2013, adopted the Santo Domingo Consensus, in which they pledged to work to ensure that the information and knowledge society would foster the economic autonomy of women and their full participation on an equal footing with men in all spheres of society and in all decision-making processes.

Organized by ECLAC, this intergovernmental meeting focused on women's economic autonomy and rights, particularly in the context of the digital economy. To this end, the Consensus sets forth a series of measures relating to the role of information and communications technologies (ICTs) in promoting the different dimensions of gender equality and women's autonomy. It also addresses other issues, including sexual and reproductive rights, the eradication of violence, political participation and decision-making.

The countries represented agreed to adopt legislative measures and to take action in the field of education to eradicate sexist, stereotypical, discriminatory and racist content from the communications media, software and electronic games and make use of such content punishable by law. In addition, they agreed to support the use of ICTs and social networks as resources for preventing violence against women and improving the efficiency and quality of health services.

The Santo Domingo Consensus also contains agreements for promoting access by women to employment by redistributing care tasks between the State, the market and the society, facilitating training and use of technology and by fostering self-employment and the creation of businesses in the scientific and technological sector. It also seeks to increase the proportion of women in areas where they are underrepresented including academia, science and technology and ICTs.

guarantee women’s autonomy and gender equality and promote parity, and other mechanisms to ensure access to power in electoral systems as a determining factor of democracy and a means of putting an end to the structural exclusion of women in society. Delegates also agreed to promote, protect and ensure universal access to sexual and reproductive health services and to contribute to personal fulfilment and social justice in a society free from all forms of discrimination and violence.

Furthermore, the Division has contributed to knowledge-building, by publishing 11 issues of the *Asuntos de Género* series, primarily analysing paid and unpaid work, time-use surveys, social protection, and redistribution of care, public policy and institutional frameworks.

TECHNICAL COOPERATION SERVICES

The Division for Gender Affairs has received financial support for extrabudgetary projects from United Nations agencies and national cooperation agencies. During the biennium the Gender Equality Observatory for Latin America and the Caribbean received funding from the United Nations Population Fund (UNFPA), the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) and AECID for projects to improve the availability and quality of data on gender equality, to improve the capacity of national institutions (including machineries for the advancement of women and statistical institutes) and strengthen the synergies between them.

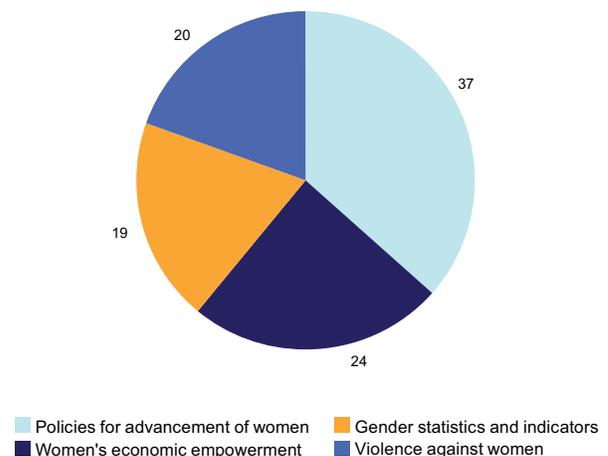
Women’s economic autonomy has been one of the pillars of the Division’s work over the past two years. In this context, the Division has been working with Central American countries to develop proposals for public policies to promote productive development through the inclusion of women in quality employments, with financial support from GIZ.

During the biennium, five virtual courses aimed at government officials from machineries for the advancement of women, national statistical institutes and other government entities were conducted to strengthen the capacity of national institutions to formulate and monitor policies for gender equality through improved knowledge. A total of 450 officials participated. The courses—two on gender statistics and indicators, two on public care policies and one on time-use surveys—received a very positive response from governments in the region and were very well received by participants and institutions.

In addition, the United Nations Development Account funded a project on the regular production and use of time-use surveys to generate indicators of women’s paid and unpaid work. These indicators served to enable policymakers to formulate more effective public policies that promote gender equality and contribute to poverty reduction. In 2013, a new grant agreement was signed between ECLAC and the Ministry of Foreign Affairs of Norway for an interdivisional programme entitled “Promoting Equality in Latin America and the Caribbean”, which includes the development of indicators of women’s economic autonomy.

Figure 6

Technical assistance missions
(Percentages)



ECLAC has a particularly important role to play as coordinator in the conceptual and methodological definition of gender indicators and in the development of national capacities to collect data on emerging issues. As a result of technical cooperation services provided by ECLAC, 16 countries received support in implementing the agreements reached at the eleventh session of the Regional Conference on Women in Latin America and the Caribbean and in following up on other internationally agreed commitments.

LESSONS LEARNED AND OUTLOOK FOR THE NEXT BIENNIUM

The uneven progress in relation to gender equality in the different countries of the region—although substantive—show that there is still a long way to go in this area. The need for structural change as a pillar of development has been and remains the key challenge facing Latin America and the Caribbean; therefore the region should build policies and institutions that promote this process.

The region is now at a crucial moment and governments, businesses and citizens must think and act in order to promote new approaches to development. It is essential to forge a new equation between the State, market and society that encourages a development model with equality, based on employment, higher productivity, social welfare and environmental sustainability. This journey has central elements such as education, science and technology, innovation and entrepreneurship, care systems, the role of territories and cultural diversity. ECLAC must, therefore, intensify efforts to ensure effective coordination among actors, and the Division must be prepared to engage in that endeavour.

Maintaining the Gender Equality Observatory has involved constant coordination of the substantive and financial contributions to accomplish an increasing number of different tasks, which include conceptually and technically defining indicators, gathering available data, updating the website, preparing a conceptual framework to define subjects and topics, addressing government priorities and

concerns and responding to governments' requests for technical assistance.

One of the lessons learned during this biennium was the realization of the difference made by the national machineries for the advancement of women —when adequately equipped— to the improvement of women's lives. They play a significant role in integrating a gender perspective into national development policies and as such are irreplaceable. More efforts are needed to encourage South-South cooperation in order to provide technical assistance and transfer knowledge and experiences. Additionally, it is important to foster the relationship and coordination between national machineries for the advancement of women and decision-makers on economic issues, going beyond social issues to develop a broader approach to gender equality policies. The Division has also learned the importance of strengthening the process of gender mainstreaming within ECLAC to improve the impact of its work with different sectors on gender equality.



SUBPROGRAMME 7

POPULATION AND DEVELOPMENT

Dirk Jaspers_Faijer

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

In its role as technical secretariat, the Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC organized, jointly with the government of Ecuador and with support from UNFPA, the meeting of the Ad Hoc Committee on Population and Development, held in Quito in 2012, where member States decided to elevate the Ad Hoc Committee to the status of Regional Conference.

Subsequently, in 2013, in conjunction with the Government of Uruguay and with support from UNFPA, CELADE organized the first session of the Regional Conference on Population and Development, in Montevideo. Substantive materials for both sessions were prepared dealing with population, territory and sustainable development; the Implementation of the Programme of Action of the International Conference on Population and Development in Latin America and the Caribbean; and the regional agenda on population and development beyond 2014. Based on these materials and subsequent discussions, member countries agreed on the priorities for the future.

The biennium saw four countries of the region conduct their population and housing censuses. CELADE rolled out intense technical support activities in order to enhance national census capacities for all countries in the region. Indeed, countries benefited from CELADE expertise not only in the form of on-site individual advice, but also in the form of much needed workshops and guiding documents, covering a variety of topics, such as estimation, evaluation, data analysis and methodological and conceptual definitions. In the cases of Chile, Paraguay and the Plurinational State of Bolivia, advisory services were provided through participation in expert evaluation panels.

In response to a vast number of requests, CELADE provided in the biennium around 2,400 person-days of technical assistance on a wide range of population issues. Technical assistance focused on ethnicity, ageing, migration, censuses, population estimates and projections, and REDATAM; the geographical coverage of such technical assistance was expanded within the region and beyond.

DEMOGRAPHIC TRENDS IN THE REGION

Over the past 20 years, the demographic transition has taken place even faster than predicted and it has spread such that nearly all the countries in the region have benefited from the demographic dividend.¹⁷ This dividend affords the region a unique opportunity to build an architecture of well-being to better respond to the changing situation. In this context, it is crucial to strengthen the State's social role, first, to ensure equal opportunities and equal outcomes for women and men, adolescents and older persons, and second, to guarantee social protection for present and future citizens with a view to improving their quality of life and building resilience towards the new social risks.

The prevalence of HIV/AIDS has stabilized, despite the fact that adolescents, young persons and even adults do not know enough about the disease or how to prevent it. The ICPD Programme of Action has helped bring to light the unacceptable inequalities experienced by women in the region. The figures on maternal mortality indicate a lack of access to health services, particularly the provision of care by trained professionals during childbirth, with the poorest sectors of the population and those furthest from health centres being worst affected.

According to a regional assessment of the ICPD Programme of Action carried out in 2013, on the basis of current trends, only six countries in Latin America would meet the target of reducing maternal mortality rates by half between 2000 and 2015. However, progress has been made in reducing infant mortality in the region, which is projected to fall to 19 deaths per 1,000 live births between 2010 and 2015.¹⁸

Great strides have been made towards achieving gender parity in education, but this has not been reflected equally for all population groups. Illiteracy rates among indigenous women aged 15 years and over are up to four times higher than among non-indigenous women. Furthermore, evidence shows that indigenous women account for a higher proportion of cases of early maternity consistently across the countries of the region.¹⁹ These are two major obstacles to their obtaining better positions in the labour market.

¹⁷ A. Mason and R. Lee, "Reform and support systems for the elderly in developing countries: capturing the second demographic dividend", *GENUS* LXII, No. 2, 2007, pp. 11-35.

¹⁸ Economic Commission for Latin America and the Caribbean/Latin American and Caribbean Demographic Centre-Population Division of ECLAC (ECLAC/CELADE), "Long term population estimates and projections 1950-2100. The 2012 Revision" [online] http://www.cepal.org/celade/proyecciones/basedatos_BD.htm.

¹⁹ ECLAC, "Mujeres indígenas en América Latina: dinámicas demográficas y sociales en el marco de los derechos humanos", *Project Documents*, No. 558 (LC/W.558), Santiago.

The limited coverage of social security systems in several countries in the region results in a marked lack of protection and consequently a considerable proportion of adults aged 60 years and over find themselves without any income of their own. Of those living in urban areas, older women are more likely to be in this situation than older men: 25% of older women compared with 11% of older men.²⁰ ECLAC works to promote social and gender equality and advocates structural change, urging countries to overcome the challenges associated with enclave industries and buck the trend towards the reprimarization of regional exports, which often devastate indigenous territories.

Another facet of the inequality present in the region today can be seen in the large number of Latin American migrants who are deprived of access to the benefits derived from development in their destination countries. This can be attributed largely to urbanization, with almost 80% of the region's population now living in cities.

In this connection, the inclusive approach adopted for this biennium was a major innovation that has resulted in a people-centered agenda for equality, raising the profile of once-excluded sectors that are now recognized as an important focus for State action: women and men, adolescents, older persons, indigenous peoples, Afro-descendants and migrants.

MAJOR ACHIEVEMENTS IN 2012-2013

Research, analysis and dissemination

The activities of CELADE are primarily concerned with social, economic, ethnic and gender inequalities and the purpose of the programme of work is to expand and strengthen the technical capacity of the countries in the region to enable them to describe, analyse, comprehend and forecast population dynamics and their links with economic and social development with a view to incorporating demographic factors into public policies and programmes, especially those aimed at reducing poverty and inequality. These activities are undertaken in line with international agreements, especially the ICPD Programme of Action, the Madrid International Plan of Action on Ageing and the Millennium Development Goals, which seek to improve people's living conditions by enforcing their rights.

In 2012, the activities of CELADE were driven by the region's priorities. At the thirty-fourth session of ECLAC, held in San

²⁰ ECLAC, "Envejecimiento, solidaridad y protección social en América Latina y el Caribe. La hora de avanzar hacia la igualdad", *Libros de la CEPAL*, No. 117 (LC/G.2553-P), Santiago.

Salvador, the ECLAC Ad Hoc Committee on Population and Development presented the report Population, territory and sustainable development. Pursuant to resolution 670(XXXIV), the Ad Hoc Committee²¹ was renamed the Regional Conference on Population and Development in Latin America and the Caribbean, assuming all the functions of the Ad Hoc Committee, which it would perform in the light of, and with full respect for, the ICPD Programme of Action.

The first session of the Regional Conference on Population and Development took place in Montevideo in August 2013, hosted by the Government of Uruguay and with the support of UNFPA. At the Conference the secretariat reported on the activities undertaken in 2012-2013 and the outlook for 2013-2015, presented a review of the implementation of the ICPD Programme of Action in Latin America and the Caribbean and set out a proposed regional agenda on population and development for Latin America and the Caribbean beyond 2014.

Implementation of the Programme of Action of the International Conference on Population and Development in Latin America and the Caribbean



This report systematizes and summarizes the main steps taken towards implementing the Programme of Action of the International Conference on Population and Development (ICPD) in Latin America and the Caribbean. It draws attention to the activities that have led to that progress and identifies the objectives of the Programme of Action that

have not been met, including those that saw only partial or no progress, or even some backsliding. The report also brings together a set of lessons learned over the nearly 20 years that the Programme of Action has been applied in the region —relating to achievements and objectives fulfilled, as well as pending issues and emerging challenges— with a view to generating inputs for the population and development agenda beyond 2014.

²¹ The ECLAC Ad Hoc Committee on Population and Development was established during the twenty-fifth session of ECLAC and met for the first time during the following session, held in San José in April 1996. Its objective was to ensure adequate implementation, follow-up and review of the Latin American and Caribbean Regional Plan of Action on Population and Development, and to examine the region's situation with respect to population and aspects related to the execution and institutionalization of population policies and programmes.

Proposed regional agenda on population and development for Latin American and the Caribbean beyond 2014



This document aims to identify and propose priority issues and approaches for the population and development agenda for Latin America and the Caribbean beyond 2014. The proposal is based on the review of the current situation and outlook regarding important economic, social and demographic dimensions in the region, and takes into account the main guidelines contained in the global and regional proposals for the adoption of a strategic agenda for sustainable development beyond 2015.

First session of the Regional Conference on Population and Development in Latin America and the Caribbean

The first session of the Regional Conference on Population and Development in Latin America and the Caribbean was held in Montevideo, from 12 to 15 August 2013. At the meeting, representatives of 38 member countries and associate members of ECLAC adopted the Montevideo Consensus on Population and Development, which contains over 120 priority actions under 10 headings that were identified as key areas in order to reinforce the further implementation of the Programme of Action of the International Conference on Population and Development (ICPD) adopted in Cairo in 1994.

The 10 key areas given priority in the Consensus are as follows:

- (i) Full integration of population dynamics into sustainable development with equality and respect for human rights
- (ii) Rights, needs, responsibilities and requirements of girls, boys, adolescents and youth
- (iii) Ageing, social protection and socioeconomic challenges
- (iv) Universal access to sexual and reproductive health services
- (v) Gender equality
- (vi) International migration and protection of the human rights of all migrants
- (vii) Territorial inequality, spatial mobility and vulnerability
- (viii) Indigenous peoples: interculturalism and rights
- (ix) Afro-descendants: rights and combating racial discrimination

(x) Frameworks for the implementation of the future regional agenda on population and development

The Conference, organized by ECLAC and the Government of Uruguay with the support of the United Nations Population Fund (UNFPA), also brought together 24 regional and international organizations and 260 non-governmental organizations, involving more than 800 participants in total, making it one of the largest intergovernmental meetings in the region in recent years.

Country representatives said that the full integration of population dynamics into sustainable development with equality and respect for human rights was the basic framework that should be applied to reinforce public policy and the action needed to eradicate poverty, exclusion and inequality. In that connection, they agreed to apply a human rights approach with a gender and intercultural perspective in addressing population and development issues, and to guarantee sustainable production and consumption patterns and avoid exacerbating undesirable climate change phenomena, among other actions.

At the end of the session, the representatives adopted a regional agenda on population and development for Latin America and the Caribbean beyond 2014, grounded in providing follow-up to the Cairo Programme of Action, and committed to generate regional and national machineries to oversee the fulfilment of this agenda and ensure its accountability and to improve data sources on population, promoting the full independence of national statistical systems.

The REDATAM programme was first developed by CELADE in 1987. Its complex structure uses a compressed hierarchical database containing microdata and/or aggregated information with millions of cases of persons, housing units, city blocks or any administrative division in a country, all gathered from a combination of censuses, surveys and other sources. REDATAM presents huge challenges in terms of maintenance, redesign and implementation of new functionalities, and error correction, both for the official version currently in use, Redatam+SP, and for the upcoming new version, Redatam7. Government, academic and international entities have continued to request assistance with using and adapting REDATAM, including to disseminate information, attesting to the popularity of the programme.²² In this context, and looking forward

²² These entities include: National Institute of Statistics and Censuses (INDEC), Argentina; Statistical Institute of Belize; National Institute of Statistics and Census (INEC), Costa Rica;

to the new census decade, the division has improved the presentation and graphical interface of the programme, integrating current technologies and introducing a more user-friendly web page with more functions. A number of countries have been using the REDATAM web platform to disseminate their census results since the 2000 census round.²³ Some countries have disseminated their census data via the updated web platform.²⁴

CELADE surpassed its target for publication downloads by more than 100%, providing population data, relevant policy analysis and recommendations for action to its readers. The journal *Notas de Población*, featuring peer-reviewed articles on a variety of population matters, was downloaded 1,517,848 times. Publications analysing ethnic issues recorded 1,108,715 downloads, while those on migration, both international and internal, totalled 84,525 downloads. Publications on older persons came to 14,743 downloads, those analysing data and policy on public health, 145,539 downloads, and documents on census planning, processing and evaluation, 174,578 downloads. The document prepared for the 2012 meeting of the Ad Hoc Committee on Population and Development, a thorough analysis on the linkages among population, territory and sustainable development was downloaded 1,133,808 times. The division's flagship *Demographic Observatory* recorded 705,118 downloads for its 13 issues.

National Office of Statistics and Information (ONEI), Cuba; National Institute of Statistics and Geography (INEGI), Mexico; National Institute of Statistics and Census (INEC), Panama; Department of Statistics, Surveys and Censuses (DGEEC), Paraguay; Central Statistical Office, Saint Lucia; National Institute of Statistics (INE), Bolivarian Republic of Venezuela; National Institute of Statistics (INE), Chile; Ministry of Social Development, Chile; Labour Directorate, Chile; Central Bureau of Statistics, Aruba; Integrated Public Use Microdata Series (IPUMS); INEI, Peru; University of Concepción, Chile; Integration Area of Central and Eastern South America (ZICOSUR); United Nations Children's Fund (UNICEF); United Nations Population Fund (UNFPA); National Environment Commission (CONAMA), Chile; UNAM, Mexico; Centre for Population Studies (CEP), Plurinational State of Bolivia; University of Buenos Aires, Argentina; and Catholic University of Chile.

²³ Belize, Costa Rica, Dominican Republic, Honduras, Mexico, Paraguay, Saint Lucia, Saint Vincent and the Grenadines, and Trinidad and Tobago.

²⁴ Aruba, Bolivarian Republic of Venezuela, Chile, Dominican Republic and Uruguay.

Demographic Observatory 2012: Population Projections



Changes in living conditions, medical progress and increasing knowledge of disease causation have resulted in a substantial reduction in mortality, especially in early life, and an increase in the life expectancy of the Latin American and Caribbean population. Since 1950, the population's average life expectancy has increased by 22.5 years, reaching values of over

74.3 years in the five-year period 2010–2015. Although there are significant differences between countries, this is a widespread process that has been hampered over the past 60 years by the emergence of communicable diseases such as HIV/AIDS and the rise in violence among the young adult population, which have reduced countries' capacity to further reduce mortality.

The decline in child mortality has occurred independently of social and economic indicators. However, significant differences persist in the risk of child mortality between and within countries, with rural groups and those in which mothers have a lower level of education at a distinct disadvantage. This means that child mortality remains higher in populations with fewer resources and efforts to curb early mortality in the region must continue.

At present, Latin America is facing major challenges in relation to young adult mortality due to external causes (homicide, suicide and accidents), emerging and re-emerging infectious diseases and obesity. Meanwhile, the challenges associated with population ageing and inequality cannot be overlooked.

CELADE has continued working with the Regional Working Group for the Reduction of Maternal Mortality,²⁵ drafting inputs with data and metadata from eight pilot countries²⁶ on the production of maternal mortality figures. It presented and received feedback on its findings at the twenty-seventh International Population Conference of the International Union for the Scientific Study of Population (IUSSP) held in Busan, Republic of Korea, in August 2013.

²⁵ In 2012, CELADE drafted a technical document entitled *Maternal mortality estimates in Latin America and the Caribbean*, which explained and compared different approaches to measuring maternal mortality and made recommendations on the interpretation of several sources of maternal mortality estimates in Latin America and the Caribbean, in particular national estimates, those of the Maternal Mortality Estimation Inter-agency Group (MMEIG) and those published by the Institute for Health Metrics and Evaluation (IHME).

²⁶ Brazil, Chile, Costa Rica, Cuba, Dominican Republic, El Salvador, Mexico and Uruguay.

The final document²⁷ was subsequently very well received at a meeting on the harmonization of maternal mortality statistics held by CELADE in November 2013.

Pursuant to ECOSOC resolution 2010/14 on the future implementation of the Madrid International Plan of Action on Ageing, 2002, ECLAC organized, in conjunction with the Government of Costa Rica, the third Regional Intergovernmental Conference on Ageing in Latin America and the Caribbean in 2012, marking the tenth anniversary of the Plan. The central theme of the Conference was "Ageing, solidarity and social protection in Latin America and the Caribbean: Time for progress towards equality" and the participants examined the fulfilment of the commitments undertaken in the 2007 Brasilia Declaration. In fulfilment of the agenda, the participants identified key actions to be implemented over the next five years, with special emphasis on activities to enhance national capacities to meet the challenges and emerging issues relating to ageing. A set of commitments was then ratified with the adoption of the San José charter on the rights of older persons in Latin America and the Caribbean.

"With this conference we are not only honouring the legacy that older persons have left for us, we are also working for the future of our region. The moment to be foresighted, the moment to show solidarity, the moment to do the right thing, is now."

Laura Chinchilla, President of Costa Rica

CELADE contributed to discussions at the International Forum on the Rights of Older Persons held in Mexico City in March 2012, analysing in-depth issues from a Latin American perspective, and contributed to the tasks being carried out by the United Nations Open-ended Working Group on Ageing and the OAS Working Group on Protection of the Human Rights of Older Persons.

CELADE published the document *Reproducción temprana en Centroamérica: escenarios emergentes y desafíos*, which explored adolescent and early fertility trends in six Central American countries²⁸ using data from their last four population censuses. The study evaluated the intermediate variables of adolescent fertility and the effects of social inequality using specialized survey data. CELADE complemented this analysis with a review of the policies and programmes on adolescent reproduction implemented in the subregion and a reflection on future challenges.

²⁷ *Población y Desarrollo series*, No. 108.

²⁸ Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama.

International migration is a key item on the agenda of Latin American and Caribbean countries. To facilitate the identification of concrete measures to strengthen coherence and cooperation aimed at promoting the benefits of international migration and reducing its negative impacts, ECLAC and the International Organization for Migration (IOM), with the support of the Regional Office for Latin America and the Caribbean of UNFPA, hosted in Santiago the Latin American and Caribbean regional meeting on international migration in preparation for the High-level Dialogue on International Migration and Development on 10 and 11 July 2013.

During the biennium, the work carried out by CELADE and its partners²⁹ addressed the urgent need for indigenous and Afro-descendent peoples to achieve statistical visibility through participatory processes. Such data are not only a technical tool but also a political resource that these peoples can draw on in order to avail themselves of their rights. Furthermore, giving such data statistical visibility will contribute to the consolidation of democracy and good governance. Demand from State institutions, international bodies and civil society organizations for this type of information is also growing. To this end, seven documents³⁰ and a variety of training sessions and workshops have been instrumental in helping to democratize information from a rights-based approach. Support from the Ford Foundation has made it possible to process a high volume of demographic and social information to update and expand the CELADE databank on indigenous and Afro-descendent groups in Latin America and the Caribbean (PIAALC), complementing the work carried out in this area.

"The International Indigenous Women's Forum would like to express our high appreciation for the efforts and actions undertaken by CELADE, which have enabled indigenous women from Panama, Nicaragua and Guatemala to benefit from the training processes you have driven. Participation in training workshops delivered by CELADE-ECLAC contributes to the fight of the indigenous women's global movement by impelling women's leadership and empowerment. Likewise, the work in the area of statistics will promote the visibility and recognition of the priorities identified by indigenous women themselves..."

The International Indigenous Women's Forum.

TECHNICAL COOPERATION SERVICES

The work of CELADE on censuses spanned from assistance with the preparation through to data processing and evaluation, prompting studies and imparting workshops with the aim of disseminating best practices and modern techniques in the region. In 2012, CELADE successfully taught its Intensive Regional Course on Demographic Analysis (CRIAD), totalling 475 teaching hours, which concentrated on demographic analysis methods and techniques for the study and assessment of population dynamics, as well as the production of demographic inputs for economic and social management indicators. A total of 16 professionals attended from 12 countries, mostly from the public sector, and they gave the course an average rating of 8.6 on a scale of 1 to 10. In 2013, the course was completed by 13 civil servants from seven countries. Furthermore, within the framework of its joint activities with the Statistical Conference of the Americas, CELADE delivered a workshop on census evaluation and lessons learned to strengthen technical capacities for carrying out and evaluating censuses.

Twenty countries of Latin America and three of the Caribbean strengthened their capacity to monitor population trends for use in social programmes. Technical staff from national statistics institutions in Chile and Paraguay applied methodological recommendations imparted by advisory missions to improve data collection and compilation, enhance the design of population censuses and strengthen data analysis to support the formulation of social policies. ECLAC also provided remote technical assistance to 23 countries³¹ on formulating and

²⁹ UNFPA, PAHO, the Fund for the Development of the Indigenous Peoples of Latin America and the Caribbean (Indigenous Peoples' Fund), Ford Foundation, AECID, SEGIB and a large number of non-governmental organizations, such as the Argentine Council of Indigenous Organizations of Jujuy (COAJ), the Mapuche Territorial Alliance of Chile and the Indigenous Chirapaq Cultural Centre of Peru.

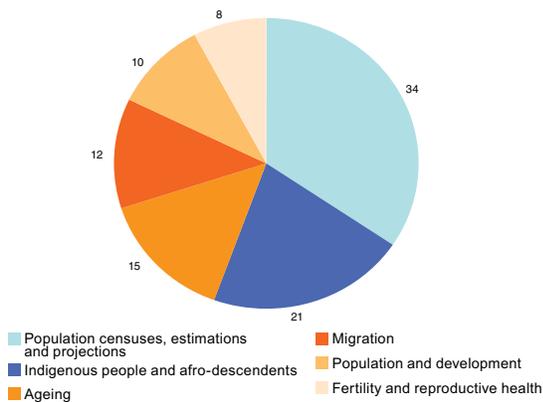
³⁰ (1) Atlas sociodemográfico de los pueblos indígenas y afrodescendientes de Colombia, (2) Desigualdades territoriales and exclusión social del pueblo mapuche en Chile: Situación en la comuna de Ercilla desde un enfoque de derechos, (3) Pobreza infantil en pueblos indígenas y afrodescendientes de América Latina, (4) Atlas. Diagnóstico sociodemográfico de los pueblos indígenas de Argentina, (5) Atlas sociodemográfico de los pueblos indígenas de Chile, (6) *The rights of indigenous children* and (7) *Mujeres indígenas en América Latina. Dinámicas demográficas y sociales en el marco de los derechos humanos.*

³¹ Argentina, Bahamas, Belize, Bolivarian Republic of Venezuela, Brazil, Colombia, Chile, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Jamaica,

revising censuses, analysing population forecasts and preparing national training courses on those topics. Lastly, as a result of training courses and workshops, 154 technical staff from the region enhanced data processing methods by using REDATAM.

Figure 7

Technical assistance missions
(Percentages)



Through two workshops organized by ECLAC, 100 participants from 23 countries increased their technical capacity to monitor progress towards the fulfilment of international commitments under the ICPD Programme of Action, the Madrid International Plan of Action on Ageing and the relevant Millennium Development Goals. These workshops supported technical staff from the region to improve data collection efforts, incorporate new methodologies for the monitoring of ICPD goals and progress towards achieving the Millennium Development Goals.

As a result of the work carried out in the field of indigenous populations and ethnic minorities, some 14 countries in the region³² are including questions for the identification of such groups in their censuses. Countries that have strengthened the ethnic perspective in their censuses have also been able to extend the gathering of such data to the field of vital and health statistics. In this context, and thanks to the contributions of the Ford Foundation, CELADE has been able to gather a wealth of knowledge on the living conditions of indigenous and Afro-descendent groups in Argentina, Chile, Colombia and Peru, and to break down the elements of inequality, social exclusion and territoriality that these groups face. These data have been compiled into

Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

³² Argentina, Bolivarian Republic of Venezuela, Brazil, Colombia, Costa Rica, Cuba, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Paraguay and Uruguay.

attractive and innovative sociodemographic atlases, which have been widely disseminated in the region, including to State institutions and indigenous and Afro-descendent organizations.

Lastly, with the aim of strengthening national capabilities in the region and empowering indigenous and Afro-descendent groups, CELADE developed an innovative and participatory methodology for the use and analysis of disaggregated data on ethnic groups. More than 160 indigenous and Afro-descendent leaders were trained in the use of this methodology.

LESSONS LEARNED AND OUTLOOK FOR THE NEXT BIENNIUM

On the topic of population ageing, CELADE invested in the development of e-education programmes. An important lesson learned is that the implementation of such programmes is highly dependent on the institutional context and the capacity for innovation. In the wider context of capacity-building, the regional intensive course on demographic analysis should be run on a regular basis in order to meet the increasing need for qualified personnel in the region. To this end, CELADE should seek to forge more stable partnerships with academic institutions.

Further advances have been made towards helping to define the strategic priorities regarding the situation of persons with disabilities, but national assessments to this end are far from standardized. Institutional strengthening is key to formulating and consolidating population policy. The involvement of civil society is also crucial for the success of this process.

Policymakers must be encouraged to apply a rights-based approach to social policy and design multidimensional methodologies that take account of social protection components such as social security, social assistance and labour market regulation. Furthermore, it is vital to develop thematic research and to train technical teams at all levels in order to achieve equality.

Regarding international migration, the successful experience of collaboration with the other regional commissions can be put forward as an example to catalyse future partnerships to exchange experiences and build on shared expertise.

Guidelines and recommendations on censuses have been produced on the basis of the experiences of countries in the region. Countries have recognized the effectiveness of this participatory procedure, resulting in the quick adoption of such guidelines and the international comparability of subsequent data.

Finally, the main obstacle to more accurate and comparable fertility and mortality estimates is a weak vital statistics system. Better civil registers must be kept and a clear path for recording data and metadata must be defined in

order to ensure the production of reliable vital statistics. Governments, United Nations agencies and sponsors need to commit more resources, both financial and human, to this end.



SUBPROGRAMME 8

SUSTAINABLE DEVELOPMENT AND HUMAN SETTLEMENTS

José Luis Samaniego
Chief of the Sustainable Development
and Human Settlements Division

During the biennium 2012-2013, the Sustainable Development and Human Settlements Division continued to work on the interrelationships between economic policy, environmental protection, urban development, social equality and the economic impacts of climate change.

Technical cooperation and innovative studies conducted by the Division have strengthened the capacity of countries in the region to assess progress towards sustainable development on the basis of empirical data and analysis of the extent and costs associated with present development strategies at national and subnational levels and of some alternative options for a more sustainable development.

Two inter-agency reports were published to facilitate and inform countries' discussions on the sustainable development agenda: *Sustainable development 20 years on from the Earth Summit: progress, gaps and strategic guidelines in Latin America and the Caribbean* and *Sustainable Development in Latin America and the Caribbean: follow-up to the United Nations development agenda beyond 2015 and to Rio+20*.

The Division took measures to strengthen the capacity to analyse the influence of socioeconomic and environmental trends in urban development in Latin America and the Caribbean and promoted the reintroduction of planning instruments to encourage eco-efficient and sustainable urban development, including urban transport.

A specific methodology was developed and a database was set up to assess the impact of climate change on coastal areas. These were used to provide information to countries in the region on the expected impacts of climate change and to contribute to policymaking on adaptation to climate change. A new series of national reports on the economic impacts of climate change was published for four countries in Latin America and the Caribbean.

The interrelationships between economic policy, environmental protection, climate change, urban development and social equality are increasingly important for Latin America and the Caribbean. The region has begun to explore these complex linkages and to strengthen its capacity for analysis and quantification of the social and environmental costs and benefits of current development strategies and global environmental change.

The effects of climate change, coupled with the growing demand for natural resources and rampant deforestation, caused mainly by the encroachment of the agricultural frontier, has placed further economic pressures on the natural endowment. The regional trend towards urbanization continues. However, better policy integration thanks to more mature economic analysis, aided by sounder environmental policies and efforts to make the transition to lower-carbon economies, has slowly lead to more relevant and more promising policy options. In addition, important unilateral measures are entering into force in destination markets for Latin American and Caribbean exports and are beginning to have an impact on trade, prompting governments in the region to consider lowering the carbon footprint of their exports.

The principles and objectives set forth in *The future we want*, the outcome document of the United Nations Conference on Sustainable Development (Rio+20) and which will guide the definition of a post-2015 development agenda represent a global commitment to environmental sustainability. Latin American and Caribbean countries have a vast potential for integrating environmental, sectoral and economic policies in their responses to climate change, especially in the crucial areas of adaptation and the reduction of emissions in metropolitan areas and intermediate cities. Clear synergies exist between strategies for climate change adaptation and those designed to protect one of the region's main assets: its biodiversity. The efforts being carried out with a view to reducing emissions from deforestation and forest degradation (REDD+) are the clearest example of these synergies.

MAJOR ACHIEVEMENTS IN 2012-2013

Research, analysis and dissemination

As one of the activities in preparation for the United Nations Conference on Sustainable Development (Rio+20), held in Rio de Janeiro, Brazil, in June 2012, the Division organized a side event at the third open-ended informal intersessional meeting of the Preparatory Committee for the United Nations Conference on Sustainable Development in New York, held in March 2012, to launch the inter-agency report *Sustainable development 20 years on from the Earth Summit: progress, gaps and strategic guidelines in Latin America and the Caribbean*. This side event provided governments with statistical data, in-depth analysis and practical policy guidelines to overcome barriers to the implementation of the goals of sustainable development.

At the United Nations Conference on Sustainable Development (Rio+20), which was held in Rio de Janeiro in June 2012, 10 countries in Latin America and the Caribbean signed a Declaration on the application of Principle 10 of the Rio Declaration on Environment and Development. In that Declaration, the signatory countries agreed to draft and implement a Plan of Action 2012-2014, with the support of ECLAC as technical secretariat. One and a half years later, the Declaration has been signed by 17 countries (more than half of all countries in the region). As provided for in the Plan of Action to 2014 that was subsequently adopted, ECLAC established a regional public mechanism, (see [online] <http://www.cepal.org/rio20/principio10/>), to track the progress of the process itself. The Division also organized four regional workshops to promote the full implementation of Principle 10 at the national level.

The Division prepared the working document *Access to information, participation and justice in environmental matters in Latin America and the Caribbean: situation, outlook and examples of good practice* with the support of GIZ. The document was published in response to the growing recognition by civil society and governments that access to information, participation and justice in environmental issues are essential for advancing towards environmental protection and sustainable development.

At the United Nations Conference on Sustainable Development (Rio+20), the Division took part in more than 20 events alongside governments, NGOs, academics and other participants. The outcome document of the Conference, *The future we want*, was presented at a seminar organized by the Division on "ICTs and Sustainable Development in Latin America and the Caribbean: experiences and policy initiatives", held in Santiago on 22-23 October 2012.

To discuss the follow-up to the United Nations Conference on Sustainable Development (Rio+20) and the post-2015

Sustainable development 20 years on from the Earth Summit: progress, gaps and strategic guidelines for Latin America and the Caribbean



This document is divided into two parts: an analysis of progress made and difficulties encountered in Latin America and the Caribbean in implementing global commitments on sustainable development since 1992, and proposed guidelines for moving towards sustainable development in the region. One of the milestone achievements of the

Earth Summit in 1992 was the international community's acceptance of the concept of sustainable development, which was broadly disseminated in the Rio Declaration on Environment and Development. Yet, some 20 years later —and despite significant advances— the development model is still unable to bring about simultaneous and synergic progress on the social, economic and environmental fronts.

The world now faces an imperative for change: to move towards a new model of development with the value of equality at the core of its actions, one which is capable of carrying forward simultaneous social development, economic growth and environmental sustainability. Development cannot continue to perpetuate poverty and inequality and to deplete natural resources and ecosystems. Undeniable evidence now exists that protecting ecosystems and ecosystem services improves health, physical integrity, food security and other basic aspects of human security and of individual and community well-being. The United Nations proposal advocates the redesign of specific public policies to promote a low-carbon development pattern resistant to disasters and climate change, create green jobs and factor into decision-making the economic costs and benefits associated with the use of ecosystem services and materials. An economy for sustainable development reduces negative environmental impacts, such as carbon emissions and pollution, promotes efficient use of energy and resources and avoids the loss of biological diversity and ecosystem services, thus improving well-being now and in the future.

development agenda, ECLAC and the Government of Colombia hosted back-to-back regional consultations with Latin American and Caribbean countries. Two conferences were held in Bogota in March 2013. The first, "The Caribbean Forum: Shaping a Sustainable Development Agenda to Address the Caribbean Reality in the Twenty-first Century", discussed the challenges being faced by Caribbean SIDS and provided input in defining a post-2015 development agenda from a subregional perspective. The second, the "Conference on Sustainable Development

in Latin America and the Caribbean: Follow-up to the development agenda beyond 2015 and Rio+20 and the Caribbean Forum”, focused on development goals, global and regional governance and on the discussion, from a regional perspective, of agreements adopted in order to inform the ongoing global processes. During this meeting, the inter-agency document *Sustainable Development in Latin America and the Caribbean: follow-up to the United Nations development agenda beyond 2015 and to Rio+20* was presented for discussion. This inter-agency document was prepared by technical teams from ECLAC and the United Nations Development Group for Latin America and the Caribbean (UNDG LAC), in close collaboration with the regional offices of 21 agencies, funds and programmes, and was intended to be a contribution by the United Nations system to discussions on the sustainable development agenda based on common concerns. It was expected to stimulate and inform the debate on the new post-2015 development agenda, with a focus on sustainable development, equality and structural change, and guide discussions in the region and among the global community on the steps needed to achieve a new paradigm of change.

In April 2013, the Division offered a keynote address at the civil society consultation on the post-2015 development agenda organized by the Government of Mexico, with the support of UNDP and the High-level Panel of Eminent Persons on the Post-2015 Development Agenda, entitled “Realizing the Future We Want in Latin America and the Caribbean: Towards a Development Agenda Post-2015”.

The Division has supported several countries on topics relating to the United Nations Conference on Sustainable Development (Rio+20), sustainable development goals and the post-2015 agenda, including by participating actively in regional and national events, such as the second Regional Forum on Sustainable Development with Social Inclusiveness in Latin America (Uruguay, November 2013), the High-Level Panel on the Post-2015 Development Objectives in Latin America (Ecuador, September, 2013) and the International Congress on Management of Universal Quality and Sustainable Development (Peru, August 2013). The Division has also provided technical assistance on the analysis of sustainable development goals and the assessment of environmental development.

Declaration on the application of Principle 10 of the Rio Declaration on Environment and Development

Background:

At the United Nations Conference on Sustainable Development (Rio+20), held in Rio de Janeiro in June 2012, the Declaration on the application of Principle 10 of the Rio Declaration on Environment and Development, proposed by Chile, was signed. Thus far, the Declaration has been signed by 18 countries and it is open to all the countries in Latin America and the Caribbean.



To date, three meetings of focal points have taken place, in which a Road Map, a Plan of Action to 2014 and the common vision for a regional instrument on access rights relating to the environment were adopted.

In the “Lima Vision” signatory countries agreed on the following values and principles that will inspire and guide the regional instrument: equality, inclusion, transparency, proactivity, collaboration, progressive realization and non-regression.

Commitments made in the Declaration:

“We are aware that the environmental challenges we face on a national, regional and global level require far more concerted, proactive and effective action from the countries and the international community. We are thus willing to explore in detail various ways to enhance the exercise of those rights with the active involvement of the key stakeholders and society as a whole.”

“Commitments must be made to ensure the full exercise of rights of access to information, participation and justice regarding environmental issues as enshrined in Principle 10 of the Rio Declaration of 1992. To this end, we declare our willingness to launch a process to explore the feasibility of adopting a regional instrument.”

Objectives of the process:

- To reaffirm regional commitments to rights of access to information, participation and justice in environmental matters.
- To advance towards the formulation of a regional instrument to promote the full implementation of access rights amongst all stakeholders.
- To establish common ground for the region in subjects concerning access to information, participation and justice in environmental matters.
- To cooperate on capacity-building for governments and civil society regarding access rights.
- To share experiences and best practices.

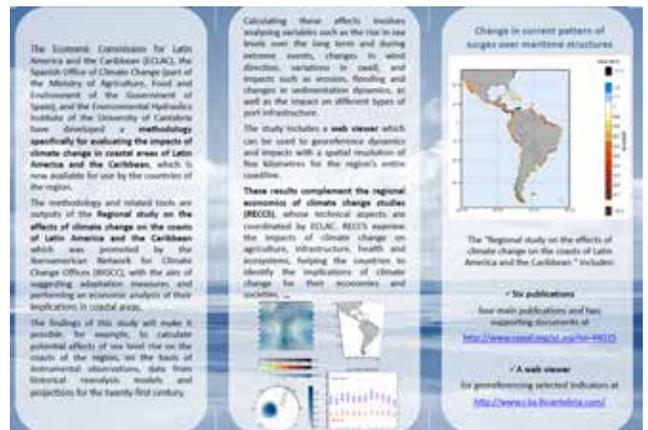
Updated: March 2014



In addition, the Division has been part of the inter-agency group, coordinated by UNEP, to reinforce the implementation of the 10-year framework of programmes on sustainable consumption and production patterns, is participating in the drafting of a joint document on sustainable development being prepared by the regional commissions, and has provided input to the process of defining sustainable development goals.

As part of its climate change activities, the Division, with the support of the Ministry of Environment of Spain, developed a specific methodology for the assessment of climate change impacts on coastal areas, which is available to the countries of Latin America and the Caribbean. This methodology and its associated tools were used to conduct a study on the regional impacts of climate change on the coastlines of countries of the region with a view to suggesting adaptation measures and performing an economic analysis of the implications for coastal areas. The findings of the study will make it possible, for example, to calculate the potential effects of sea level rise on the region's coastal areas, using instrumental observations, data from historical reanalysis models and projections for the twenty-first century. This regional study led to the drafting of four main publications and two supporting documents. The publications present an analysis of coastal dynamics, examine coastal vulnerability, assess the impacts of climate change on coastal areas and highlight the associated risks in the region. The first supporting document is a handbook that focuses on the theoretical effects of climate change, containing the concepts, processes and coastal phenomena analysed in the study; the second provides a comprehensive look, from a risk perspective, of the methodology used for this undertaking. This documentation was launched in October 2012 in Cantabria, Spain, at a training event to present the methodology to national officials from the Latin American and Caribbean region. Another outcome of the study was the launch, in October 2013, of a public access database with a web viewer, which can be used to geo-reference the impacts with a spatial resolution of five kilometres for the region's entire coastline.

These findings are complemented by the regional economics of climate change studies (RECCS), whose technical aspects are coordinated by ECLAC. These studies examine the impacts of climate change on agriculture, infrastructure, health and ecosystems, helping countries to identify the implications of climate change for their economies and societies. Within the same purview, a report on the economics of climate change in Ecuador in 2012 was published in October 2013 and received favourable reviews from the Government of Ecuador.



“The Government of Ecuador, through the Ministry of the Environment, expresses its appreciation for the support provided by ECLAC, particularly in relation to the document *La economía del cambio climático en el Ecuador 2012*, which, according to the Ministry, took into account the comments that were compiled in 2010.”

Marcela Aguiñaga Vallejo, Minister for the Environment of Ecuador, Communication No. MAE-D- 2012-0538, Quito, 3 July 2012

Several related publications have been launched, including an analysis of the impacts of climate change on health (dengue and malaria) and a methodological approximation of the agriculture sector in Colombia, and a document on the impacts of climate change on the Paraná and Uruguay rivers in Argentina.

The events organized as part of the Division's climate change activities covered a wide range of themes, such as green tax reform, fiscal policy, risk management and low carbon development. In connection with another of its important

areas of focus, the Division organized a side event on the adaptation challenges and advances in public policy in Latin America and the Caribbean and the experience of El Salvador at the eighteenth session of the Conference of the Parties in Doha, Qatar, in December 2012. The side event was led by the Minister of Environment of El Salvador and ECLAC.

In the framework of the EUROCLIMA programme, a seminar on climate change, public finance and universal social policy was held in Mexico City in January 2013. The Division organized this seminar with the aim of discussing, in the context of climate change, public policy options to achieve sustainable development, in particular those related to environmental fiscal reform to fund universal social protection and environmental conservation. A regional seminar on climate change findings and perspectives was held in Bogota in February 2013, at which the Division presented the results of the first phase of the EUROCLIMA programme, in particular on the economic and social impacts of climate change in Latin America and the Caribbean. Finally, an international seminar on the economic and social impacts of climate change was organized in Santiago in March 2013 to discuss the effects of climate change on poverty and inequality, including the associated channels of transmission, and to analyse different policy options for making progress towards sustainable development and reducing the social effects of climate change.

The Division's activities on human settlements in 2012-2013 included: a side event at the sixth session of the World Urban Forum in Naples, Italy, in September 2012; the forty-eighth Inter-American and Caribbean Housing Conference in Santiago, Chile, on 18-20 August 2013; and the preparatory meeting of the second Sustainable Transport Forum in Latin America hosted at ECLAC headquarters on 29-30 October 2013.

The Division's website was used as a platform for disseminating publications and information on seminars and workshops. In 2012 there was an increase in monthly visitors to the website and the total number of publication downloads increased from 436,568 to 588,271 compared with the previous biennium. The total number of downloads and page views during the biennium rose to 14,271,487.

TECHNICAL COOPERATION SERVICES

The technical cooperation activities carried out by the Division during 2012-2013 strengthened the capacities of the countries in the region in the areas of climate change, sustainable development and human settlements. At least

17 countries have adopted policies in line with ECLAC recommendations. In addition, through these services the Division has supported two countries in the region in conducting Reviews of the Economics of Climate Change and has collaborated with the ECLAC subregional offices on the implementation of regional studies in Central America and the Caribbean.

The Division has carried out numerous activities in the area of climate change and mitigation, including three seminars and ten studies on the socioeconomic impacts of climate change in the framework of the EUROCLIMA programme. In addition, in 2012-2013, ECLAC studied the impact of natural disasters in Latin American and Caribbean countries and set up a database using data on 28 countries from the Commission's disaster impact evaluation reports for the period 1972-2010.

A handbook on estimating the environmental, social and economic impact of natural disasters was prepared as part of the Commission's efforts to promote the inclusion of disaster risk reduction in national and local planning in Latin American and Caribbean countries.

At the request of the Government of Chile, the Division co-organized a meeting of experts in the form of a workshop on environmental information in Santiago in December 2013.

In the context of InterClima 2013, at the request of the Government of Peru and in collaboration with IDB, the Division supported the organization of a workshop to present the preliminary findings of the study on the economic impacts of climate change in Peru in December 2013. The participation of a large number of representatives of academia, civil society and public institutions allowed for a fruitful discussion on the results and the wide diffusion of the study. Prior to the event, ECLAC conducted a technical assistance mission to the Peruvian ministries of environment and finance to reflect on the methodology, results and future action.

With regard to fiscal expenditure, the Division promoted a common regional approach through pilot country studies to account for environmental expenditures and to address international green fiscal reforms, and environmental taxation, in order to improve the capacities of the countries in the region to estimate the environmental budget, using international methodological standards, on a continuous basis. A seminar was held on this topic at the National Institute of Statistics and Geography (INEGI) in Mexico City on 10-14 December 2012. It was attended by government officials from ministries for finance, economic affairs and environment and statistics institutes from six countries (Chile, Colombia, Costa Rica, Dominican Republic, El Salvador and Peru). As a follow-up of this event, another workshop on this topic was organized also

in Mexico in December 2013, in collaboration with the Statistics Division of ECLAC and INEGI, to support several countries in the region. The main objective was to train participants in the methodology, calculation and dissemination of results in relation to environmental accounting and environmental protection expenditure.

At the invitation of the Government of Brazil, ECLAC participated in the assessment of the results of the second phase of the Action Plan for Prevention and Control of Deforestation in the Amazon. The Plan is coordinated by the Executive Office of the President of Brazil. This task involved a review of information, visits to areas with the highest rates of deforestation and to the municipalities that had achieved a significant reduction in deforestation. The assessment led to more than 60 recommendations on different aspects of the Plan, including its management (planning, financing, and coordination), measures for improving land tenure, the development of sustainable economic activities and deforestation monitoring in real time. Some recommendations aimed at strengthening successful public policies, while others proposed changes to those that did not contribute to reducing deforestation.

The Division, in coordination with German and French cooperation, has provided support for several years to the group of Latin American negotiators in the area of reducing emissions from deforestation and forest degradation (REDD) as a mitigation tool under the United Nations Framework Convention on Climate Change (UNFCCC). Two annual meetings have been held on this topic, allowing for exchange of information, analysis of the issues among countries and even joint submissions under the UNFCCC. These meetings have constituted an opportunity for discussing common and different positions on key issues.

This model was evaluated positively by the countries and Brazil and Chile subsequently requested ECLAC support for a similar activity involving the Latin American heads of delegation under the UNFCCC. The objective is to provide a forum for open discussion on the main issues of the negotiations, taking into account that Peru will host the Conference of the Parties and the Bolivarian Republic of Venezuela will host a preparatory meeting prior to the Conference of the Parties in 2014, and that 2015 is expected to be a crucial year for climate change negotiations. The requested meeting was held in October 2013 in Santiago with the high-level participation of 18 countries. The negotiators focused the discussion on those matters on which common positions were feasible and agreed to work towards convergence on topics such as climate change adaptation.

LESSONS LEARNED AND OUTLOOK FOR THE NEXT BIENNIUM

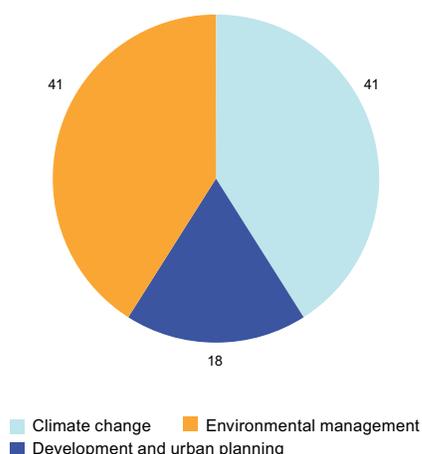
The region continues to face the same key sustainable development challenges, but these are now situated in a new and more demanding context of worsening climate change and a rearrangement of the global economic order. The challenges are to eradicate poverty and eliminate inequalities; halt the destruction of the ecosystems that provide a habitat for the region's rich biological diversity and a source of income for local populations; improve human security at the local level (both rural and urban) and meet the economic needs of the citizens of the region's countries; ensure better integration of the three spheres of development into policies and prevent backsliding in adverse situations by promoting greater participation by all stakeholders, including women, young people and indigenous peoples. The outcomes of the United Nations Conference on Sustainable Development (Rio+20) will be a central reference for the work of the Division in the future.

The interrelationship between economic growth, environmental protection, climate change, urban development and social equality is increasingly important for governments and the main social stakeholders in Latin America and the Caribbean.

The synergies between the Division's manifold activities, in particular the preparation of national case studies, the provision of technical assistance and training courses, the organization of regional and subregional discussion forums and the promotion of political dialogue at the country level, will allow the Division to continue helping to strengthen the capacities of the countries in the region. Its activities will continue to seek the integration of public policies and institution-building for environmental

Figure 8

Technical assistance missions (Percentages)



management, including urban and land-use issues. Policies for sustainable development and climate change will serve as the pivotal elements around which most of the activities will be structured. Lastly, the efficient implementation of activities will require a relatively high degree of flexibility for addressing the changing environment in which activities take place.

The work on assessing the socioeconomic impacts of geological and hydro-meteorological disasters should also be continued and the disaster evaluation efforts should be complemented with risk management. Sustainable development in urban areas calls for a range of different policies and measures to foster adaptation and management plans in cities.



SUBPROGRAMME 9

NATURAL RESOURCES AND INFRASTRUCTURE

Hugo Altomonte

Chief of the Natural Resources and Infrastructure Division

Global issues relating to climate change, natural resource governance and the adequacy of current infrastructure services, including their composition and regulation and the associated policies, have been central to the programme of work of the Natural Resources and Infrastructure Division during this biennium. These topics have gained political traction on the development agenda of member States in the region and in response the Division has disseminated a number of documents and proposals to enable countries to increase their contributions to more inclusive development and to shore up the equality agenda.

Within the framework of the Millennium Development Goals, the region has shown slow progress towards the adoption of a comprehensive management approach along the three axes of sustainable development: social, economic and environmental. Major weaknesses are present in the institutional frameworks for managing water resources, diversifying energy sources and addressing in an integrated manner the growing challenges associated with infrastructure services. The need for environmental regulation in certain industries, such as mining, ports and inland transport, exacerbates this slow development.

Transitioning into more sustainable and efficient energy models is of utmost importance to the region. The global economic and energy context is leading to a new paradigm of economic and technological development, which comprehends concepts including “smart grids”, “sustainable cities” and “intelligent transport systems”. These concepts pose serious challenges for industrial and technological restructuring with a focus on the increasing use of renewable energy. This emerging paradigm in advanced industrial countries goes beyond energy and climate change issues and is driving a new cycle of long-term investment to which the region should pay close attention.

Against this backdrop, the Division addressed the lack of integrated transport policies and regulations in the region and the need to promote co-modal transport and design and implement low carbon infrastructure initiatives. A detailed proposal for a regional sustainable infrastructure and transport strategy was presented and discussed at a high-level meeting of experts convened to consider new challenges with respect to sustainable infrastructure and logistics in the region. The proposal emphasized the importance of discussing new developments in the investment in economic infrastructure services with national and regional public authorities.

On the subject of natural resources governance, the Division prepared two documents for UNASUR and CELAC. ECLAC and various governments in the region consider natural resource governance as playing a key role in the social and economic development of the region.

NATURAL RESOURCES AND INFRASTRUCTURE SERVICES IN THE REGION

In the post-crisis era, Latin America and the Caribbean is facing the challenges of resuming economic growth in a sustainable way, alleviating poverty and improving income distribution while boosting environmental sustainability amid the constraints posed by global climate change. These challenges mean that natural-resource-based economies and infrastructure services, together with new emerging regulations, must be the pivotal elements of the structural change in markets and environmentally sustainable economic and social paradigms.

The region needs to reverse the shortfall in investment in infrastructure services by designing and implementing comprehensive and sustainable policies and by improving regulatory frameworks, eliminating market barriers and failures and promoting public-private partnerships. The region also needs to ensure sustainable management and governance of natural resources in order to maximize their contribution to regional development. Strengthening energy security and ensuring full access through more active policies for efficiency, diversification and regional integration in the short and medium term is also paramount. Clearly, the achievement of these goals implies a series of trade-offs, which must be taken into consideration when formulating public policy proposals.

The perception is that the region is taking a slow approach to closing the gap between the needs and availability of supplies of natural resources and related services, as well as infrastructure services. Nevertheless, the problem of Latin America and the Caribbean is not limited to the lack of capacity of the physical infrastructure, rather it is also linked to market distribution, constraints in the area of physical and energy integration and the need to modernize the existing transport and logistics sector. Transport, logistics and trade facilitation are vectors of competitiveness and development of these areas can be a winning strategy for avoiding productivity loss which limits future growth. In addition, reducing the consumption gap of some energy goods vis-à-vis developed countries and between the poorest social groups must be pursued in a more sustainable manner, that is, by promoting clean energy sources and the greatest possible energy efficiency.

MAJOR ACHIEVEMENTS IN 2012-2013

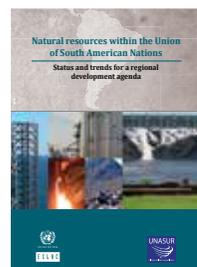
Research, analysis and dissemination

During the biennium 2012-2013, the Division undertook research, targeting its analysis and the dissemination of findings to promote the sustainable management and

technological evaluation of natural resources with a view to maximizing the contribution of those resources to the region's development agenda. It promoted active policies that advocate sustainable and efficient development of infrastructure services, including the improvement of regulatory frameworks that take into account the pursuit of lower carbon emissions.

ECLAC presented the document *Natural resources within the Union of South American Nations: status and trends for a regional development agenda* at the UNASUR Conference on Natural Resources for Comprehensive Development in the Region, held in May 2013 in Caracas. The document analysed the governance of natural resources in the region and emphasized that such governance must be made a priority on the region's agenda. The document recommended defining a clear set of sovereign national and regional policies on the ownership of natural resources and their appropriation, as well as the distribution of productivity gains derived from their exploitation.

Natural resources within the Union of South American Nations: status and trends for a regional development agenda



The debate on natural resource endowment and more equitable sustainable development is a priority on the public policy agenda of the countries of Latin America, in general, and those of the Union of South American Nations (UNASUR), in particular. South American countries possess some of the world's most extensive mineral reserves: 65% of global reserves of lithium; 42% for silver; 38% for copper; 33% for tin; 21% for iron; 18% for bauxite and 14% for nickel. Their mineral potential is estimated to be even greater since only partial geological information is currently available. The subcontinent is also known to have vast oil reserves, especially since the certification of the extra-heavy crude reserves in the Orinoco Belt in the Bolivarian Republic of Venezuela. It also accounts for approximately 30% of global renewable reserves of water, corresponding to over 70% of the water on the American continent.

This publication identifies the different legal and economic instruments which States invoke in order to assert ownership of and distribute the revenue derived from the exploitation of mineral, water and hydrocarbon resources.

The subregion faces challenges and tensions arising from natural resource management and exploitation. In particular, States need to be more progressive in claiming their share of the windfall profits from mining—particularly given the length of the current boom—and in preserving the momentum of investment in this sector, as well as in the hydrocarbon and agricultural export sectors.

The Division complemented its work in the area of natural resource governance by organizing an international seminar on policy challenges, revenue management and inclusive development in relation to natural resource governance in Latin America and the Caribbean in April 2012. The purpose of the event was to discuss the public policies, institutions and regulations in natural-resource-exporting countries in the region, particularly in relation to the appropriation and effective use of revenues from the hydrocarbon, mining and agriculture sectors for achieving a more inclusive development. The event was attended by government authorities, industry leaders, experts and academics.

In terms of infrastructure services, in 2012 the Division produced a publication exploring the complex and evolving issues surrounding infrastructure financing, highlighting and analysing the challenges of public-private partnerships in this area and putting forward policy recommendations aimed at promoting and facilitating such partnerships.

El financiamiento de la infraestructura: propuestas para el desarrollo sostenible de una política sectorial



In an age in which the private sector is increasingly compensating for the gap between the funds needed for infrastructure financing and available public resources, this publication combines an analysis of the mechanisms and instruments of private participation in the financing of infrastructure with specific case studies from Latin America. The

publication identifies the significant role of the private sector in the area of financing and its contribution in terms of innovation, specialization and economies of scale. It highlights that private sector involvement has resulted in institutional and regulatory changes that have led, in some cases, to a modernization of the existing institutional framework. Nevertheless, significant difficulties persist with respect to the clear distribution of tasks, the legal framework in place, State guarantees, taxation policies and other challenges. The publication concludes by offering a set of recommendations for improving and facilitating public-private partnerships in the region by focusing on the selection and management of projects.

The Division also issued an analytical publication on an integrated multimodal policy in the region entitled *América Latina y el Caribe: Desafíos para alcanzar una política multi(modal) e integrada regionalmente* and continued investigating pressing transport and logistics issues in the regularly published *FAL Bulletin*, which

offers policy-oriented studies on the subjects ranging from public transport services to energy efficiency in logistics. The Division set a solid research agenda seeking to guide and facilitate the transformation of existing infrastructure and transport services to fully exploit the region's potential to better integrate into global value production chains. The preliminary findings of this work have been presented at international expert forums such as the International Transport Forum Round Table on ports in Chile, the International Association of Maritime Economists Conference and the Latin American Railways Association (ALAF).

The Division organized two ministerial-level meetings in Central America, with SIECA and the Mesoamerica Project.³³ These meetings marked a milestone in the Latin American integration process as they were the first step towards the establishment of a regional logistics policy. ECLAC will present its recommendations at the next Summit of Heads of State and Government of the Tuxtla Mechanism for Dialogue and Coordination. Other significant events include the CELAC Ministerial Meeting on Infrastructure for the Physical Integration of Transport, Telecommunications and Border Integration and a round table on port development organized at the request of the CARICOM countries.

A regional conference to review the situation of landlocked developing countries was held in Asunción in November 2013. The meeting was organized in collaboration with the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States. The conference analysed the progress made in the implementation of national transport logistics policies with the aim of reducing inefficiencies. The progress made in the Plurinational State of Bolivia and Paraguay was central to its agenda and will continue to be relevant as the region's contribution to the global review of the implementation of the Almaty Programme of Action.

Energy efficiency has been discussed at length through a variety of channels. ECLAC organized the third policy dialogue on energy efficiency with the central theme of how to measure energy efficiency. The meeting was held in Panama in November 2012 in close coordination with the National Energy Secretariat (SNE) of Panama, IDB and the Latin American Parliament, with the financial support from GIZ and BMZ of Germany.

³³ Thirty-second Meeting of the Sectoral Council of Ministers of Transport of Central America (COMITRAN), Panama City, 30 October 2013; and the Mesoamerican Meeting of Transport Ministers, San José, 4 December 2013.

The two major components of the Division's activities, namely energy use and transport, were brought even more closely together at the fourth policy dialogue on energy efficiency held in Mexico City in November 2013. The event was organized in close coordination with the Ministry of Energy, the National Commission for the Efficient Use of Energy (CONUEE) and the Ministry of Foreign Affairs of Mexico. The central substantive theme of this dialogue was energy efficiency and mobility. Representatives from 20 governments in the region and senior officials from 9 multilateral organizations (CAF, IDB, OAS, Association of Ibero-American Energy Regulators (ARIAE), French Development Agency (AFD), Latin American Parliament, Latin American Energy Organization (OLADE), International Energy Agency (IEA) and the German development bank, KfW) attended the event. ECLAC presented a document on the progress and challenges in relation to energy efficiency in Latin America and the Caribbean in the last five years and a summary of the ECLAC position paper on energy efficiency and mobility. These two documents analyse the energy efficiency situation in the region from the perspective of the 27 OLADE member countries and present the emerging challenges that must be addressed to improve energy efficiency in relation to mobility in the region.

ECLAC contributed to the study *Energía: una visión sobre los retos y oportunidades en América Latina y el Caribe*, working in collaboration with LAIA, the Regional Association of Oil, Gas and Biofuels Sector Companies in Latin America and the Caribbean (ARPEL), the Commission for Regional Electrical Integration (CIER), OLADE and the World Energy Council (WEC), and funded by CAF. The study was presented at LAIA headquarters in October 2013, and assessed the current situation in the energy sector in the region and the lessons learned. The study took into account not only the balance between energy supply and demand, but also considered social and environmental elements as well.

Current and emerging issues in the water and sanitation sectors continue to be discussed in the context of the Millennium Development Goals. This was the focus of the Meeting of Experts on Tariff and Regulatory Policy convened by ECLAC in July 2013 in Santiago. The meeting opened with a presentation on the outlook for Latin America and the Caribbean achieving the Millennium Development Goals relating to water and sanitation. With regard to drinking water, ECLAC projected that while the region as a whole had surpassed the corresponding target, 23% of countries in the region may fall short. Regarding sanitation, the target might be met at the regional level by 2015, but 54% Latin American and Caribbean countries

might not meet the target at the national level. The study *Políticas tarifarias para el logro de los Objetivos de Desarrollo del Milenio (ODM): situación actual y tendencias regionales recientes*, which analyses tariff policies and the financial sustainability of water and sewerage utilities within the framework of the Millennium Development Goals, was presented at this event. The role of infrastructure services in achieving the Millennium Development Goals was explored in depth in another publication produced by the Division in 2012, entitled *El papel del transporte con relación a los Objetivos de Desarrollo del Milenio*.

Políticas tarifarias para el logro de los Objetivos de Desarrollo del Milenio (ODM): situación actual y tendencias regionales recientes

The document *Políticas tarifarias para el logro de los Objetivos de Desarrollo del Milenio (ODM): situación actual y tendencias regionales recientes* presents a conceptual analysis of the main objectives of tariff design, explaining the best practices related to tariff structures, adjustment processes, subsidies and other policies. It then looks at the current situation and recent regional tendencies, seeking to answer a number of questions regarding tariff levels, the financial sustainability of service providers, tariffs policies and design, tariff affordability and subsidy systems and other social policies in the water sector. Lastly, the study shows positive and significant correlations between the different indicators of financial sustainability and levels of water supply coverage.

The document *Best practices in regulating State-owned and municipal water utilities* offers an insight into the institutional factors affecting the management of water utilities and regulatory oversight. The document maintains that social structures, regulatory commissions and support systems affect how conflicts are resolved regarding resource allocation, pricing and access to water services. In addition, these issues influence the internal governance of State-owned enterprises. By publishing key performance indicators, regulatory bodies can contribute to greater transparency. The key issue is how to design an institutional system that prevents corruption and low levels of utility performance.

TECHNICAL COOPERATION SERVICES

The Division has provided intensive technical cooperation services to the countries of the region during the biennium, through the strengthening of its relationship with IDB, CAF and OAS and with regional physical integration mechanisms

including the Pacific Alliance, the Mesoamerica Project and the UNASUR South American Infrastructure and Planning Council (COSIPLAN).

At the national level, the Division continued to provide assistance to the Government of Ecuador in developing the draft of the national inland shipping policy and regulatory framework. The proposal involved a sustainable development strategy for inland waterway infrastructure and services that is expected to strengthen economic, social and physical integration at the national and regional levels.

The Division also provided technical assistance to the Government of Colombia for the implementation of a tariff system on the Magdalena River to promote its competitive use. El Salvador also received technical assistance in formulating an integrated policy on logistics, transport and ports, which is intended to improve the quality of services, supply chain management and the country's overall competitiveness at the regional level.

"Both on behalf of the Government of El Salvador and particularly on a personal level I would like to thank ECLAC for its contribution and the knowledge shared.... The collaboration of ECLAC has been of great importance throughout this process and will be taken into account in formulating this policy."

26 July 2013, Gerson Martínez, Minister of Public Works, Transport, Housing and Urban Development of El Salvador

The Division also continued supporting other governments (including Argentina, Dominican Republic, Mexico, Nicaragua, Panama and Uruguay) and port authorities in their ongoing or planned port reforms and on waterborne transport issues.

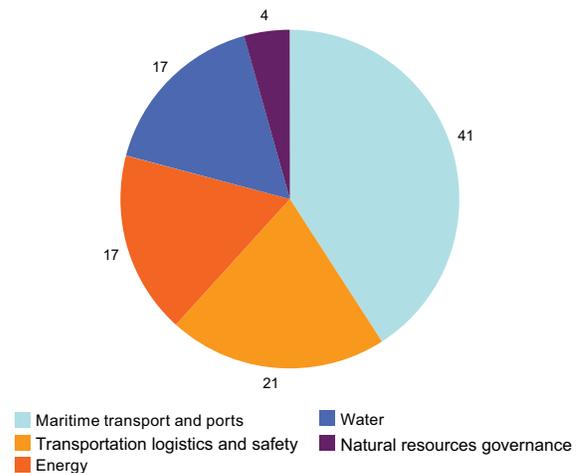
The international symposium on the lessons and challenges associated with the importance of the value of water, held in Peru in November 2012, served as a forum for the Division to provide technical expertise on the implementation of methodologies to calculate the economic value of using surface and groundwater and discharging treated wastewater to achieve the comprehensive financial management of water resources. The objective of these methodologies is to achieve efficient use and preservation of water, consistent with the public interest and socioeconomic development.

On a similar subject, the workshop on integrity and social responsibility in water management, held in Argentina in July 2012, was an opportunity for the Division to contribute to capacity-building on the design and implementation

of regulatory, administrative and organizational tools for formulating policies against corruption at all levels. This workshop also served to promote corporate social responsibility strategies, which facilitate the adoption of environmentally friendly best practices by water management companies and corporations.

The Minister for International Development of Norway and the Executive Secretary of ECLAC signed a cooperation agreement in June 2013 with a view to pursuing public policies and social and fiscal tools that can expand and better distribute the revenues from the exploitation of natural resources in the region. The agreement includes plans to organize seminars, workshops, studies and a policy dialogue on how the concept of equality is linked with natural resource governance.

Figure 9
Technical assistance missions
(Percentages)



The Division developed, in collaboration with ILPES, an international course on infrastructure, transport and logistics policies in Latin America, which brought together 40 public officials from Colombia, Costa Rica, El Salvador, Nicaragua and Peru, to analyse the role of the State in the international development of logistics, interfacing with the hinterland, the modality of transport systems and their regulation, and the need to move towards integrated and sustainable logistics policies that are coordinated at the regional level.

LESSONS LEARNED AND OUTLOOK FOR THE NEXT BIENNIUM

In the energy sector the region has made efforts to step up the diversification of the energy matrix by increasing the share of renewable sources, but the results are not

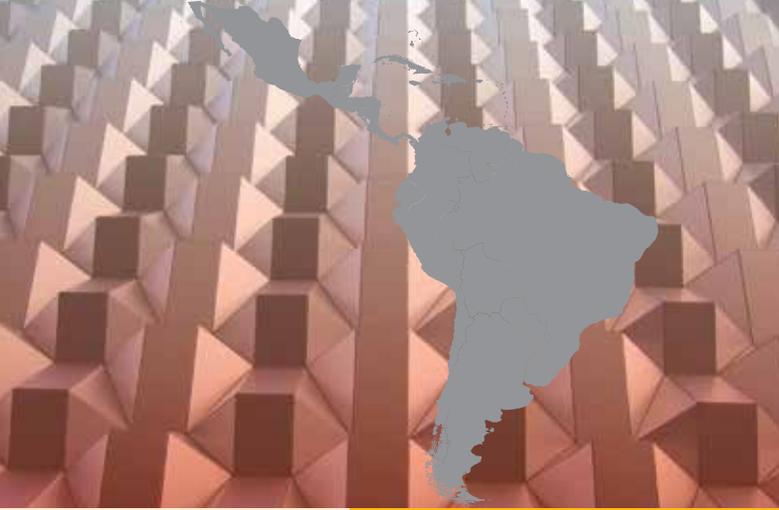
yet significant. The same has occurred in terms of energy efficiency, an area in which regulatory changes, albeit recent, have not led to savings large enough to substantially alter the pattern of the region's energy performance. A global shift in demand for energy is expected due to the accelerated pace of economic growth in China, India and other emerging economies and the advent of a new international regime to address global climate change will force the region to pursue significant structural changes. In practical terms, these challenges call for a short-term response in the form of policy recommendations, instruments and tools with emphasis on regional development priorities. If the region continues to promote energy security, develop sustainable energy markets, strive for energy efficiency and increase the use of renewable energies as viable sources in the coming years, it will achieve a significant long-term structural change.

It has been conclusively demonstrated that the existence of sound infrastructure and infrastructure services, such as transport services, boosts productivity and competitiveness, therefore improving economic and social conditions in the region. However, Latin America and the Caribbean is hampered by serious constraints in the provision of transport infrastructure and related services and in the design and implementation of integrated public policies in the area. One way to solve the needs of the region would be to adopt a comprehensive infrastructure and transport strategy based on sustainable energy sources, in particular, low-carbon infrastructure services. Thorough research and regular policy dialogue on best practices and also past and

current difficulties in this field both within and outside the region are key components of this process.

More in-depth analysis is needed on the economic, social and environmental dimensions of the projected development of the mining sector. At the same time, more transparent and frequent dialogue is needed between the government authorities charged with environmental protection and those responsible for the mining sector in the process of granting rights to mining concessions. Countries must also review environmental issues in connection with their legislation on mining and evaluate the investment of mining profits by national and subnational governments and private actors to examine existing patterns of appropriation, distribution and the use of profits to maximize their contribution to national development.

The region has made considerable progress in relation to the availability of drinking water and, to a lesser extent, sanitation services. However, there remain serious shortcomings in terms of institutional frameworks for water resource management and the provision of drinking water and sanitation services. The main elements to be addressed in the programme of work of the next biennium will be the regulatory failures in integrated water resource and river basin management and meeting the Millennium Development Goal targets on the provision of drinking water and sanitation services. In this context, future studies on climate change may lead to legislation reforms and the creation of new institutional frameworks on water rights.



SUBPROGRAMME 10

PLANNING OF PUBLIC ADMINISTRATION

Jorge Máttar

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

Governments in Latin America and the Caribbean are continuously seeking to improve their effectiveness by incorporating new and innovative approaches into public planning and management in key government institutions and systems. In presidential cabinets, planning ministries and departments, budget offices, central accounting offices, as well as in sector ministries and local governments, reforms and novel practices are being introduced to strengthen development-oriented public agents. Governments are spearheading participatory processes and public-private sector alliances to build national development strategies and long-term visions, in which the reduction of inequalities cuts across all objectives and goals. National planning competencies are being strengthened and institutionalized. Development planning is increasingly addressing the issue of geographical disparities. These are just a few examples of current movements towards development and results-oriented planning and management in public administration in the region.

ILPES is innovating to support the region's governments in this endeavour through applied empirical research, training and technical cooperation, aimed at strengthening governments' capacities to enhance the use of planning as an important instrument of public policy.

ILPES analyses and evaluates governance structures and issues, from macro, meso and micro perspectives, using ex ante, process or ex post approaches. It has provided technical cooperation services to national evaluation agencies for project, programme and policy evaluations and trained government officials in many countries in methodologies for the evaluation of outcomes and impacts of public interventions. Moreover, ILPES has developed methodologies to support local and regional development strategies, aimed at reducing regional disparities. Several courses have been offered in the design and subsequent implementation of development strategies, plans and programmes, always working closely with local, regional and national government authorities.

PLANNING OF PUBLIC ADMINISTRATION IN THE REGION

In recent years, and particularly in the context of the international financial and economic crisis, the question of the State's ability to conduct medium- and long-term policies has re-emerged as a core issue on the development agenda. The region is currently analysing its recent development experience and its performance in the crisis, and seeking to achieve a balance between public action, private initiative and the role of the State.

Public management in the region has improved, as evidenced by the macroeconomic management of the current international economic and financial situation. Further progress is needed to strengthen a fiscal and social covenant, understood as the basic institutional arrangements needed to foster a healthy and long-term balance between the State, civil society and the market economy, through the art of governing for sustainable economic, social and institutional development.

Many countries in the region are building or implementing long-term development strategies, with the focus on reducing social inequalities and alleviating poverty, taking into account national, territorial, and sectoral factors. This is an innovative approach to development in the region and one which calls for the adjustment or redefinition of the institutional setting and arrangements in order to be able to pursue the commonly agreed long-term development agendas. The challenges posed by economic instability and the persistence of significant structural problems—poverty, income inequality, gender discrimination, regressive tax systems, poor-quality education, lack of citizen security and safety, to name but a few—place additional demands on public management—expenditure, income and debt—and call for a shared development agenda among all actors.

MAJOR ACHIEVEMENT IN 2012-2013

Research, analysis, training and dissemination

The activities of ILPES during the biennium 2012-2013 were shaped by the member governments' demand for services to support them in strengthening their skills in priority areas for public administration and development planning. Governments have made considerable efforts to strengthen management in new areas, such as the preparation of development agendas, the creation or strengthening of national planning systems and territorial planning to reduce social and economic disparities. To serve the interests of the governments of the region, the Institute has conducted empirical research and has developed new

methods of providing advisory services and training, aimed at strengthening institutional capacities, mainly through advisory services and training for technical staff, middle management and decision makers, with a renewed focus on the pursuit of sustainable development. In tangible terms, ILPES published over 20 papers on development planning and management in Latin America and the Caribbean, provided training to more than 3,000 course participants, organized several seminars for experts, officials and decision makers and carried out more than 10 technical cooperation projects.

ILPES sets itself apart through its publications by providing an international comparative analysis that helps to give an overview of the region. The publication *Panorama de la gestión pública en América Latina. En la hora de la igualdad* is one of its key contributions, providing an overview of public management in Latin America and the Caribbean. The first edition published in 2004 reviewed public finances and budgetary policies at the beginning of the new century. Eight years later, it was decided to reinstate this publication to analyse the ever-changing nature of public finances in countries in the region and the emergence of new governance initiatives, particularly in relation to the revival of comprehensive development planning. The summary of the 2014 edition was presented at the fourteenth meeting of the Regional Council for Planning in November 2013.

A second key recurrent document of the Institute is the *Panorama del Desarrollo Territorial en América Latina y el Caribe 2012*, which offers a territorial development overview focusing on the geography of social and economic gaps in Latin America and the Caribbean. It includes a multidimensional approach to the measurement of territorial disparities, an analysis of the policies and institutions in the countries of the region that promote a more geographically balanced development, and the challenges that regional development policies must overcome to achieve structural change and equality. The document incorporates contributions from a number of public officials who are responsible for territorial development policies in their respective countries.

Furthermore, ILPES made a substantive contribution to the document *Population, Territory and Sustainable Development*, coordinated by CELADE, which was presented at the meeting of the ECLAC Ad Hoc Committee on Population and Development in 2012. The document reiterated the importance of population dynamics in the formulation and implementation of public plans, policies and programmes.

ILPES has created methodologies to support regional development strategies aimed at reducing territorial

disparities. It offered on-site and remote courses that involved working closely with the authorities of local, regional and national governments to prepare and later put into practice development strategies, plans and programmes. The activities are grounded in a conception of sustainable development that encompasses the traditional economic, social and environmental pillars, and adds a fourth pillar, the institutional, whose strengthening at the territorial and local levels is decisive in raising the chances of success of such strategies. In this regard, ILPES has documented the economic and social inequalities between territories and, therefore, the importance that countries are placing on reducing inequality as a basic condition for achieving greater cohesion and sustainable and balanced development.

Since 2011 ILPES has been promoting the strengthening of government capacities in foresight planning for development with the aim of introducing prospective analysis in public policy. In 2013 the Institute organized its first course on prospective analysis for development. In 2014 ILPES is organizing an international seminar to discuss the future from the perspective of different continents. ILPES has established a network of centres for prospective studies with a view to uniting efforts on research, training and technical cooperation.

Manuals and methodological documents account for the majority of downloads of ILPES documents, which is evidence that building the knowledge and capacities of the public sector is a priority and that it is important for ILPES to continue producing relevant and up-to-date materials to meet this demand. Many courses offered by the Institute are based on purpose-designed materials. For example, a manual on strategic planning and performance indicators in the public sector was used as the basis for international courses and high-level workshops in at least 10 countries in the region. A manual on training and institutional strengthening to promote the Millennium Development Goals served as an input for courses and workshops conducted by ILPES in countries including the Bolivarian Republic of Venezuela, Chile, Guatemala, Mexico and Uruguay. A manual on the formulation of programmes using the logical framework methodology is used for all courses on results-based management given by ILPES in the region. The courses on the strategic management of local development that have been provided in practically all the countries of South and Central America are based on a manual which was recently updated. The manual was translated into Portuguese for the courses that have been given in most of the states of Brazil over the last seven years.

One of the main services provided by ILPES is the organization of courses for public officials. During the

biennium, in cooperation with AECID, the Institute offered annual courses at the Agency's training centres in Montevideo (Uruguay), Antigua (Guatemala), Santa Cruz de la Sierra (Plurinational State of Bolivia) and Cartagena de Indias (Colombia). The topics covered by those courses included territorial competitiveness and local development; regional analysis techniques; leadership for development; planning, government and development; and e-government in results-based management.

ILPES has been promoting a move towards a new agenda of State reform and public-sector modernization that involves improving efficiency and effectiveness through the intensive use of ICTs and the formulation of e-government strategies and open government action plans. In this connection, ILPES has taught pioneering courses on open government and e-government, targeting the civil servants in charge of these agendas in their respective governments. The students come from national governments and, increasingly, subnational entities, which are attuned to the requirements of a demanding society and the need to build relationships and coordination between the different levels of government.

As part of a comprehensive training programme organized in conjunction with the Ministry of National Integration of Brazil, ILPES delivered courses on strategic planning for local and regional development in six Brazilian states. To reflect on the experience of working with the Ministry of National Integration of Brazil and IICA the document *Programa de cooperação em capacitação para o desenvolvimento regional e local: um estudo de caso da experiência brasileira* was published in November 2012, as part of the Institute's *Desarrollo Territorial series*.

ILPES has taught distance-learning courses³⁴ for the purposes of capacity-building, especially in the area of planning and with a focus on addressing the realities of the region. A blended training modality, part on-site and part distance learning, has increasingly gained ground. The Moodle platform is used to deliver materials in the distance phase, to perform tasks and to provide an introduction prior to the on-site phase of the course. Using this format, ILPES has made strategic alliances with several entities, including international institutions and other bodies such as the Centre for the Promotion of Micro- and Small Enterprises in Central America (CENPROMYPE) of the Central American Integration System (SICA) and the Ibero-

³⁴ Basic elements of local and regional development (duration: 14 weeks); Logical framework (duration: 6 weeks); Competitiveness and enterprise networks (duration: 8 weeks); Localization of the Millennium Development Goals (duration: 5 weeks); Gender statistics and indicators (duration: 8 weeks); Time-use surveys (duration: 8 weeks); Public policies on care (duration: 8 weeks).

American Union of Municipalities (UIM). In cooperation with CENPROMYPE and with funding from the Government of Austria, ILPES offered a diploma on the management of local development in border regions of Central America, taught over a six-month period using a blended learning approach. The course was conducted in two border areas (Belize-Guatemala and Costa Rica-Panama) and provided training for 50 public officials, members of civil society and representatives of the private sector in cross-border strategic planning, focusing on value chains in tourism for the promotion of the region.

Demand for ILPES distance courses has grown to such an extent that UN-Women, UNICEF, UNDP and UNFPA, and public bodies in the region (national statistics institutes, the National Secretariat of Planning and Development (SENPLADES) of Ecuador and the School of Financial Management (ESAF) in Brazil, among others) provide scholarships to public officials to receive training from ILPES. The quality of the courses is attributable not only to their content, but also, largely, to the calibre of the international experts who deliver them.

In addition to on-site and online courses involving about 2,000 people a year, the Institute organized seminars, meetings and virtual networks that contribute to the creation of human, individual, collective and institutional capacities that set up or strengthen processes to improve the quality of public administration for development. In October 2012 the International Seminar on National Policies for Regional Development, held in Santiago, brought together almost 100 specialists and policymakers, who discussed the progress made in Latin America on addressing territorial inequalities and the status of national policies on territorial development. At the Seminar on Regional Development Policies organized by the Government of Brazil, with support from ILPES, in March 2013, the same Latin American specialists came together and created a Latin American network of national policymakers with a focus on regional development.

In May 2013, the third meeting of the Network of National Systems for Public Investment took place in Santa Cruz de la Sierra (Plurinational State of Bolivia), with the support of the Bolivian Ministry of Development Planning; it was attended by representatives from 12 countries. ILPES promoted the creation of this network to which it contributes each year through its substantive work and the organization of meetings, including the supply of inputs, research and policy analysis for discussion.

In April 2012 a seminar on the challenge of open government in the time for equality was organized by ILPES and the Division of Production, Productivity and Management of ECLAC, within the framework of the @LIS2 programme of the European Union. The objective of the seminar was to stimulate discussion between government authorities, public and private stakeholders and renowned international experts on the concept of open government. ILPES is currently developing a network to compile open government initiatives at the national and subnational levels.

Fourteenth meeting of the Regional Council for Planning of the Latin American and Caribbean Institute for Economic and Social Planning

At the fourteenth meeting of the Regional Council for Planning of the Latin American and Caribbean Institute for Economic and Social Planning (ILPES), held on 22 November 2013 in Brasilia and organized by ECLAC and the Government of Brazil, the participants requested ILPES to promote applied research, technical cooperation and training in subjects related to the regional dimension of development, public and private investment, infrastructure and the role of the State.

They also emphasized the importance of coordination, evaluation and prospective analysis in driving structural change for equality, integration by strengthening the regional perspective in development planning and investment in physical and production infrastructure.

At this intergovernmental meeting—whose importance was reaffirmed by the participation of representatives of more than 20 countries, including nine ministers—the medium-term strategic proposal for ILPES cooperation was presented, which has three basic components: (i) the creation of a centre of development planning knowledge; (ii) the inclusion of a regional perspective in development planning and public administration, in order to strengthen regional integration and cooperation; and (iii) the improvement of institutional and human capacities with a view to strengthening States in the sphere of public administration and planning. Ecuador and Guatemala were elected as co-chairs of the Presiding Officers of the Regional Council for Planning for the period 2014-2015.

In accordance with the agreements adopted at the fourteenth meeting of the Regional Council for Planning, in 2014 a meeting of the Presiding Officers shall be held to examine and decide on the details of the Institute's cooperation with the countries in the region.

TECHNICAL COOPERATION SERVICES

As the region evolves, a growing demand for technical cooperation services and training in the areas of competence of ILPES has prompted the Institute to innovate, generating even greater demand for its services during this biennium.

To assist the region with the development of plans to achieve the Millennium Development Goals, ILPES has developed and conducted a series of training workshops on localizing the Millennium Development Goals. The workshops were designed for public officials at the municipal level responsible for the planning and formulation of local development policies in territories that are lagging behind in the fulfilment of the Millennium Development Goals. The expectation is that they will build partnerships with local stakeholders and replicate the initiative in other municipalities to ensure continuity. To illustrate this, a cooperation agreement was signed in 2013 between the government of Mexico state in Mexico and ECLAC for the organization of workshops in four municipal capitals. Each workshop brought together an average of 30 municipal officials —most of whom were responsible for development policies and social policies— thus covering all of the municipalities in the state.

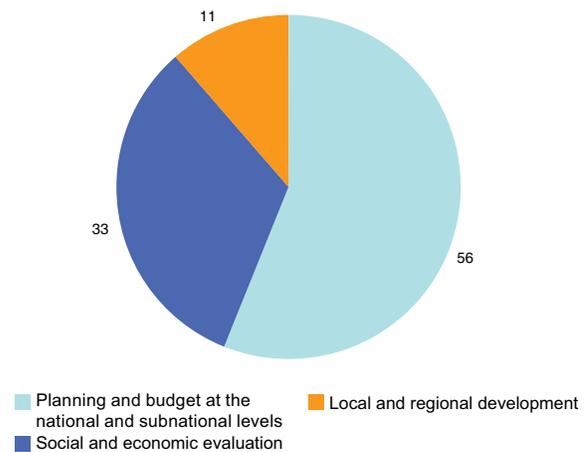
In addition, the Institute developed workshops to assist governments in the structuring of inclusive development in their respective countries. In 2012 ILPES held a workshop on forecasting for officials of the Technical Secretariat for Planning of Paraguay, collaborated on the preparation of the impact report of the Study on the Economic Development of Paraguay (EDEP) and acted as a link between the Government of Paraguay and Chilean institutions such as the Institute for Agricultural Development (INDAP) and the Office of the Under-Secretary for Regional and Administrative Development (SUBDERE). In 2013, ILPES co-published with the Japan International Cooperation Agency (JICA) a book entitled *Estudio sobre el desarrollo inclusivo del Paraguay: experiencias de una cooperación internacional*.

ILPES was requested to provide technical cooperation services and training to Peru, Costa Rica and Paraguay in the field of foresight planning for development. The Institute published a study on the state of the art in foresight planning, undertook research on prospective views regarding the mid-term trajectory of the region's development gaps identified by ECLAC in *Time for equality: closing gaps, opening trails* (ECLAC, 2010), and developed the first international professional specialization course in the field in 2013. In the Dominican Republic, ILPES provided

technical cooperation services on public investment. Under the guidance of ILPES, the Ministry began to publish a semi-annual report on public investment, which serves as an instrument to improve accountability to the Senate of the Republic.

Figure 10

Technical assistance missions (Percentages)



The Institute collaborated with the Government of Ecuador, within the framework of a programme to modernize the Ecuadorian public investment system, by submitting a document to the Secretariat for Planning and Development containing a proposal for the conceptual and operational design of the public investment system. Advice has also been given to the Government of Ecuador on decentralization policies. In the context of State reform in El Salvador, ILPES has provided technical advice to the technical secretariat of the Office of the President on a proposed national planning system. In the first phase, ILPES helped to establish a conceptual framework for the design of the system and, in the second, it helped to draft a bill on the creation of a national planning system, which is subject to the approval of the Legislative Assembly.

In Nicaragua, ILPES collaborated with the Executive Secretariat of Food and Nutrition Sovereignty and Security and the Nicaraguan Institute for Municipal Development (INIFOM) on the implementation of the Act on Food and Nutrition Sovereignty and Security by training 45 officials responsible for municipal planning on including food sovereignty and security in municipal management.

The work of the Institute includes the evaluation of public policies. ILPES has been assisting countries in the region in the introduction of results-based management through training and technical assistance. In some cases the scope

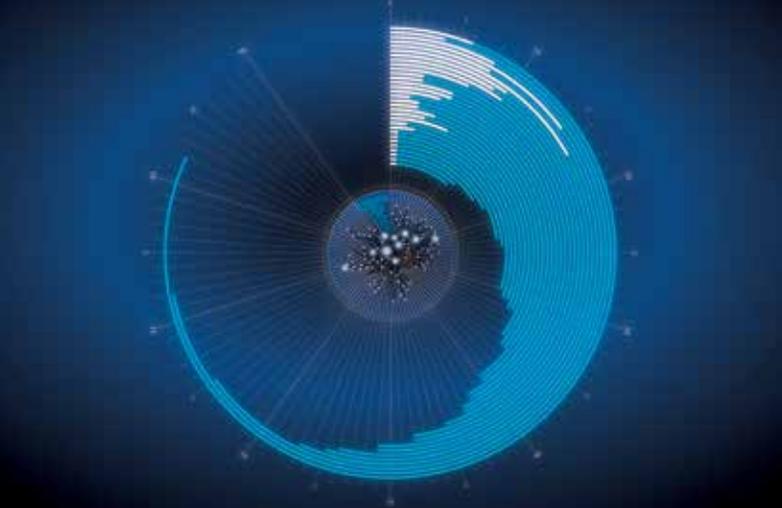
and coverage of that assistance has been particularly broad, for example, in conjunction with the Ministry of Finance and Public Credit and the National Council for the Evaluation of Social Development Policy (CONEVAL) in Mexico, ILPES has provided training to more than 1,300 civil servants and technical assistance to most federal and state programmes in the past two years. Similar comprehensive support initiatives have been developed successfully in other countries.

LESSONS LEARNED AND OUTLOOK FOR THE NEXT BIENNIUM

Challenges remain in identifying concrete ways to apply information technology in activities relating to budgetary policies, public sector management and local development policies. There is a clear need to redesign methodologies to facilitate the collection of data on programme performance, for example, by improving surveys that allow for a better evaluation of the impact of the Institute's work. The initial aim is to create an instrument to receive and analyse

feedback on the technical cooperation services provided in order to assess the short- and medium-term effects of the Institute's training and other technical cooperation activities. The ultimate aim is to dispose of tools to improve and update continuously the activities offered by ILPES, according to the experience, needs and demands of member countries. In this context, the recent expansion of the technical cooperation services provided by the Institute to include the evaluation of public policies will help the countries of the region to develop the expertise needed to use results-based management to better assess the impact of their own policies and the assistance provided by ILPES.

The absence of a single, long-term Latin American and Caribbean vision for development is an important consideration and it is hoped that the future programme of training, technical assistance and research will help build the capabilities needed for a common regional vision. The feasibility of setting up a high-level forum to examine the outlook for the future in terms of development planning from within the region and at a global level will be explored in the next biennium.



SUBPROGRAMME 11

STATISTICS

Pascual Gerstenfeld
Chief of the Statistics Division

During this biennium the Statistics Division achieved a number of objectives, fulfilling its aim to support countries in their efforts to build, strengthen and harmonize statistical information and the decision-making systems underlying the design, monitoring and assessment of development policies in the region.

The Statistical Conference of the Americas, a subsidiary body of ECLAC that contributes to the progress of the statistical activities in the region, convened its seventh meeting, with the highest attendance in its history: 35 countries, represented mainly by their National Statistical Offices, as well as several regional and international organizations. The strong support that the Division provides to the Conference and the activities of its working groups has contributed to the consolidation of this body as the primary forum for statistical discussion and coordination in the region.

After several years of work, the data collection and validation activities on prices and national accounts for the International Comparison Programme (ICP) have been concluded for 39 Latin American and Caribbean countries, a huge advance considering that in the previous ICP round only 10 countries participated. The implementation of this programme, which aims to estimate purchasing power parity indices for all countries in the world, required a significant effort from the countries in the region and the Statistics Division, and made a significant contribution to the strengthening of basic statistics.

In connection with the dissemination of statistics, the Division launched an enhanced version of CEPALSTAT, the Commission's main statistical portal and entry point to most of its databases. This version provides new features such as national and regional profiles, capabilities for massive data sets, access for application programming interface (API) developers and a collection of infographics. On the basis of these improvements the Division is currently redesigning its flagship document, the *Statistical Yearbook for Latin America and the Caribbean*.

The Division's research and technical assistance have spanned a wide array of topics during this biennium in the areas of economic, environmental and social statistics. It is worth mentioning, for example, the development of a regional strategy for the implementation of the System of Environmental-Economic Accounting (SEEA) 2012, the exploration of multidimensional poverty measurements, and technical support in the implementation of the System of National Accounts 2008 and integrated household survey systems.

The work undertaken in this biennium has made a major contribution to the development of national statistical systems and the strengthening of statistics in the region, and these efforts are expected to continue bearing fruit during the next biennium.

STATISTICS IN LATIN AMERICA AND THE CARIBBEAN

The production of economic, social, demographic and environmental statistics has developed steadily in Latin America and Caribbean countries. For instance, countries are making progress in producing national accounts in accordance with international recommendations, strengthening and consolidating their survey systems and demonstrating increasing awareness of the need to produce basic statistics and indicators on the environment. Nevertheless, most countries in the region face challenges that hinder the solid development of statistics. Even though having a strong national statistical system is essential to producing information for the design, implementation and monitoring of public policies, statistics are not always a priority on public agendas and are often allocated insufficient resources. Against this backdrop, the Division aims to improve the production, dissemination and use of high-quality and reliable statistics for evidence-based decision-making in the economic, social and environmental fields.

The Statistical Conference of the Americas of ECLAC has progressively consolidated its position as the main forum for discussion and coordination among national statistical offices in the region. As the relevant subsidiary body of the Commission, the Statistical Conference contributes to policies on statistics and statistical activities in the countries of the region. The Conference has a number of working groups devoted to institution-building, gender statistics, environmental statistics, censuses, national accounts, information and communications technologies, poverty statistics, international classifications, agricultural statistics, labour-market indicators, household surveys, Millennium Development Goal indicators, statistics on childhood and adolescence and statistics on public security and justice.

MAJOR ACHIEVEMENTS IN 2012-2013

Research, analysis, dissemination

One of the major achievements has been the progressive consolidation of the Statistical Conference of the Americas of ECLAC as the primary forum for discussion and coordination among the national statistical offices in the region. At its seventh meeting, the Conference adopted new operational guidelines for its working groups. The working groups are organizational arrangements whereby member countries jointly address an issue concerning one of the four areas of the Strategic Plan. These new guidelines will allow working groups to be more focused on specific

tasks or outputs, reducing the excessive generalization of their programmes of activities, and will also strengthen the role of the Executive Committee in monitoring the operations of the working groups.

Seventh meeting of the Statistical Conference of the Americas of ECLAC

The seventh meeting of the Statistical Conference of the Americas of ECLAC, one of the subsidiary bodies of the Commission, was attended by representatives of more than 35 countries, as well as experts and heads of statistical institutes. On this occasion, ECLAC advocated the need to foster the strengthening of the region's national statistical offices, and the quality and accessibility of information in order to move towards the forging of social covenants for equality.

During the meeting, four seminars were held on topics including institutional-strengthening in relation to national offices to enhance the quality and credibility of official data, as well as the challenges posed by the post-2015 development agenda, including the transition from the Millennium Development Goals to sustainable development goals.

The seminars also analysed gender mainstreaming in producing statistics, and the development of basic economic statistics in the framework of the System of National Accounts (SNA 2008) in Latin America and the Caribbean, which sets out rules for the preparation of national accounts.

In addition to providing support to the Statistical Conference, the work of the Statistics Division has focused on the compilation, production and dissemination of comparable social, environmental and economic indicators and on the development of quantitative methodologies to produce new indicators and utilize existing ones to analyse and formulate public policies in the region.

With respect to the first task, CEPALSTAT, the Commission's main statistical portal, has been enhanced by improving the timeliness of the information, increasing metadata and providing new features. The new website was designed and launched on February 2013, containing national and regional profiles that are aligned with databases, a new dashboard to facilitate access to massive data sets, web services for advanced API developers (open data project), and a collection of infographics, among other features.

A variety of activities were carried out to foster the development and use of new indicators to monitor economic, social and environmental trends in the region.

In order to comply with the recommendations of the System of National Accounts, countries of the region have had to enhance the quantity and quality of basic economic data, as well as the technical capacities for estimating national accounts. To this end, activities have been carried out to promote the use of international recommendations and classifications through technical assistance missions, seminars and workshops. Such activities also contribute to other strategic objectives such as improving the technical capabilities of the staff of statistical institutions.

The Division's flagship publication, the *Statistical Yearbook for Latin America and the Caribbean*, seeks to respond to the needs of users who require reliable and sound statistical information in order to analyse the economic, social and environmental situation of the region.

An important achievement of the biennium was the conclusion of the data collection and validation activities for prices and national accounts for the International Comparison Programme (ICP) for 39 Latin American and Caribbean countries. The 2011 ICP round was led by the World Bank as a worldwide statistical operation to produce internationally comparable price and volume measures for GDP and its component expenditures based on PPPs. To calculate the PPPs, the ICP holds surveys every five years to collect price and expenditure data for the whole range of final goods and services that comprise GDP, including consumer goods and services, government services and capital goods. Within the overall framework of the 2011 ICP round led by the World Bank, ECLAC coordinated the activities in the Latin American and Caribbean region, with the participation of 17 Latin American and 22 Caribbean countries.

Improving the measurement of poverty has continued to be an important objective during the reporting period. In this connection, the Division undertook a multidimensional analysis of poverty in the region, which is contained in *Social Panorama of Latin America 2013*. It is expected that multidimensional poverty and welfare measures will be a central focus of the programme of work for the next biennium.

Another important area of work involves environmental accounting. In collaboration with the United Nations Statistics Division, a regional workshop was held in Brazil to bring together users and producers of statistics and to discuss the implementation of SEEA 2012 in the region. In addition, a proposal for a regional strategy for the implementation of SEEA 2012 has been developed and sent to member States for comment.

With regard to environmental statistics, work is being done to develop guidelines on water statistics and accounts to complement the System of Environmental-Economic Accounts for Water (SEEA-Water) and the International Recommendations for Water Statistics (IRWS). Initial steps were also taken to promote the production of information on environment-related expenditure. A workshop on environmental accounts and environmental expenditure was organized in Mexico, together with the national statistical institute (INEGI) and the Sustainable Development and Human

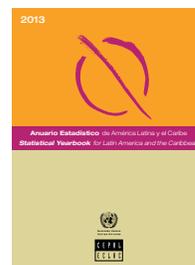
Statistical Yearbook for Latin America and the Caribbean 2012



The *Statistical Yearbook for Latin America and the Caribbean 2012* is similar in structure to the 2011 edition as no significant changes have been made in terms of content or design. The *Yearbook* covers demographic and social indicators and continues to reflect special efforts to mainstream the gender perspective in statistical information and to encompass poverty-

related topics. It also presents economic statistics relating to trade, the balance of payments and domestic prices, as well as national accounts, and provides quantitative information available on the environment. Given the abundance of different, sometimes conflicting, data now accessible to researchers, special attention must be paid to the data sheets on which the source of the data, their definition and coverage are specified. This information is presented in the last part of the *Yearbook*, which deals with methodology and metadata, supplementing the more specific information contained in the footnotes to each of the tables.

Statistical Yearbook for Latin America and the Caribbean 2013



The *Statistical Yearbook for Latin America and the Caribbean 2013* presents a set of basic statistics on the economic, sociodemographic and environmental situation in the region. This information reflects a portion of the statistics available on CEPALSTAT, the statistical databases and publications portal of ECLAC.

A new feature of this year's edition is the inclusion of regional profiles giving an overview of each area. These offer the reader a thematic regional snapshot for a selected set of indicators.

Settlements Division of ECLAC. As a result of this work, ECLAC, in collaboration with INEGI, is developing methodological guidelines for measuring public environmental expenditures.

In the field of international trade statistics, two regional workshops were organized in collaboration with the United Nations Statistics Division in order to discuss implementation and methodological aspects of the international recommendations on merchandise trade and services statistics. ECLAC supported an IDB-funded project that is aiming to design a strategy for creating and maintaining registers of enterprises and firms that would benefit several countries in the region.

Regarding the monitoring of the Millennium Development Goals, ECLAC developed a statistical conciliation strategy, working in close collaboration with countries and international agencies, and with major support from the Statistical Conference of the Americas. This activity also contributed to the strategic objective of strengthening the institutional situation of national statistical systems. The strategy promotes an in-depth analysis of discrepancies and seeks to encourage the production of more and better quality indicators that are comparable at the international level. One of the major objectives of the strategy is to foster coordination between central statistical offices, the different ministries or agencies involved in the production of Millennium Development Goal statistics and the national agencies responsible for producing national reports on progress towards the Goals.

Under the work plan of the interregional project "Strengthening statistical and inter-institutional capacities for monitoring the Millennium Development Goals through interregional cooperation and knowledge-sharing" led by ECLAC, in collaboration with the Economic and Social Commission for West Asia (ESCWA), the Economic and Social Commission for Asia and the Pacific (ESCAP), the Economic and Social Commission for Africa (ECA) and the Economic Commission for Europe (ECE), a seminar was held in Santiago on 4-5 November 2013 on Millennium Development Goal indicators and the post-2015 development agenda. The main purpose of the seminar was to share and reflect with the directors and other staff members of the national statistical offices of the region on the progress made at the international and regional levels towards designing the post-2015 development agenda and the main challenges in this connection. Presentations were made on two methodological reports and the technical cooperation activities carried out. It should be noted that the regular coordination between ECLAC, the United Nations Statistics Division and the Inter-agency and Expert Group on Millennium Development Goal Indicators had been of great benefit to the Latin American and Caribbean countries.

TECHNICAL COOPERATION SERVICES

The Statistics Division has been an active supporter of the implementation of different statistical instruments and the

strengthening of national capacities in countries of the region, through technical cooperation activities and training.

Several technical assistance missions were carried out to support the implementation of national accounts and satellite accounts in Argentina, the Bolivarian Republic of Venezuela, Costa Rica, Cuba, Ecuador, Guatemala, Honduras, Nicaragua, Paraguay, Peru and Uruguay. Technical missions on the measurement of prices were also carried out in the Bolivarian Republic of Venezuela, Cuba, the Dominican Republic, Ecuador, Guatemala, Honduras and Panama.

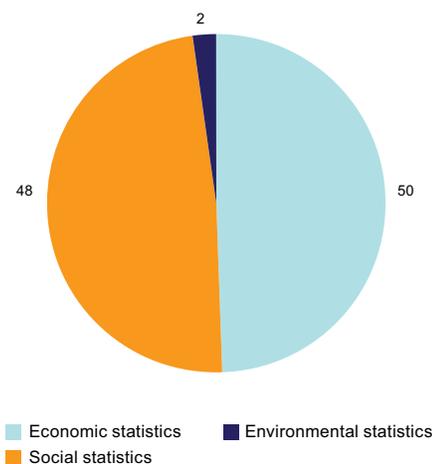
"The technical cooperation assistance provided by ECLAC contributed enormously to the implementation of our quarterly national accounts and to the support for short-term macroeconomic analysis."

María Elena Mondragón, President, Central Bank of Honduras

As the Caribbean countries did not participate in the 2005 ICP round, they faced greater challenges in adapting to ICP processes and methodologies; ECLAC therefore promoted the development of national capacities in those countries to enable them to participate in the 2011 round. ECLAC worked to reduce the capacity gap of national statistical offices in those Caribbean countries to establish common data collection protocols related to purchasing power parity and to produce and analyse national accounts in order to increase information on poverty in the Caribbean.

In conjunction with IMF, the Division organized two courses on national accounts in Costa Rica and Guatemala. These courses were attended by officials responsible for compiling national accounts from most of the countries in Central America.

Figure 11
Technical assistance missions
(Percentages)



In addition, two seminars on national accounts, held in Santiago in November 2012 and November 2013, presented an opportunity to discuss a regional programme for coordinating activities towards the implementation of the SNA 2008 recommendations and production of the related economic statistics. Two regional seminars were also jointly organized with the United Nations Statistics Division on the implementation of the SNA 2008 and related basic economic statistics; the first, for the Caribbean countries, was held in Jamaica in January 2013 and the second, in Brazil in September 2013, for the Latin American countries.

Technical missions were carried out to improve the design of household surveys, which are the main source of information for the measurement of poverty and a wide array of social indicators. In particular, ECLAC has supported the implementation of integrated household survey systems in the Bolivarian Republic of Venezuela, Ecuador and El Salvador, and provided assistance for the improvement of several surveys in countries including Costa Rica, the Dominican Republic, Guatemala, Panama and the Plurinational State of Bolivia. The improvement of decent work indicators was supported through the RECAP project,³⁵ with courses conducted in Costa Rica, the Dominican Republic, El Salvador, Nicaragua and Panama.

"We are grateful for the technical assistance provided by ECLAC on important areas such as household surveys, the satellite account for culture and the indicators on foreign trade and competitiveness and we request continued support to improve statistical production and develop new operations that will respond to the new public policy challenges associated with the patriotic agenda of the bicentenary of the Plurinational State of Bolivia in 2025...."

Luis Pereira, General Director, National Statistics Institute (INE), Plurinational State of Bolivia.

The work carried out on environmental statistics was focused on increasing the regular production of data and improving their quality. The main efforts involved developing data collection strategies for water statistics in Colombia and Ecuador and organizing a regional training workshop on water statistics and accounts in Lima, in November 2012.

LESSONS LEARNED AND OUTLOOK FOR THE NEXT BIENNIUM

Latin American and Caribbean societies are on the whole becoming more aware of the relevance of statistics as a prerequisite for good governance at the country level.

³⁵ ILO project entitled "Strengthening the capacity to devise and analyse decent work indicators", known as RECAP.

Statistics help to identify the main challenges faced by countries and provide essential input for the design, monitoring and evaluation of public policies. Therefore, securing the production of reliable and high-quality statistics should be a concern not only of governments and citizens, but also of the regional and international community of statisticians. The Code of Good Practice in Statistics in Latin America and the Caribbean adopted by the Statistical Conference of the Americas provides an excellent first step towards that goal and offers national statistical offices and statistical systems general guidelines on how to move forward. But more mechanisms are required to support the implementation of the best practices in the countries in the region. The Division encourages efforts that seek to provide national statistical systems with sufficient resources, independence and review mechanisms to produce statistics following the best practices available.

In addition to the constraints on national statistical offices that have already been recognized, such as the scarcity of economic and human resources or the institutional obstacles to truly independent operations, national statistics systems face new challenges derived from technological developments. The capacity of computers to gather and process huge amounts of digital information, mostly held and processed by private companies, brings opportunities and challenges for the production of statistics. "Big data" offer new possibilities for monitoring and analysing economic, social and environmental issues, as they provide information that was not previously available. Nevertheless, they also represent a challenge for national statistical offices, which do not currently have the means to access and process this kind of information, and which lack institutional authority to regulate them as part of the national statistical system. It is quite possible that big data may replace traditional information sources, making it critical for national statistical offices to adapt to this new context.

During the next biennium the world will be assessing its performance on the Millennium Development Goals and establishing a set of sustainable development goals and indicators. The lessons learned from the monitoring of the Millennium Development Goals will be very valuable to the discussions on the post-2015 development agenda. National statistical systems will require increasing support in order to be able to supply the information needed to monitor the new goals and may be overwhelmed by the information requirements.

Lastly, the Statistics Division will seek to further align its activities with the priorities and work plans adopted by the Statistical Conference of the Americas, so as to maximize synergies with countries and international agencies.



Hugo Beteta
*Director of ECLAC subregional
headquarters in Mexico*

SUBPROGRAMME 12

SUBREGIONAL ACTIVITIES IN MEXICO AND CENTRAL AMERICA

The financial crisis of 2009 highlighted the vulnerability of the economies in the subregion and the differences in their growth rates, which has led to wider gaps between them. The subregion suffers from inequalities in income and social rights, particularly among indigenous peoples. The integration process is under way, but faces various hurdles, which are being countered by efforts to promote renewable and efficient energy sources, and inclusive and sustainable adaptation to climate change.

In this context, the subregional headquarters aimed to support the efforts of governments and stakeholders in the subregion to increase and strengthen their capacities to address economic and social issues, at the national and subregional levels with particular emphasis on equality and poverty eradication, and to design or evaluate policies and measures for productive and sustainable development, trade and integration, energy, agriculture and climate change.

Various economic and social institutions in the subregion benefited from the Commission's recommendations on addressing economic constraints with a view to achieving economic growth with equality, improving national investment programmes, introducing national plans for science, technology and innovation, employing social development best practices, applying tax and fiscal reforms, ensuring early childhood protection, implementing central bank strategic plans and using a macroeconomic model for structural analysis.

Certain commercial institutions adopted the Commission's recommendations on goods and services trading, competition law reforms, insertion of SMEs into global value chains and industrial policies.

Moreover, institutions in the energy sector considered the Commission's analysis and recommendations on electric energy, natural gas, oil supply and the use of efficient wood stoves. Some recommendations promoted the integration of the energy industry in the subregion and sought to update the energy matrix for Central America with a view to fostering subregional integration and development up to 2030. Other measures included updating the reference price formula for diesel and gasoline, removing barriers to exports of liquefied natural gas (LNG), completing analyses on climate change and designing programmes for climate change adaptation and reduction of greenhouse gas emissions.

THE CONTEXT IN THE SUBREGION

The subregion is characterized by semi-industrialized economies that are very open to trade and capital flows and have a strong bond with the United States economy. The subregion receives significant inflows of remittances and, with the exception of Mexico, tends to import basic grains, raw materials and oil due to limited natural resource availability. Countries in the subregion are susceptible to both economic and natural external shocks and have more volatile growth rates and more intense economic cycles, which frequently translates into persistent fiscal deficits. All 10 countries have historically been vulnerable to extreme natural events and that situation has been exacerbated by recent climate change. The subregion also presents a high incidence and intensity of poverty, income inequality, inadequate social protection and pension systems and a weak social rights structure. With the exception of Mexico, countries in the subregion face disadvantageous economic conditions, which are amplified by their remote and often difficult-to-access locations, the modest size of their markets and their limited perceived income potential. These markets traditionally have a few dominant or monopolistic actors with high political influence. The lack of opportunities for economies of scale often inhibits the acquisition of more efficient technologies and the consolidation of institutional arrangements to promote competitiveness and achieve efficient industrialization.

MAJOR ACHIEVEMENT IN 2012-2013

Research, analysis and dissemination

The assistance of the subregional headquarters was directed towards a number of actors involved in the field of economic and social development including policymakers, representatives and officials of government entities, NGOs and civil society, in addition to academics, researchers and selected experts. The subregional headquarters conducted detailed analyses, using comprehensive statistical information, on the economic trends and outlook for the 10 countries of the subregion, which served as inputs to the annual flagship documents of ECLAC, in particular the *Economic Survey of Latin America and the Caribbean* and the *Preliminary Overview of the Economies of Latin America and the Caribbean*.

In the area of economic development, ECLAC undertook an in-depth structural analysis of the economies of selected countries of the subregion, which culminated in the document entitled *Centroamérica y República Dominicana: crecimiento, ciclos y transformación económica, 1990-2011*.

The document was presented at an expert meeting held in San Salvador in August 2012, at a side event of the thirty-fourth session of the Commission. Similarly, motivated by the importance of the issues considered in the document *Structural Change for Equality: An Integrated Approach to Development*, an expert meeting was convened on structural change for equality from the perspective of Mexico. The meeting was held in Mexico City in October 2012 with the support of UNAM. The meeting was attended by a large number of experts who presented their views and discussed the relevance of the proposals contained in the document from a national perspective.

During 2012-2013, the subregional headquarters participated in diverse forums to further disseminate the work of ECLAC, including at an international seminar on innovation systems and public policy (at which a paper on science, technology and innovation policies in Central America was presented); a high-level meeting in preparation for a Mexico-Central America summit in February 2013; a seminar on transboundary cooperation in El Salvador in May 2013; an event on comparative experiences of international borders and integration processes in October 2013; the third Mesoamerican forum on policies to support SMEs in November 2013; and an event on cross-border cooperation in Latin America, the Caribbean and Europe in November 2013.

Forum Mexico 2013: Public Policies for Inclusive Development, held in Mexico City in January 2013, was a two-day seminar that facilitated debate and the dissemination of information on public policies and development opportunities in Mexico. The meeting was organized jointly by OECD, the World Bank, IDB and ECLAC. Along this line of work, ECLAC developed and constructed a social accounting matrix for Mexico, which provides a comprehensive analysis of the economy and its principal agents. The relevance of this matrix is exemplified by the technical assistance given to one of the study centres of the Mexican Chamber of Deputies to study the distributional impact of taxation policies during the discussion of the Mexican fiscal reform. This matrix is being further developed with the objective of analysing global value chains in the country.

In addition, ECLAC updated its MAGIC Plus (Module to Analyse the Growth of International Commerce) database. Officials from El Salvador and academics from the National Polytechnic Institute (Mexico) were trained on the use and analysis of data from this database.

In the area of social development, the Commission's activities and documents focused on the analysis of social

issues and policy design in relation to poverty, social protection and equity, with emphasis on early childhood development, employment, the prevention of gender-based violence, social integration and the link between macroeconomic policies and human rights. The biennial document on basic social indicators for Mexico and the Central American subregion (*Indicadores sociales básicos de la Subregión Norte de América Latina y el Caribe: edición 2012-2013*) contains up-to-date statistics and highlights the most relevant trends in social development topics in the subregion, namely poverty, employment, inequality, education, and health, as well as progress on reaching the Millennium Development Goals and other cross-cutting topics such as gender and human development.

ECLAC also organized, on September 2012 in Mexico City, an expert meeting on regional public goods for Central American social integration, at which participants reviewed proposals and discussed the possibilities of defining regional public goods in relation to social security and social protection, employment, and early childhood development. National officers of the Governments of Belize, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras and Panama and representatives from international organizations such as UNICEF, the Inter-American Center for Social Security Studies (CIESS) and SISCA participated in this event.

In the field of energy and natural resources, the publications and services of the subregional headquarters provided a basis for the Central American countries to define the region's priorities and promote the sustainable use of natural resources with the aid of regulatory frameworks that seek to make such resources commercially viable and universally available.

The ministers of energy of the region requested ECLAC support to update the Central American Sustainable Energy Strategy 2020 in order to keep the momentum with the increased use of renewable energy and electrification. In 2012, 64% of the electric energy produced in the subregion was from renewable sources (compared with 59% in 2007 when the 2020 strategy was adopted). In 2011, the level of electrification reached 86% (compared with 80.5% in 2007), which means that 4 years after the adoption of the 2020 strategy, 5.3 million Central Americans are benefiting from electrical services, which in itself has a broad impact on efforts to meet the Millennium Development Goals and to achieve the objectives of the SE4All initiative.³⁶

³⁶ Sustainable Energy for All is a global initiative in support of three interlinked objectives: providing universal access to modern energy services; doubling the global rate of

The subregional headquarters facilitated discussions on this topic by convening two policy dialogues on energy efficiency, one in Panama City in November 2012 and the second in Mexico City in November 2013. Both events were organized in coordination with ECLAC headquarters in Santiago and with support from GIZ and other agencies, and were attended by legislators and representatives of energy institutions from Central and South America and the Caribbean.

An analysis was conducted of the production of shale gas in North America, particularly in the United States, which has surprised the world by its rapid development, the downwards pressure it has exerted on fuel prices and the boost it has given to hydrocarbon reserves. It is estimated that the United States will be self-sufficient in oil and have a natural gas surplus in less than 30 years. The renewed momentum of non-conventional hydrocarbons is being seen as an "energy revolution" that is reinvigorating the economy of that country. The document *Desarrollo del gas lutita (shale gas) y su impacto en el mercado energético: reflexiones para Centroamérica*, developed in collaboration with the Institute of Energy Studies in Oxford, United Kingdom, provides a complete evaluation of these developments comprising methodological, statistical, scientific, technological, social and economic analysis. ECLAC presented this document in a videoconference with Central American countries early in 2013 and offered an analysis from a regional perspective. In this context, El Salvador and Guatemala published tenders for purchases of electric energy that consider importing energy from new plants in neighbouring countries, one of which could be favourable to imports of energy produced with natural gas from combined cycle plants. Moreover, Costa Rica, El Salvador, Guatemala, Honduras and Panama are promoting the introduction of natural gas.

The initiative "The Economics of Climate Change in Central America" provided robust analysis to the ministers of environment regarding the threats and costs of climate change in various sectors, as well as policy response options with a focus on sustainable and inclusive adaptation, including the transition to low carbon economies. The initiative also provided analysis on mitigation options and the potential impact of hydroelectric generation, highlighting the importance of including adaptation options in the 2020 strategy. At the same time, the initiative involved ministers of finance, agriculture and health by providing technical arguments for potential impacts in their areas of expertise

improvement in energy efficiency; and doubling the share of renewable energy in the global energy mix.

and encouraged them to initiate work programmes on climate change. In this context, two national workshops were organized in El Salvador and Costa Rica with the ministries of agriculture and environment and other national experts to discuss the design and strengthening of new national programmes in agricultural and rural areas to integrate sustainable adaptation and mitigation goals. ECLAC also carried out two courses and a technical forum for technical staff from finance ministries on econometric modelling and sustainable fiscal policy in the context of climate change and to discuss the results of the initiative.

"On behalf of the Council of Ministers of the Central American Commission on Environment and Development, I wish to express my thanks for sharing your experiences and providing support during the dialogue with partners for the purposes of exchanging experiences, held in Roatán, Honduras"

Nelson Trejo, Executive Secretary, Central American Commission on Environment and Development (CCAD), El Salvador, 16 July 2012

In analysing the linkage between agriculture, rural development and climate change, the subregional headquarters continued supporting the programmes and activities of a variety of stakeholders, including ministries of the environment, ministries of finance and treasuries in the Central American countries, the Ministerial Councils of SICA, the Central American Commission for Environment and Development (CCAD), the Council of Ministers of Finance of Central America, Panama and the Dominican Republic (COSEFIN), SIECA, the Central American Ministers of Agriculture and the Central American Agricultural Council (CAC).

In cooperation with the Secretariat of CAC, ECLAC gathered specialized statistical data and information that were used to prepare a series of analyses on food security to support the implementation of a regional policy on food security, on the options for sectoral or catastrophe insurance and risk reduction policies, and on the impact of climate change on basic grain yields. Moreover, following the outbreak of coffee rust in 2012, which is severely detrimental to coffee plants and production in the subregion, CAC requested ECLAC to carry out an analysis on the potential impact of climate change on coffee yields.

The Agricultural Information System (SIAGRO) databank continued to be a source of current and historical information for stakeholders in the countries of the subregion. ECLAC has also started to collaborate on an integrated

system of regional information on food and nutrition security (SIRSAN), a database project focusing on Central America. Indicators are used to monitor the national and regional status of food and nutrition security, to compare countries, to analyse trends and use that information for taking decisions on priorities and resource allocation. ECLAC contributes in relation to the sociodemographic and economic indicators and the section on availability of food for human consumption, providing information on area harvested and production of basic grains and beef meat. Three examples of the Commission's commitment to providing regional forums for high-level officials to discuss the work undertaken in specific areas are: the meeting "Latin America's prospects for upgrading in global value chains" held in Mexico City in March 2012, organized jointly with IADB, OECD, the World Bank and the Colegio de México; a meeting on the institutional arrangements that affect price formation in particular agro-industries in Central America in San José in December 2012; and a meeting on the insertion of Central American agro-industrial SMEs in global value chains, held in Mexico City in September 2013.

TECHNICAL COOPERATION SERVICES

ECLAC subregional headquarters continued to gain recognition this biennium through the provision of technical cooperation services to governments and other stakeholders in the subregion on economic development, fiscal policy, national planning systems, social development and inclusion, trade and integration, energy efficiency, mitigation of climate change risk with particular emphasis on the agricultural sector, and disaster evaluation, among other topics of national interest.

At the request of the Ministry of Finance of El Salvador, ECLAC rendered technical assistance on the identification of the main economic constraints preventing the country from achieving high levels of sustainable economic growth with equality. That assistance included an analysis of the challenges the country faces in terms of growth and distribution from a macroeconomic perspective, which should be taken into account in the preparation of its national investment programme.

ECLAC, together with the Central American Monetary Council, COSEFIN and IMF, elaborated macroeconomic models to analyse public debt and fiscal sustainability with the central banks of the subregion. In parallel, ECLAC continued to promote among the central banks the launch of a regional initiative to assess the micro- and macroeconomic implications of adopting the international regulatory framework for banks (Basel III) in the banking

and financial systems of the subregion. In addition, ECLAC assisted the Central Bank of Nicaragua with the continued development of its strategic plan, including revisions to the reporting system for national accounts.

With the implementation of the Development Account project "Strengthening Government and Civil Society Capacity to Incorporate Economic and Social Rights into Macroeconomic Policy", ECLAC contributed to strengthening the technical capacity of national officers to employ a rights-based approach in the design and implementation of macroeconomic policy. The project assisted Costa Rica, El Salvador, Guatemala, Honduras, Mexico and Nicaragua by analysing the design process of macroeconomic policies, particularly fiscal, monetary and labour policies, and their implications vis-à-vis the rights to food, education, health and access to housing. A series of studies have been carried out to address these areas and lessons were drawn from experiences in Mexico and Brazil in order to design a policy to guarantee the human right to food in Central America, a methodology for the construction of the food basket from the perspective of the human right to food, an analysis of the Costa Rican national health system, and a study on the rights-based approach to wage and labour policies.

In collaboration with AECID and FAO, the subregional headquarters executed three extrabudgetary projects to analyse SME participation in intraregional trade. The projects developed an innovative methodology based on institutional economics to analyse the formation of prices for primary products (corn and beans) in Central America. ECLAC staff worked closely with civil servants in order to transfer the methodology and develop local capabilities. Policy recommendations have been adopted by those countries and value chains are already receiving public support as a result of the technical assistance provided. A document summarizing and systematizing the methodology and main results of the project will be published in early 2014.

Together with INEGI in Mexico, with the support of the International Development Research Centre (IDRC) of Canada and in collaboration with the Colegio de México, ECLAC continued to provide technical assistance to the Haitian Institute of Statistics and Information Sciences (IHSI) with a view to building an indicator for economic activity. In addition, a multidisciplinary team provided technical assistance to the Government of Haiti on social protection and conditional transfers.

The agreement signed between ECLAC and SISCA in September 2010 strengthened the existing cooperation relationship between the two institutions. In this context, a

study on early childhood development policy issues, best practices and recommendations was carried out with the aim of generating policy tools and recommendations for stakeholders involved in the implementation of programmes targeting children aged 0 to 5 years. In addition, ECLAC carried out a study on intraregional migration, labour markets and social protection in Central America and the Dominican Republic, assessing the challenges and policy options for universal social protection in the subregion, which was presented at the SISCA high-level regional forum on migration and labour markets in Central America held in May 2013.

The Government of El Salvador requested the Commission's assistance to support the country's efforts to enhance the institutional framework for more equitable social policies. Technical and policy advice was provided throughout the biennium to the Technical Secretary of the Presidency and the Social Protection Unit, leading to the formulation of a law on social development, inclusion and protection. ECLAC continues to assist the authorities of El Salvador in the institutional design of a planning and development system following the announcement by the President of the establishment of the Ministry of Human and Social Development.

In recognition of the Commission's expertise in relation to the definition and analysis of social indicators, the Ministry of Social Development (SEDESOL) of Mexico requested ECLAC assistance to design a methodology for the identification of beneficiaries of the social programmes that SEDESOL administers, in conformity with the General Act on Social Development. As a result of continued consultations with various institutions responsible for social policies in Mexico, a number of agreements and memorandums of understanding were signed in 2013, including with the National Council to Prevent Discrimination (CONAPRED); the National Institute of Public Health (INSP); the Chamber of Deputies; the Government of the Federal District; and the Ministry for Rural Development and Equity for the Communities of the Federal District (SEDEREC). These agreements not only provide the framework for rendering technical assistance and advice to the aforementioned institutions, but also pave the way towards enhanced national and local technical capacities to improve social outcomes in Mexico. In addition, ECLAC actively participated in and submitted proposals to contribute to the consultation process for the preparation of Mexico's National Development Plan 2013-2018, particularly in the areas of social inclusion, quality education and gender mainstreaming.

In Chiapas and Oaxaca (Mexico), ECLAC led the execution of a joint project to build and implement a comprehensive

model to prevent gender violence in indigenous populations, funded by the United Nations Trust Fund to End Violence against Women, whose objective was to identify the causes and consequences of violence against women in indigenous communities and promote the development of a social policy model to prevent this type of violence.

ECLAC continues to provide regular support to the Mesoamerica Project to enable member countries to better evaluate the relevance of the regional cooperation activities executed under this project. During the biennium, the Commission's multidisciplinary team proposed improvements to the maritime transport system in the subregion with a view to reducing logistical costs.

In relation to industrial policy and SMEs, ECLAC provided technical assistance in Costa Rica through an analysis of the performance of SMEs in international trade and in Mexico through a series of presentations on modalities to implement industrial policies. ECLAC is also working to deepen its expertise on the participation of SMEs in global value chains with an industrial approach so as to enhance in-house capacities to respond to the increasing demand for support from member countries.

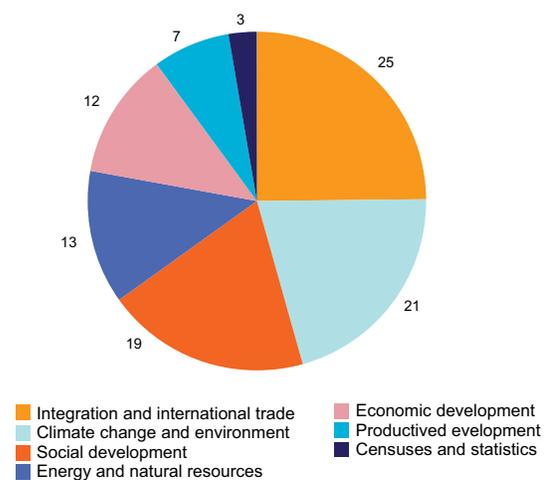
ECLAC, with the technical collaboration of a group of national and international consultants, presented to the National Commission for Scientific and Technological Research (CONICYT) the final document on the national plan for science, technology and innovation of Nicaragua. This cooperation was facilitated with financial support provided by IDRC of Canada and the German Federal Ministry for Economic Cooperation and Development (BMZ) through GIZ. ECLAC also provided technical assistance to the Government of Nicaragua, to jointly organize a workshop to transfer to Nicaragua the good practices that have been developed in Guatemala, in particular regarding the management of innovation in SMEs, developing capacities in support institutions, creating a supply of qualified technicians in innovation management in SMEs and building the foundation for future government support programs for SMEs.

Five countries in the subregion (Costa Rica, El Salvador, Guatemala, Mexico and Panama) are shaping their respective databases of energy efficiency indicators in line with the Energy Efficiency Indicator Base (BIEE) project, which has the support of GIZ. The goals of this initiative are to develop a set of common and comparable indicators that will guide governments when formulating, implementing, monitoring and evaluating national energy efficiency policies, while strengthening local capacities in collecting, analysing and using this data in policy formation and implementation.

ECLAC supported agencies from the United Nations system and initiatives to achieve important objectives in the areas of energy, natural resources and environment. Particularly noteworthy was the support provided to the UNEP initiative Enlighten (to eliminate incandescent lighting), especially in the Mesoamerican countries, and the support provided to ECE in the implementation of the United Nations Framework Classification for Fossil Energy and Mineral Reserves and Resources 2009 in Mexico. ECLAC helped SICA and two Central American countries (Guatemala and Nicaragua) to prepare the basic documents needed for accession to the Global Alliance for Clean Cookstoves, an initiative promoted by the United Nations Foundation.

The findings of the analysis on trends in intense rainfall and extreme events, the potential impact of climate change on intra-annual climate patterns, aridity and dry months, hydroelectricity generation and ecosystems were presented, at the request of the ministers of environment of the Central American countries, at a SICA side event at the nineteenth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) in Warsaw, to support the SICA position on the importance of establishing a loss and damage mechanism under the Convention.

Figure 12
Technical assistance missions
(Percentages)



During the biennium, ECLAC carried out a consultative process to establish a work agenda with major stakeholders and decision makers active in the field of agriculture and rural development. As a result, the Central American ministers of agriculture are pursuing an agenda that includes concerns regarding climate change and food security. Within the integration system, the region prepared a regional policy on food security that was approved in 2012 and provides a framework for cooperation on this theme.

After receiving ECLAC multidisciplinary technical assistance and training on econometric analysis, El Salvador and Costa Rica established ad hoc working groups comprising officials from the ministries of environment and the treasuries to conduct technical analyses on tracking climate change-related expenditures, fiscal policy and reform in the context of climate change and the transition to greener economies. Moreover, both countries are analysing and designing programmes or measures to take more integrated approaches to climate change adaptation and the reduction of greenhouse gas emissions, guided by goals for sustainability and inclusion.

From 21 November to 6 December 2012, in collaboration with IDB, ECLAC supported the Government of Guatemala in evaluating and assessing the damage caused by the earthquake that hit the country on 7 November 2012. The final evaluation report, including sectoral assessment of damages, losses and needs, was prepared jointly by ECLAC and the Secretariat of Planning and Programming of Guatemala (SEGEPLAN). In addition, technical support was provided in relation to infrastructure, including government and community infrastructure, energy, transportation, housing and human settlements, as well as in connection with data recovery from all sectors for the preparation of damage and loss tables.

ECLAC provided technical advice to the Ministry of Economy of El Salvador on reviewing the reference formulas for the prices of products derived from petroleum. The final document, with the revised formulas, was presented in April 2013.

At a meeting held in Managua on 5 December 2012, the Central American ministers for energy approved the sustainable use of firewood as a priority in their agenda. The Central American countries were accepted as partners of the Global Alliance for Clean Cookstoves. The basis for a cooperation project to promote the installation of one million clean stoves in Central American countries was presented by the World Bank at a regional meeting in Managua in May 2013.

LESSONS LEARNED AND OUTLOOK FOR THE NEXT BIENNIUM

ECLAC provided technical cooperation services, served as a facilitator in different forums and undertook research to overcome obstacles and challenges and to seize opportunities for further economic growth and to promote social welfare in support of member countries and other institutions in the subregion. The success of these activities is evidenced by the increasing demand for such services and products.

The year 2015 is the target date for the fulfilment of the Millennium Development Goals. The member countries, in addition to assessing their respective progress, must be proactive and innovative in creating a new development agenda. This will entail reconsidering priorities and making changes in relation to public sector expenditure, the distributive effects of monetary policies, finance, investment and cooperation. These priorities need to be addressed while giving particular consideration to SMEs, increased productivity and the potential benefits of science, technology and innovation, strengthening intra- and interregional trade, insertion in global value chains and integration.

Governments and institutions must redouble efforts for greater gender equality and women's empowerment, which calls for judicious policy planning to close gaps, with special attention to indigenous populations and other ethnic groups. Particular emphasis needs to be placed on the younger generations, who are bearing the burden of the current environment of violence, exclusion, lack of decent employment, absence of safety nets and the intergenerational transmission of inequality.

Universal access to energy, promotion of renewable energy sources, energy efficiency, energy integration and transition to low carbon economies continue to present serious challenges for the subregion.

Food security, integrated risk management and agro-insurance, and inclusive and sustainable adaptation to and mitigation of the impacts of climate change, not only in rural but also in urban contexts, constitute major concerns for the member countries. Innovative and interdisciplinary strategies must be sought.

The subregional headquarters will focus efforts on generating, disseminating and applying novel and robust approaches to tackling development challenges in the subregion. Its analytical work and public policy recommendations shall take into account the different national contexts and employ a multisectoral and interdisciplinary approach, aided by the development of analytical models with quantitative and qualitative tools. The subregional headquarters in Mexico will continue to work in close collaboration with national stakeholders and regional integration institutions in order to strengthen their capacities through the provision of advisory services, training and internships, and the organization and promotion of forums to facilitate policy dialogue and the exchange of best practices and lessons learned between the countries of the subregion and with countries from other regions.



SUBPROGRAMME 13

SUBREGIONAL ACTIVITIES IN THE CARIBBEAN

Diane Quarless

*Chief of the ECLAC subregional
headquarters for the Caribbean*

During the 2012-2013 biennium, the ECLAC subregional headquarters for the Caribbean analysed issues of special relevance to the economic, social and sustainable development concerns of the Caribbean. In this context, the activities of the subregional headquarters enhanced national capacities to: formulate and implement economic and social development measures; pursue further integration both within the Caribbean and with Latin America; generate indicators and statistics essential for monitoring progress towards internationally agreed development goals, including the Millennium Development Goals; analyse, design and implement social policies, including gender mainstreaming; analyse trade flows and performance for more rigorous policy research and more evidence-based strategies; design strategies for removing barriers to energy efficiency and renewable energy within the fiscal administration and management environment; and identify information requirements and use ICTs to further improve disaster risk management at the national and subregional levels in the Caribbean. Policymakers and experts from member countries and partner institutions attended meetings convened during the biennium on economic, social and sustainable development issues. High-level meetings were held on topics including disability, gender equality, women's empowerment and ICTs, migration and development, a post-2015 sustainable development agenda for the Caribbean and development issues specific to small island developing States (SIDS).

The subregional headquarters for the Caribbean prepared a number of technical studies providing recommendations to policymakers and other stakeholders, and convened ad hoc meetings of experts on topics including climate change, the diversification of the services sector, energy efficiency and renewable energy, gender and unpaid work, the information society and knowledge economy, macroeconomic modelling, the Millennium Development Goals and a sustainable development agenda, population, migration and development, the role of knowledge networks in development, and statistics. The subregional headquarters also reviewed the progress made in the implementation of trade, finance and development agreements in the Caribbean.

THE SUBREGIONAL CONTEXT

As they become progressively more integrated into the global economy, Caribbean States are increasingly exposed to exogenous shocks and to the financial uncertainty prevailing in the international economic environment. They also face development challenges due to the adverse effects of climate change and other external factors.

The fundamental challenge for Caribbean policymakers, therefore, has been pursuing a path of sustainable development that will create a diversified and growing economy with equity, social justice and environmental protection.

As open economies, these countries are heavily dependent on the external sector for economic growth, employment, trade and finance. Such openness, however, makes them vulnerable to external shocks and their economic growth highly volatile. Furthermore, in countries which are dependent on exports of natural resources or services, including offshore finance and tourism, economic growth will continue to depend largely on international commodity prices and external demand for these products. The small size of these economies, coupled with a relatively weak private sector, limits opportunities for employment in the formal sector, especially for women and youth. Moreover, the resilience of these small islands and low-lying coastal countries to exogenous shocks is further weakened by their geographical location and their susceptibility to natural disasters, such as hurricanes, floods, and earthquakes.

In an effort to respond to these challenges, policymakers have been trying to restructure and diversify the economy and foster greater equality and social justice in terms of wealth as well as opportunities, while protecting the environment. This, however, is a difficult process given the high levels of public debt and continuing fiscal and current account deficits in many countries.

Issues relating to financing for development, as set out in the Monterrey Consensus, need to be addressed. The small size of their local markets and the need to pursue economies of scale make it imperative for Caribbean countries to redouble integration efforts, both within and outside CARICOM, and to engage more meaningfully with the wider Latin American region to ensure that trade contributes to development as advocated in the Doha Development Agenda.

MAJOR ACHIEVEMENTS IN 2012-2013

Research, analysis and dissemination

During the biennium 2012-2013 the ECLAC subregional headquarters for the Caribbean provided secretariat services and support to CDCC as a subsidiary body of ECLAC, helping to enhance its relevance and role in guiding the work of the subregional headquarters to assist Caribbean countries in the follow-up and fulfilment of the Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States. The subregional headquarters also facilitated the active engagement of the countries in following up on other global conferences, including monitoring, evaluating and reporting on progress made and gaps in the achievement of the Millennium Development Goals and other internationally agreed development goals. The subregional headquarters provided effective policy guidance to Caribbean countries through its publications and technical research, and facilitated the building of capacity in the subregion through specialized advisory and technical cooperation services.

The second meeting of the Caribbean Development Roundtable, established pursuant to CDCC resolution 73(XXIII) as a forum for development experts to examine new approaches and challenges to the sustainable development of small developing states of the Caribbean, was convened on 30 May 2012 in Georgetown, Guyana. The theme of the meeting was "Macroeconomic policy for structural transformation and social protection in small States." The Roundtable served as an input to the policy debate at the twenty-fourth session of CDCC, which immediately followed the Roundtable, on 31 May 2012.

Caribbean Development Report: Macroeconomic policy for structural transformation and social protection in small States

On the basis of the discussions at the second meeting of the Caribbean Development Roundtable, an outline for a strategy to transform Caribbean economies in the face of the continuing economic crisis was developed. That strategy involves the following elements:

- Creating new economic drivers, including high value services, for example in education and health, creative industries including copyright-based activities and other activities with an improved capital/export ratio;

- Promoting productivity growth through high import productivity and export of domestic capital relying on domestic capacity for research and development (R&D), innovation and management, and supported by competency-oriented and problem-solving education;
- Adopting an open regionalism model by strengthening the CARICOM Single Market and Economy (CSME) with the supporting infrastructure of trade facilitating regulations, simplification of import and export procedures, and strategic initiatives to strengthen regional competitiveness by clustering and joint marketing;
- Linking to emerging markets and exploring South-South cooperation by embracing opportunities for widening trade and integration with Central America and South America through concerted policies crafted from a regional perspective for penetration and engagement with emerging economies such as China and Brazil;
- Renewal of efforts to secure foreign investment by building institutions that facilitate the entry of foreign capital into the productive system of the country;
- Improving the international rating of Caribbean countries by building a reputation for sound financial management and robust systems of public expenditure management.
- Improving food security through concerted efforts to implement announced regional plans based on the expansion of domestic and regional production geared to domestic and regional demand;
- Addressing climate change by adopting a regional approach as a bloc to engage the international community and implementing mitigation and adaptation strategies at the national level, incorporating a focus on green energy and building a green economy;
- Strengthening the role of competition in CARICOM by improving competition policy, passing and enforcing national competition legislation and developing competition rules and procedures at the Caribbean level;
- Enhancing the framework conditions of the single market by adopting and implementing the CSME Regional Integration Policy on Public Procurement, a community investment policy and a CARICOM investment code;
- Promoting the involvement of new actors and institutions by deepening integration and promoting competitiveness through the establishment of export-oriented industry associations and better informed consumer groups;

- Reforming the governance system by adopting arrangements that permit a greater scope for the involvement of the population through devolution and participatory decision-making;
- Improving accounting systems in the public service in order to institute robust systems for public expenditure management, using outcome- and output-based systems and monitoring and evaluation processes with measurable indicators of performance to calibrate expenditure;
- Improving social protection by rationalizing resources, better targeting the vulnerable, graduating out of transfers those able to transition to self-reliance, using conditional transfers and other arrangements to avoid creating dependency among those in need of assistance from the State.

Twenty-fourth session of the Caribbean Development and Cooperation Committee

The twenty-fourth session of the Caribbean Development and Cooperation Committee (CDCC) took place in Guyana on 31 May 2012. It highlighted the special development challenges faced by the countries in the Caribbean subregion owing to their small size, open, narrow and undiversified economies, fragile ecosystems, and multiple inherent vulnerabilities and, in this respect, underscored the continuing relevance of the CDCC in providing its member States with effective support in developing regional strategies to address these challenges, in collaboration with other regional and international partners.

The Committee also acknowledged the need to enhance regional coordination in support of the implementation of the Mauritius Strategy for the further Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States by strengthening the institutional framework for sustainable development. CDCC underscored the important role played by the ECLAC subregional headquarters for the Caribbean, which serves as the secretariat for the Regional Coordination Mechanism (RCM) and its Technical Advisory Committee (TAC), in support of implementation of the Mauritius Strategy, and welcomed efforts to revitalize the role of RCM, including the strengthening of the national focal point mechanism as well as the development of a database to monitor progress made in implementation of the Mauritius Strategy.

CDCC also acknowledged that the data-deficient status of most Caribbean countries presented real challenges for measuring and monitoring development progress, devising targeted, evidence-based policy solutions, and strengthening advocacy on behalf of the subregion. The Committee highlighted the important role of the ECLAC and the United Nations system, in:

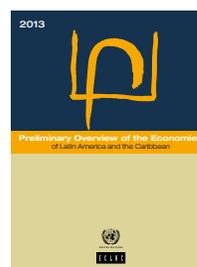
- Strengthening indigenous capacity for data gathering, statistical analysis, and other skills necessary for the compilation of key social, environmental and demographic indicators;
- Contributing towards the enhancement of the data-supply systems in member countries;
- Providing support to member States for the processing and analysis of population and housing censuses, through promoting the inclusion of, and providing technical and financial support for, the participation of Caribbean countries in the 2011 round of the International Comparison Programme;
- Providing strong support to ongoing initiatives that enhanced the sustainable statistical capacities in the subregion.

The subregional headquarters, with the support of AFD, researched the development trajectories and tension between competition and integration in the Caribbean. The patterns of development in the Caribbean were analysed, with a particular focus on the challenges to and opportunities for sustainable development. The results and recommendations of the project, which were presented in Paris in January 2013, and again during the IDB annual meeting in Panama in March 2013, were disseminated and publicized among stakeholders, and will form the basis of future development interventions in the Caribbean by AFD.

The main publications of the subregional headquarters were the *Economic Survey of the Caribbean*, which provides policymakers with an in-depth discussion of the subregion's economic performance, and the *Preliminary Overview of the Economies of the Caribbean*, which forecasts the subregion's performance for the year ahead.

The subregional headquarters contributed a Caribbean perspective to the Commission's flagship publications, including the *Economic Survey of Latin America and the Caribbean*, the *Preliminary Overview of the Economies of Latin America and the Caribbean*, *Foreign Direct Investment in Latin America and the Caribbean* and *Latin America and the Caribbean in the World Economy*. These publications provide policymakers and national planners with a greater understanding of the challenges facing the region and provide important approaches to building resilience in the face of such difficulties.

Preliminary Overview of the Economies of the Caribbean 2012-2013



In the face of weak global growth in major export markets the Caribbean economies have underperformed. The situation is much more severe among service producers, which have suffered the decline in tourist arrivals and offshore banking services. Goods producers have benefited from the commodity boom and have tended to show more robust growth.

The expectations for 2013 are that growth will be positive in the region with the service producers growing at 1.5% and the goods producers at 3.6%. This performance will depend heavily on improved performances in the major export markets.

The fiscal policy stance in most countries in the region in 2012 tended to be expansionary with the average deficit increasing from 3.1% of GDP to 3.4%. The economic structure was an indicator of fiscal health as the service producers had greater deficits. The central challenge on the fiscal side in the region is the large debt problem. Between 2011 and 2012 the average debt burden increased marginally from 64.2% of GDP to 65.5% of GDP and in a few cases the debt burden was in excess of 100% of GDP. This situation calls for a consistent attempt at fiscal consolidation over the medium term.

With respect to monetary policy, the stance was mostly neutral given sluggish demand and stable prices. In a few cases, lending rates trended down slightly but deposit rates also declined and money supply remained practically constant. At the same time, domestic credit to both the private and public sector remained unchanged and the private sector remained risk averse. Inflation trends in 2012 were mixed but overall inflation remained relatively low.

The current account balance, which is a source of growing concern, increased due to rising imports and sluggish exports. Elevated commodity prices helped to keep the cost of imports high. In terms of the financial and capital accounts, there was an increase in FDI inflows to the subregion, but much of this was outside the tourism sector.

The subregional headquarters also produced several publications to address challenges in the subregion and presented the findings at events such as the thirty-fourth session of the Commission. For example, it contributed a paper entitled *Macroeconomics for Development: The Caribbean Experience* as an input to the document *Structural Change for Equality: An Integrated Approach to Development*. The subregional headquarters for the Caribbean also collaborated with the ECLAC subregional headquarters in Mexico to finalize a study on macroeconomic policy growth

and structural change in small economies, an initiative of the Executive Secretary to devote special attention to the issues facing small developing States. This important study, which received recognition at an expert group meeting, broke new ground in identifying key constraints on the development of the economies of the Caribbean and Central America. Furthermore, within the context of reviewing the progress in the implementation of trade, finance and development agreements in the Caribbean, and in preparation for the member States' engagement with the European Union in assessing the impact of the Economic Partnership Agreement on the development of the subregion, the subregional headquarters conducted a review of the implementation the Economic Partnership Agreement between the European Union and CARICOM.

In the area of knowledge management, a publication entitled *Employing knowledge networks as tools for the development of Caribbean small island developing States* was produced. The publication explored and highlighted the role that knowledge networks can play as an aid in the development of Caribbean SIDS, and provided ideas on assembling and analysing the different types of knowledge networks. In addition, the subregional headquarters prepared a policy brief entitled *Knowledge management: informing decisions to realize good governance*, which provided policymakers and practitioners with seven recommendations on using knowledge management to inform decisions—a fundamental basis for good governance. The subregional headquarters partnered with the Technical Centre for Agricultural and Rural Cooperation (CTA) and the Caribbean Agricultural Research and Development Institute (CARDI) for the second of two Web 2.0 training courses on providing hosting and ICT services. Beneficiaries included those actively engaged in agriculture and rural development, natural resource management, biodiversity conservation in the domains of information and communication and ICT for development (ICT4D), in addition to candidates from local tertiary institutions.

The subregional headquarters collaborated with its UNFPA counterpart to coordinate the Caribbean's participation in the 20-year review of the ICPD Programme of Action adopted in Cairo in 1994. Outputs consisted of assessments of the state of implementation of the Programme of Action for the countries and non-independent territories in the subregion and subregional reports that were presented at the Caribbean Forum on Population, Migration and Development, held in Georgetown in July 2013, and at the first session of the Regional Conference on Population and Development in Latin America and the Caribbean, held in Montevideo in August 2013.

The subregional headquarters, together with the Sustainable Development and Human Settlements Division, the United Nations Development Group for Latin America and the Caribbean and the CARICOM secretariat, convened a meeting in Bogota in March 2013 to focus on the status of monitoring and reporting of the Millennium Development Goals in the Caribbean. The *Report of the Caribbean Forum: Shaping a sustainable development agenda to address the Caribbean reality in the twenty-first century* provided insight into the methodology, findings and recommendations of an ECLAC publication on the challenges to social development being faced by Caribbean SIDS and the status of monitoring of and reporting on the Millennium Development Goals in the Caribbean. The meeting also provided input into defining a post-2015 development agenda. Representatives from Colombia and eight Caribbean countries³⁷ participated in the meeting, which agreed on nine guidelines and 31 priority areas for action.

In accordance with the agreements adopted at the forty-sixth meeting of the Presiding Officers of the Regional Conference on Women in Latin America and the Caribbean, the subregional headquarters, together with the Division for Gender Affairs, convened a one-day Caribbean preparatory meeting to prepare for the twelfth session of the Regional Conference on Women in Latin America and the Caribbean. The preparatory meeting was held in Kingstown in August 2013 and focused on gender equality, women's empowerment and ICTs. A document on gender equality, women's empowerment and ICTs in the Caribbean was presented for discussion on the occasion.

In line with a decision taken at the thirty-fourth ordinary meeting of the Conference of Heads of Government of CARICOM in July 2013, the subregional headquarters collaborated with CARICOM to convene a High-level Ministerial Meeting on the Rights of Persons Living with Disabilities and Special Needs in the Caribbean in Port-au-Prince on 5-6 December 2013, to more effectively serve the needs of this vulnerable group of citizens through more cooperation initiatives among Caribbean States. The meeting addressed the situation of persons with disabilities in the Caribbean; the protection of the rights of persons with disabilities; policies for disability-inclusive education, training and employment; habilitation and rehabilitation, independent life and social protection and policies for disability-inclusive societies. It concluded with the official signing of the Declaration of Pétiion Ville, which outlined strategies to adopt and strengthen legislative frameworks

³⁷ Antigua and Barbuda, Belize, Cuba, Guyana, Jamaica, Saint Lucia, Saint Vincent and the Grenadines and Trinidad and Tobago.

such as the United Nations Convention on the Rights of Persons with Disabilities, as well as the proposal for the appointment of a CARICOM Rapporteur on Disability.

ECLAC, CARICOM, OECS and other United Nations agencies continued to work closely to further statistical development within the subregion. In this connection, the subregional headquarters successfully partnered with development agencies in the Caribbean, through an expert meeting hosted by ECLAC in Port of Spain in April 2012, to construct a robust statistical development strategy for the next five to seven years.

The fourth meeting of the Technical Advisory Committee (TAC) of RCM, held in Georgetown in May 2012, addressed the Regional Implementation Matrix and progress made by the Caribbean in the thematic areas of the Mauritius Strategy. The meeting also introduced the matrix of indicators developed by ECLAC that provided a quantitative measure of progress in meeting the Caribbean's commitments under the Mauritius Strategy.

Facilitated by the subregional headquarters, several Caribbean institutions and governments took action to promote intra- and interregional cooperation and integration. For example, in line with the Commission's recommendation on the pursuit of economic diversification as well as accelerated structural economic change that leverages the sectoral innovation and the comparative advantage of member States, Guyana and Trinidad and Tobago have embarked on a food security project where food is grown in Guyana and processed in Trinidad and Tobago.

TECHNICAL COOPERATION SERVICES

The subregional headquarters continued to support member States with the development and strengthening of institutional capacity in the compilation and production of timely and reliable gender statistics and indicators. A workshop was given to provide training to 18 gender specialists and statisticians (15 women) from eight countries³⁸ on the mainstreaming of gender in data production, analysis and the dissemination of national statistics and indicators, as well as in methodologies for generating internationally recommended gender indicators.

In line with the objectives of the International Comparison Programme (ICP), the subregional headquarters contributed to enhancing the technical capacity of designated price statistics focal points from national statistical offices in

³⁸ Antigua and Barbuda, Aruba, Grenada, Jamaica, Saint Lucia, Saint Vincent and the Grenadines, Suriname and Trinidad and Tobago.

21 Caribbean countries. It also assisted in convening a series of technical meetings,³⁹ which enhanced the technical capacity of the national statistical offices in the production of price and national accounts statistics.

AusAID supported the assessment of the economic and social impacts of climate change in the Caribbean through six regional sectoral studies. Sixteen technical experts from 16 countries⁴⁰ received training on accessing, collecting and processing national data for conducting economic and social assessments of the impact of climate change in the Caribbean. They were also sensitized to the data constraints within the subregion and on scientific methodologies for establishing trends when there are gaps in time series data. In addition, technical experts benefitted from access to information on the outputs of the economic and social assessments, as well as to the methodology of the Caribbean-specific econometric model that was produced. As part of the process of guiding climate change policy development, several countries in the subregion⁴¹ used the recommendations from the regional sectoral studies to inform their national assessment reports.

With the aid of GIZ, the subregional headquarters supported the formulation of energy policies by Aruba, the Bahamas and Suriname. The energy policy for Aruba was subsequently approved by its Prime Minister and a target was set to make the energy supply 100% renewable by 2030. Suriname used the process of developing its national energy policy to prepare the thematic area on energy for its national assessment report on the Mauritius Strategy, and has signalled its intent to implement the policy. A study was also conducted in six member States and associate members⁴² on the fiscal and regulatory barriers

³⁹ This included four expert group meetings on price statistics in Saint Kitts and Nevis (March 2012), Aruba (August 2012), Chile (December 2012), Jamaica (March 2013); two expert group meetings on national accounts in Saint Kitts and Nevis (March 2012) and Curaçao (May 2013); and one high-level meeting for Latin America and the Caribbean in Chile (September 2013). In attendance were representatives from Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago, Anguilla, Aruba, Bermuda, British Virgin Islands, Caribbean Netherlands, Cayman Islands, Curaçao, Montserrat, Sint Maarten and Turks and Caicos Islands, CARICOM, Eastern Caribbean Central Bank (ECCB), Caribbean Regional Technical Assistance Centre (CARTAC) and the World Bank.

⁴⁰ Antigua and Barbuda, Bahamas, Barbados, Belize, Cuba, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname and Trinidad and Tobago.

⁴¹ Including Barbados, Grenada, Jamaica and Saint Lucia.

⁴² Antigua and Barbuda, Belize, Curaçao, Grenada, Guyana and Saint Lucia.

to employing energy efficient and renewable energy technologies and strategies to overcome them. Saint Lucia indicated that the findings of the study will inform its energy policy update, and that it will seek technical assistance from ECLAC in implementing the updated policy.

“... The workshop presented the opportunity to equip participants with the skill set to effectively tackle very difficult and challenging topics relating to energy issues, not only within their respective countries, but from a regional perspective as well...”

Chief Executive Officer of the Guyana Energy Agency (GEA), Mahender Sharma, Guyana, October 2013

In relation to the diversification of the services sector, the subregional headquarters conducted a cost-benefit analysis of the demand for yachting and marina services in selected countries of the Caribbean. This study was well received as evidenced by a technical assistance request from the Government of Saint Kitts and Nevis for support in developing a yachting policy and additional expressions of interest in further support of this kind.

In the energy arena, Grenada has signalled its intent to adopt the Commission’s recommendations to update its energy policy to increase the percentage of renewable energy sources within its energy portfolio. Antigua and Barbuda intends to utilize the information provided by ECLAC to develop a hybrid wind and hydroelectric facility,⁴³ and has set up a task force to implement the recommendations of the study.

Fifteen government officials from five Caribbean member States and associate members⁴⁴ were trained in the use of ICTs for disaster risk management with a focus on applying ICTs to meet identified information requirements in the context of the Caribbean. Participants examined existing technological applications, including the benefits of and barriers to their use. Overall, the participants expanded their capacity to improve disaster risk management using ICTs at the national and subregional levels in the Caribbean.

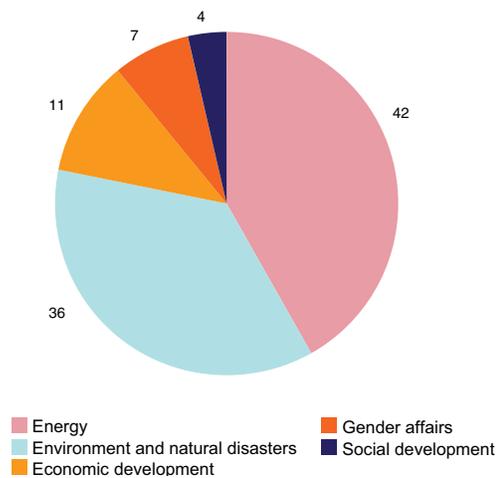
The subregional headquarters also provided a two-day training course in August 2013 on the use of three trade-related software packages —the Trade Competitive Analysis of Nations (TradeCAN 2009), MAGIC Plus and the World Integrated Trade Solution (WITS)—to nine Caribbean

member States and associate members.⁴⁵ The training provided a functional overview of the software packages, enabling participants to develop more evidenced-based trade strategies, and built the capacity of researchers and trade negotiators to provide more rigorous, analytical policy research to inform future trade negotiations.

In preparation for the third Regional Intergovernmental Conference on Ageing in Latin America and the Caribbean, the subregional headquarters supported countries in the preparation of national reports to provide insight into the progress made since the adoption of the Madrid International Plan of Action on Ageing in 2002 and the Brasilia Declaration in 2007. Eleven national reports were completed and these, together with a presentation based on a regional synthesis of the national reports, formed the basis of discussions at the third Regional Intergovernmental Conference on Ageing in Latin America and the Caribbean held in San José on 9-11 May 2012.

Assistance was also provided to deliver national-level training to staff of the Central Statistical Office (CSO) of Trinidad and Tobago in the use of REDATAM for the processing, analysis and dissemination of data. The 15 database experts and web developers involved applied their new knowledge to develop an online application for the dissemination of data generated from the 2011 population and housing census, as part of a series of broader efforts to improve access to microdata produced by the CSO and enhance the statistical products available to users.

Figure 13
Technical assistance missions
(Percentages)



⁴³ A wind farm that will be powered by sea water during periods of low wind.

⁴⁴ Antigua and Barbuda, Barbados, Jamaica, Montserrat and Trinidad and Tobago.

⁴⁵ Antigua and Barbuda, Aruba, Curacao, Grenada, Jamaica, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Suriname and Trinidad and Tobago.

LESSONS LEARNED AND OUTLOOK FOR THE NEXT BIENNIUM

Tardy responses by participants to invitations sometimes resulted in the postponement of events. This significantly delayed the delivery of the activities of the work programme and the subsequent evaluation of their impact. Better planning by the subregional headquarters could help to alleviate this situation. Furthermore, the programme evaluation process needs to be expanded by planning and conducting evaluations of technical support and capacity-building activities earlier in the work programme cycle. The dialogue with policymakers and other stakeholders should be increased to improve awareness and take greater account of national priorities and implementation plans. To this end, closer engagement between ECLAC, Caribbean

governments and regional actors needs to be developed, since it is important for ECLAC to be aware of the short- and medium-term plans of member States, associate members and other entities in order to facilitate collaboration on intra- and interregional initiatives.

Lastly, during the biennium, carrying out additional activities and producing outputs beyond the scope of the programme of work proved challenging owing to limited human and financial resource capacity. A number of discretionary activities were undertaken, including several high-level meetings on global issues. More strategic planning is required to allow for better forecasting and integration of discretionary activities in a manner that optimizes the use of the limited human and financial resources within the context of the responsibilities under the mandatory work programme.



COUNTRY OFFICES

ECLAC OFFICE IN WASHINGTON

During the biennium the ECLAC office in Washington continued monitoring developments in relation to the economy of the United States, its economic and financial relations with Latin America and the Caribbean, and the region's access to international financial markets. It also continued serving as liaison with the Government of the United States, the Government of Canada and international organizations based in Washington, D.C., including IMF, the World Bank Group, IDB, OAS, and PAHO.

Through its active role in the Joint Summit Working Group, the ECLAC Washington office coordinated technical inputs and provided support to the Sixth Summit of the Americas held in Cartagena de Indias, Colombia, in April 2012. As part of its role in the Tripartite Committee, in collaboration with IDB and OAS, the office provided substantive support to the Pathways to Prosperity in the Americas initiative and to the fifth and sixth ministerial meetings of the initiative held in Cali, Colombia, in October 2012, and in Panama City in October 2013, respectively.

During this period the office prepared periodic reports on the performance of the United States economy. A report was also prepared on the experience of Alaska in natural resource wealth management as a contribution to the analysis of the region's options regarding natural resource governance.

The office continued to monitor access to external financing and international capital markets and prepared quarterly reports on capital flows. Special emphasis was placed on the challenges faced by small economies and on possible ways to reflect their perspectives in global financial discussions. A study was conducted on the impact of global financial

rulemaking on the economies of the Caribbean, assessing the opportunities and challenges involved in adhering to new international financial standards.

To mark the thirtieth anniversary of the outbreak of the debt crisis in the region, a study was prepared on the evolution of Latin American and Caribbean access to international bond markets since 1982: *Debt financing rollercoaster: Latin American and Caribbean access to international bond markets since the debt crisis, 1982-2012*. The 30-year overview tracks major changes in external debt financing and sheds light on the role that access to international capital markets can play in the process of achieving sustainable growth.

Opportunities for closer linkages with the United States economy continued to be assessed. In this connection, reports were prepared on the organic food market in the United States and opportunities for Latin American and Caribbean producers, on the impact of the health-care reform in the United States on medical tourism, and on providing training on the use of the Observatory of Customs Controls for United States Imports (OCAI). The OCAI web platform has served users seeking to identify customs refusals and improve market access.

Collaboration with partner institutions, IDB and CAF, continued with the objective of strengthening corporate governance in debt issuance and improving capacity to enforce regulatory practices as a way to deepen capital markets. Furthermore, the office continued to work with OAS on promoting Global Compact principles and corporate social responsibility practices among small and medium-sized enterprises through the application of a methodology that assesses the willingness to adopt responsible practices.

The office provided inputs for a number of ECLAC flagships, including the *Preliminary Overview of the Economies of Latin America and the Caribbean*. Through hard-copy dissemination, increased downloads and the organization of events and seminars, the office has succeeded in increasing awareness among policy stakeholders in the United States and Canada of key issues facing the region during this time of global uncertainty. Closer linkages were developed with strategic partners, including universities and think tanks.

Over the biennium, the office organized and participated in numerous conferences and seminars, delivered over 40 lectures and distributed documents. The monthly publication *CEPAL News* was distributed in electronic format to over 2,500 readers.

ECLAC OFFICE IN BRASILIA

During the biennium, the ECLAC office in Brasilia continued to maintain and expand its presence in the country by promoting the Commission's activities among government, academic and civil society institutions in Brazil. The office encouraged the active exchange of data, disseminated documents and organized expert meetings between ECLAC and Brazilian institutions. At the same time, technical cooperation services have been provided in the areas of interest of the Government of Brazil.

In 2012 ECLAC continued to consolidate its 40-year relationship with the Brazilian Institute of Applied Economic Research (IPEA) of the Strategic Affairs Secretariat (SAE) of the Office of the President with the renewal of their technical cooperation agreement for a further four years, until 2016. With this agreement ECLAC and IPEA will continue to use their expertise in different areas of interest including development, trade, productivity, innovation, sustainability and the advancement of women.

ECLAC disseminated policy recommendations at the National Development Conferences of 2012 and 2013 promoted by IPEA and other Brazilian institutions. In addition, IPEA and ECLAC published a joint policy position paper on sustainable development for the United Nations Conference on Sustainable Development (Rio+20) in June 2012.

The work undertaken by the office on trade includes a joint ECLAC-IPEA international workshop that took place in Brasilia in February 2013. The workshop analysed value added activities in international trade in South America and identified data in different countries of the region to build input-output tables on exports and imports. Studying the

social and economic indicators of the BRICS (Brazil, Russia, India, China and South Africa) in order to understand their recent performance has been another project undertaken during the biennium.

IPEA and ECLAC conducted research on industrial productivity and participated in courses and seminars relating to the LA-KLEMS project held in Santiago during 2013. In addition, they embarked in a joint research project on the heterogeneity of the Brazilian economy, producing eight studies on different economic sectors in Brazil. The work in this area was complemented by the Commission's participation in a workshop on productivity promoted by IPEA and SAE in 2013.

IPEA and ECLAC also produced 12 working papers during this biennium and worked in partnership to organize a workshop on statistics for gender studies in 2013.

The contributions of the Ministry of Science, Technology and Innovation and CGEE, through the standing technical cooperation agreement, are instrumental to the work of the ECLAC office in Brasilia. As a testament to this, during 2012 and 2013 the Ministry and the ECLAC office in Brasilia organized a one-week course on the management of science, technology and innovation policies and projects in six different Latin American countries (Costa Rica, El Salvador, Paraguay, Peru, Plurinational State of Bolivia and Uruguay) and in four Brazilian states (Rio Grande do Norte, Amazonas, Bahia and Rio Grande do Sul). Nearly 600 government officials and academics participated in these courses.

In 2012, a new technical agreement was signed with the Brazilian Ministry of Environment to promote studies, workshops and publications on sustainable development, especially in follow-up to the United Nations Conference on Sustainable Development (Rio+20). In this connection, a seminar on the economic perspective of the United Nations Conference on Sustainable Development (Rio+20) was held in May 2012 to evaluate proposals on public policies using economic instruments to promote sustainability.

ECLAC OFFICE IN BOGOTA

In 2012-2013 the ECLAC office in Bogota consolidated its work on social issues, competitiveness and regional development. In the social area, the office delivered technical assistance to the national statistics office (DANE) on poverty measurement methodologies, as well as on policy issues with an impact on the poverty indices. As part of the continuous process of technical cooperation

with DANE, the office participated in the monetary and multidimensional poverty committees that review the measurement methodologies and official results.

The office also worked with the National Planning Department (DNP) by providing proposals for the consolidation of the structure and financing of the Colombian social protection system. With the support of the Social Development Division, the office presented a study in light of the current process of health system reform on equity and justiciability in relation to the right to health in Colombia.

The Government of Colombia invited the office to participate in a mission to consolidate a system of cities in Colombia as part of an exercise to analyse social policy proposals submitted by different sectors with a view to taking a long-term vision to the strengthening of cities.

The study *Amazonia posible y sostenible* took a multidisciplinary approach in its proposals for policy actions aimed at ensuring the sustainable development of the Colombian Amazon. Six regional Amazon workshops were conducted with the objective of building local visions for the region's public policy with the support of GIZ, the Sustainable Development and Human Settlements Division and DNP.

The office launched the study *Escalafón de competitividad de los departamentos en Colombia 2012-2013* and published a book entitled *Metrópolis de Colombia*. Two publications on the agricultural dimension of Colombia's free trade agreements with the United States and the European Union were also produced. The office participated in a rural dialogue group comprising experts, multilateral organizations, national governments, guilds and consultants as a space for reflection about the Colombian rural sector.

ECLAC OFFICE IN BUENOS AIRES

In 2012 and 2013 the ECLAC office in Buenos Aires has provided technical cooperation services with the aim of fostering productivity convergence and innovation in Latin America and the Caribbean. It has built strong ties in the region, including with the ministries of production and infrastructure of Argentina and with the office of the Vice-President of Ecuador. Several publications have been produced on macroeconomics for development. In the context of the agreement signed between ECLAC and the Under-Secretariat for Territorial Planning of the Ministry of Federal Planning, Public Investment and Services, a

technical cooperation project on "Economic dynamics in the configuration of a desirable model of national territory" was implemented with the aim of geo-referencing Argentine value chains. In 2013, the office agreed with the National Public Administration Institute (INAP) to run various ILPES and CELADE training courses for the benefit of public administration officials. In 2013, the first course on REDATAM was provided for local staff and an internship programme for advanced undergraduates in economics was introduced. The office provided technical cooperation services to the provincial governments of San Juan, La Pampa, Jujuy and Santa Fe on the development and strengthening of economic and social indices and follow-up to the Millennium Development Goals. Four requests for technical cooperation were received from Jujuy and Santa Fe and the corresponding services were provided.

As part of its regular activities, the office prepared reports on the Argentine economy for the *Economic Survey of Latin America and the Caribbean 2013* and for the *Preliminary Overview of the Economies of Latin America and the Caribbean*. The office also collaborated on the analysis of the Argentine economy in the context of the four-monthly review of regional economies.

Regarding statistics and economic indices, the office continued to improve and systematize its statistical material, updating basic statistics to be included in regular publications and studies and ECLAC databases.

In order to reinforce its links with the academic sector, the office organized and attended various seminars, and co-organized with the Ministry of Industry the presentation of the ECLAC publication *La industria argentina frente a los nuevos desafíos y oportunidades en el siglo XXI*. In addition six seminars on the industrial and social conjuncture were organized as a platform for economists from the Argentine Industrial Union, the General Confederation of Labour and the Ministry of Labour, Employment and Social Security to present their work.

Lastly, the office represented ECLAC in the UNASUR Working Group on Financial Integration and has contributed to the development of the UNASUR financial integration agenda.

ECLAC OFFICE IN MONTEVIDEO

The most significant activities conducted by the ECLAC office in Montevideo were those undertaken within the framework of the technical cooperation agreement signed with the Government of Uruguay through the Ministry of Economic Affairs and Finance. One area of focus was

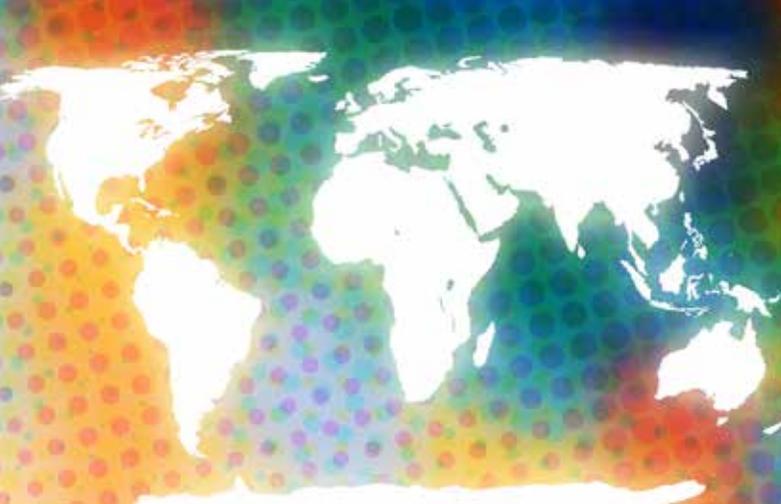
the need to advance in the debate on the instruments available to the countries of the region to tax high-income earners and maximize the use of the tax base for statistical purposes in order to better map inequality in Latin America and identify possible instruments to address it.

In this context, ECLAC organized two workshops: the first in conjunction with the Tax Administration Department (DGI) and the Centre for Fiscal Studies in November 2012; and the second in conjunction with the Centre for Fiscal Studies and AECID in Montevideo in October 2013. Two publications on inequality, tax evasion and taxation on high incomes were produced. In addition, ECLAC participated in a multidimensional survey of Uruguay, along with OECD and CAF. The main areas of interest were fiscal policy and development in the mining industry; evaluating the system of interconnections between the different levels of government in Uruguay; and an analysis of structural change and how it ties in with economic policy.

An agreement was signed between ECLAC and the Office of Planning and the Budget of Uruguay to provide partial financing for the studies on the interrelationship between

different government entities in Uruguay, with a view to preparing a study to assess the process of reallocation of functions between different levels of government. Also, in coordination with ECLAC headquarters in Santiago, the office worked to prepare and sign an agreement with the National Institute of Statistics and the Central Bank of Uruguay to change the base year used in the national accounts.

As part of the regional activities preparatory to the thirty-fourth session of the Commission, several events were organized in Montevideo, including a workshop held in conjunction with the Ministry of Economic Affairs and Finance to discuss the position paper for the thirty-fourth session of the Commission, and a subsequent seminar to present the position paper *Structural Change for Equality: An Integrated Approach to Development*, organized jointly with the Faculty of Social Sciences of the University of the Republic. In this context, the office embarked on a series of studies with a view to systematizing information, and describing and analysing the changes experienced in the economic and production structure of Uruguay from 1998 to date. At the same time, the aim was to map economic, industrial and agricultural instruments.



TECHNICAL COOPERATION

The ECLAC technical cooperation programme is a vital part of the Commission's support to its member States. Technical cooperation allows the Commission to address the needs of the region by providing:

- Analysis on development issues or emerging matters faced by countries in order to feed into policymaking processes; and
- Technical cooperation and the production of relevant material to strengthen national capacities and the generation of regional public goods.

Technical cooperation projects and programmes aim at responding to member States' priorities and capacity gaps. Therefore, the Commission's normative work constitutes the basis for both its technical assistance and capacity-building activities. The virtuous circle of generating knowledge, piloting policy recommendations and systematizing its impacts provides an important platform for knowledge sharing and for the exchange of experiences among member states.

ECLAC receives both substantive and financial support from a variety of partners and donors, including member countries, as well as governments mainly from European countries. Moreover, the Commission works closely and receives financial resources for technical cooperation purposes from United Nations sister agencies, international foundations, academic institutions and NGOs.

During the 2012-2013 biennium, multi-year and multisectoral programmes were financed by GIZ, AECID and the Ministry of Foreign Affairs of Norway. The 2012-2014 cooperation programme "Promoting low-carbon development and social cohesion in Latin America and the Caribbean", which was initiated in July 2012 with funding from the Federal Ministry for Economic Cooperation and Development of Germany (BMZ), worked on two priority components, namely, opportunities for low carbon development

patterns to address climate change and the new "market-State-society" equation. The 2010-2013 programme "Generating knowledge and competencies for the design and application of public policies in Latin America and the Caribbean", which was funded by AECID, developed lines of work historically supported by the Government of Spain, namely, "Strategies for environmental sustainability", "Fiscal policy for economic growth and social cohesion", "Integration, trade and investment", and "Training of public officials". For its part, the Ministry of Foreign Affairs of Norway financed the programme "Promoting equality in Latin America and the Caribbean" (2013-2014) in order to work in the following areas: natural resources and use of royalties deriving from the exploitation of natural resources; rights-based social protection; and gender equality.

Two programmes funded by the European Commission's @LIS programme and "EUROCLIMA: Improving knowledge and institutional capacities with regard to the socioeconomic aspects of climate change" were successfully completed during the biennium.

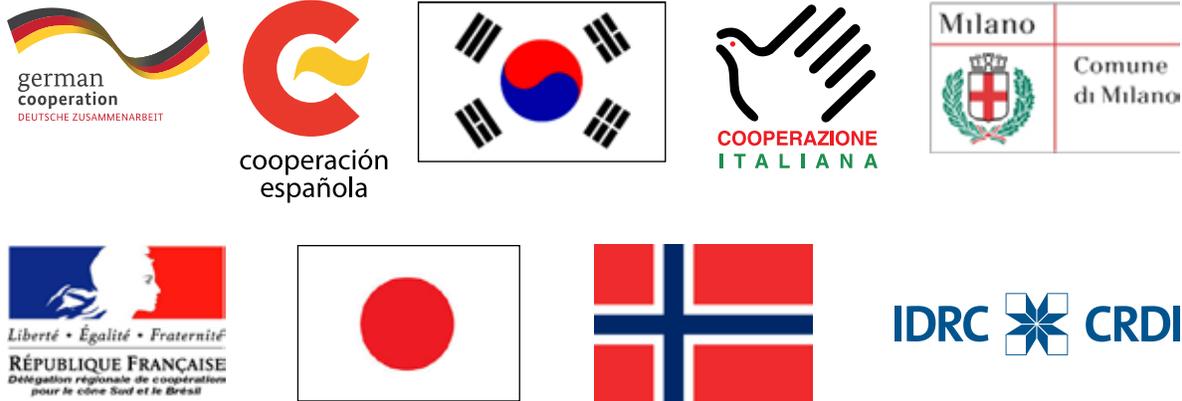
A full agenda was maintained with the United Nations funds, programmes and specialized agencies on cross-cutting issues such as sustainable development, progress towards fulfilment of the Millennium Development Goals, food security and the post-2015 development agenda, as well as on regional issues such as population and development, child poverty, measuring the cost of undernutrition and hunger, decent work and gender equality.

Studies were conducted jointly with development banking institutions (IDB, CAF and the World Bank) on important issues for the region, such as the Latin American debt crisis, 30 years on; growth and structural heterogeneity; the economy of climate change; and strengthening statistical capacities in the region with a view to harmonizing prices in line with international standards (ICP).

ECLAC established strategic alliances with international foundations in order to enhance the statistical visibility of indigenous and Afro-descendent peoples in Latin American countries, strengthen census processes and

their use in public policy formulation, health coverage in the region of Latin America and the Caribbean and on the systematization of experiences with social innovation.

The main bilateral donors during the 2012-2013 biennium



From left to right, these are the logos relating to the cooperation agencies or other entities of the following countries: Germany, Spain, Republic of Korea, Italy (including the logo of the Commune of Milan), France, Japan, Norway and Canada.

Main multilateral donors and the United Nations system



Non-governmental organizations that maintain strategic alliances with ECLAC



Expenditure on technical cooperation by source of funding

The Commission's expenditure for its technical cooperation programme for the 2012-2013 biennium amounted to US\$ 33.3 million. This represents a decrease of approximately 17.3% compared with the expenditure incurred in the 2010-2011 biennium (US\$ 40.3 million) and is due to the delayed effect of the global financial crisis, which impacted heavily on the economies of its traditional donors. The share of expenditure by bilateral and multilateral sources is similar to that of the earlier biennium, that is, more than 50% of the Commission's technical cooperation expenditure comes from multilateral sources. Resources available for expenditure on technical cooperation activities from both multilateral and bilateral sources were seen to trend downward, except in the case of funding from Germany and the development banking institutions; indeed, funding from the latter was up fourfold compared with the previous biennium.

The regular programme funds allocated to ECLAC technical cooperation added up to approximately US\$ 5.9 million for the biennium. These funds were used to finance regional advisers and experts whose primary function is to provide technical cooperation to support and advance processes aimed at building the capacity of governments to formulate and implement policies for sustainable economic development. In many cases, this amount serves as seed funding for high-priority projects addressing the urgent needs of countries.⁴⁶

⁴⁶ These projects address issues such as linkages with the global economy, regional integration and cooperation, production and innovation, macroeconomic policies and growth, social development and equality, population and development, sustainable development and human settlements, natural resources and infrastructure, statistics, and subregional activities.

In 1997, the United Nations General Assembly decided to establish the Development Account, a special multi-year account for supplementary development activities based on the programme of work. The objective of the Development Account is to fund capacity development projects in the priority areas of the United Nations Development Agenda that benefit developing countries. The Development Account encourages close collaboration between entities of the United Nations Secretariat on innovative, cross-sectoral national, subregional, regional or interregional projects. The overall theme of the 2012-2013 tranche of this Account was "Supporting Member States to accelerate progress towards achieving the internationally agreed development goals, including the Millennium Development Goals, in the context of the multiple and interrelated development challenges". During the 2012-2013 biennium, five new projects were approved within the framework of the Development Account, with a total combined budget of US\$ 3.29 million. These five projects, added to the seven already under implementation at the start of the biennium, comprised a portfolio with an overall budget totalling US\$ 7 million. In addition, ECLAC participated in the execution of eight Development Account projects led by other implementing entities with a combined budget of US\$ 1 million.

Areas addressed by projects carried out by ECLAC with funding from the Development Account during the biennium 2012-2013

- Social inclusion of youth within a context of increasing violence and insecurity, through innovative programmes and evidence-based policies;
- Towards a low-carbon economy: policy options for energy efficiency and innovation;
- Time for equality: strengthening the institutional framework of social policies;

- Strengthening the capacity of Latin America and Asia to develop and improve labour training systems and to protect workers against unemployment;
- Towards productivity convergence: trade, financing and technology for small-scale enterprises;
- Improving poverty measurement in the Caribbean: establishing purchasing power parity;
- Improving quantification of women's unpaid work in support of poverty eradication policies;
- Improving management of resource allocation for the environment in Latin America and the Caribbean;
- Strengthening national statistical and inter-institutional capacities for monitoring the Millennium Development Goals through interregional cooperation and knowledge-sharing;
- Strengthening national capacities of export sectors in Latin America and the Caribbean to meet the challenges of climate change;
- Strengthening government and civil society capacity to incorporate economic and social rights into macroeconomic policy;

- Strengthening the capacity of government officials to adapt to possible scenarios of disasters associated with extreme events: analysis for adaptation and disaster risk reduction policies;
- Strengthening Government and civil society capacity to incorporate economic and social rights into macroeconomic policy.

Contributions have come from bilateral sources including countries and organizations both within and outside the region. Contributions from countries in the region are provided by both national and subnational government agencies, channelled for the most part through programmes implemented by the ECLAC offices in Argentina, Brazil, Colombia and Uruguay. The peculiarity of these contributions is that the countries receiving the technical cooperation are themselves the donors, thereby covering the costs of the operation.

Table 1

Expenditure on technical cooperation funded by bilateral sources, 2008-2009, 2010-2011 and 2012-2013

Source of resources	2008-2009	2010-2011	2012-2013	2008-2009	2010-2011	2012-2013
	<i>(millions of dollars)</i>			<i>(percentages)</i>		
Governments of Latin America and the Caribbean	5.20	4.70	3.30	15.1	11.6	9.9
Governments of other countries	10.00	10.60	8.98	29.1	26.4	27.0
Australia	0.00	0.00	0.91	0.0	0.0	2.7
Canada	1.70	0.70	0.67	4.9	1.8	2.0
Denmark	0.50	0.20	0.37	1.4	0.5	1.1
France	0.10	0.20	0.43	0.3	0.4	1.3
Germany	2.30	2.90	3.23	6.7	7.2	9.7
Italy	0.60	0.30	0.06	1.7	0.8	0.2
Japan	0.03	0.05	0.05	0.1	0.1	0.1
Norway	0.00	0.00	0.19	0.0	0.0	0.6
Republic of Korea	0.30	0.30	0.28	0.9	0.8	0.8
Spain	1.90	3.80	2.63	5.5	9.6	7.9
Sweden	1.20	0.60	0.00	3.5	1.5	0.0
United Kingdom	1.30	1.50	0.16	3.8	3.6	0.5
United States	0.10	0.00	0.00	0.3	0.0	0.0
Non-governmental organizations	1.70	1.80	0.47	4.9	4.4	1.4
International Administration and Public Policy Foundation for Ibero-America (FIIAPP)	0.00	0.00	0.06	0.0	0.0	0.2
Ford Foundation	0.00	0.00	0.17	0.0	0.0	0.5
Kellogg Foundation	1.20	1.20	0.03	3.5	3.1	0.1
Rockefeller Foundation	0.00	0.00	0.16	0.0	0.0	0.5
Telefónica Foundation	0.10	0.00	0.05	0.3	0.0	0.1
Academic organizations	0.00	0.00	0.04	0	0	0.1
Other	0.40	0.60	0.14	1.2	1.3	0.4
Total bilateral sources	16.90	17.10	12.93	49.1	42.4	38.8
Total expenditure on cooperation	34.50	40.30	33.31	100.0	100	100

Source: Economic Commission for Latin America and the Caribbean (ECLAC).

Table 2

Expenditure on technical cooperation funded by multilateral sources, 2008-2009, 2010-2011 and 2012-2013

Source of funding	2008-2009	2010-2011	2012-2013	2008-2009	2010-2011	2012-2013
	<i>(millions of dollars)</i>			<i>(percentages)</i>		
ECLAC system	2.50	3.10	3.16	7.2	7.7	9.5
Voluntary contributions to ILPES	2.00	2.70	2.41	5.8	6.7	7.2
Various contributions	0.50	0.40	0.75	1.4	1.0	2.2
United Nations system	10.80	12.20	11.59	31.3	30.3	34.8
Regular technical cooperation programme (Section 23)	5.60	5.60	5.88	16.2	13.9	17.6
Regular population and development programme (UNFPA)	1.70	1.40	1.10	4.9	3.5	3.3
Development Account (ROA fund)	2.50	3.90	3.29	7.2	9.7	9.9
Agreements with agencies and programmes in the United Nations system	1.00	1.30	1.32	2.9	3.2	4.0
Other multilateral sources	4.30	7.90	5.65	12.5	19.7	17.0
European Commission	3.00	6.40	4.00	8.7	15.9	12.0
Development bank (IDB, CAF, World Bank)	0.10	0.20	0.98	0.3	0.5	2.9
Ibero-American Secretariat	0.50	0.20	0.03	1.4	0.5	0.1
Other multilateral agencies	0.70	1.10	0.64	2.0	2.8	1.9
Total multilateral sources	17.60	23.30	20.40	51.0	57.6	61.2
Total expenditure on cooperation	34.50	40.30	33.31	100.0	100.0	100.0

Source: Economic Commission for Latin America and the Caribbean (ECLAC).

Technical cooperation missions

During the biennium, 1,080 technical cooperation missions were conducted in countries across the region.

In terms of the different subject areas, economic issues are clearly predominant accounting for 46% of all missions. This predominance is even greater in the Southern Cone and in Central America, where economic missions account for 50% of all missions implemented. Energy and environmental missions account for 35% of missions conducted in the Caribbean, while missions dealing with economic issues account for 42%, reflecting the concerns of the small Caribbean economies, which are highly vulnerable to external economic shocks as well as to natural disasters and the impact of climate change.

Results of technical cooperation activities

In its programme of work 2012-2013, the Commission's strategy for achieving its objectives consisted of analytical work, advocacy activities and national and local capacity-building.

Attention was focused on the formulation of public policies and on facilitating its implementation and evaluation by offering services in the spheres of specialist information, technical assistance and training, as well as fostering cooperation, establishing networks and sharing experiences at the regional and interregional levels.

Map 2

ECLAC technical cooperation missions in Latin America and the Caribbean in 2012-2013, by type of mission



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

* Refers to the former autonomous part of the Kingdom of the Netherlands "Netherlands Antilles", which was dissolved on 10 October 2010 and comprised the entities Curaçao and Sint Maarten and the Netherlands municipalities of Bonaire, Sint Eustatius and Saba.

A successful technical cooperation experience: the Gender Equality Observatory, a regional authority on women's human rights and gender equality



During the course of the biennium, the Gender Equality Observatory for Latin America and the Caribbean pursued its work of generating knowledge on gender relations in the region in the areas of physical, economic and decision-making autonomy.

In these three analytical dimensions, it has helped to build national capacities for the production of gender statistics and indicators and the relations between producers and users of gender statistics, generate innovative and comprehensive approaches to poverty, improve measurement of violence against women, conduct surveys and develop proposals relating to time use and unpaid work, support mainstreaming of the gender perspective into national policies and propose measures for expanding access by women to political participation and decision-making.

These initiatives, which could not have been tackled without the help of donors such as AECID, the Government of Norway, UN-Women and UNFPA, entailed providing technical assistance to 14 countries, organizing meetings of experts in different areas (time use, fair gender-equality policies, ICTs and others); imparting e-learning courses to 450 participants, mainly public officials. In addition to this, towards the end of 2013, 16 countries in the region have incorporated other indicators proposed by ECLAC in their policies and legislative frameworks. Currently, the challenge is to further the economic autonomy of women, developing new indicators and extending the analysis to new sources in response to the need to ensure that gender equality policies tie in the social with the economic sphere, and encompass also the area of ICTs.

The Gender Equality Observatory has consolidated its position as a regional reference for all those who work to ensure that women's human rights and gender equality become a reality in the region. Towards the end of 2013, more than 600,000 users had consulted the Gender Equality Observatory for Latin America and the Caribbean and the number is increasing steadily. Since 2010, the number of monthly users has tripled, with an average of 16,000 users visiting the site each month.

Access to and use of new information technologies are on the rise in Latin America



Since 2008, ECLAC has cooperated with the European Commission in phase 2 of the Alliance for the Information Society (@LIS) project, an ambitious plan for promoting the spread of information and communications technologies (ICTs) in Latin America and the Caribbean.

Efforts carried out at the political level have resulted in a commitment by governments in the region to move forward with three successive plans for promoting ICTs in the region.

Since 2009 (start-up of programme operations), 10 countries have defined or revised their agenda in this sector.

ICT use in education has been institutionalized in 13 countries with the adoption of a specific policy for this sector in each country. Furthermore, in 12 out of 17 countries a change of focus has been introduced in these policies, which previously limited access to equipment and to Internet and now incorporates teacher training under this heading.

The project has also improved access for the Latin American population, allowing for the use of this new technology by all members of society. Thus, between 2009 and 2011, 14 national broadband plans were drawn up resulting in a 36% increase in the penetration of fixed broadband services and a 400% increase in that of mobile broadband.

Lastly, the project was instrumental in promoting an agreement between governments in Latin America and the European Union for the construction of a new submarine cable to improve connectivity between the two regions and lower the cost and to enable Latin America to be more independent in its use of the Internet.

ECLAC seeks solutions to climate change

As part of its mandate, ECLAC seeks to support the governments of countries in the region in generating applied knowledge for identifying the impact of climate change and for implementing public policies with emphasis on fiscal policy and policies for low-carbon growth with social inclusion to enable countries to adapt to new weather conditions and to work towards mitigating climate change.

The EUROCLIMA programme, which is funded by the European Commission, executed by its Joint Research Centre (JRC) in conjunction with ECLAC and supported by technical assistance, is designed to help to improve the knowledge of decision makers and the scientific community in Latin America concerning the problems and consequences of climate change and thus to incorporate this issue into their strategies for sustainable development. The countries involved in the EUROCLIMA programme are Argentina, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, El Salvador, Guatemala, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

Studies conducted under this programme reveal the interconnection between economic issues and fiscal policies and facilitate the transfer of information and knowledge on the socioeconomic impacts of climate change and on the public policy alternatives for coping with them.

"EUROCLIMA has succeeded in fostering partnerships, networks, the exchange of knowledge and ideas and in this way has allowed the countries that are more advanced in some areas to report to others on the path they have followed, lessons learned and the best practices they recommend. This will gather momentum in the second phase." Ericka Lucero del Águila, Director of the Climate Change Unit in the Ministry of the Environment and Natural Resources of Guatemala.

The studies, complemented by courses, workshops and technical assistance, have given countries in the region insight into the causes and effects of climate change and have enabled them to formulate public mitigation and adaptation policies. Costa Rica has been singled out for the support it has provided in including green taxes in its proposed fiscal reform; similarly, discussions have been held with the Ecuadorian authorities in relation to the use of specific taxes (on non-returnable plastic bottles and other general charges on private cars) and the promotion of the design of insurance against extreme weather events in Central American countries.

Four countries introduce fiscal policy reforms based on ECLAC recommendations



With support from the Spanish Agency for International Development Cooperation (AECID), ECLAC has in recent years promoted the debate on the need for fiscal reform in the countries of Latin America and the Caribbean in order to boost the economy, improve social inclusion and social equality, reduce the exposure to the impacts of external volatility and generate good quality employment.

ECLAC has provided governments with guidelines and recommendations for modernizing their fiscal instruments (relating to social inequality, budgetary policy and climate change among others) by means of case studies, the exchange of experiences and international seminars attended by senior government authorities (ministers and deputy ministers). On the strength of these recommendations, the

Governments of the Dominican Republic, Ecuador, El Salvador and Guatemala have requested technical assistance from ECLAC for initiating reforms in their fiscal policy.

In El Salvador, the National Climate Change Strategy promoted by the Ministry of the Environment and Natural Resources recommended applying a methodology to identify climate-change-related income and expenditure in the national budget, on the basis of international standards and previous studies. Authorities in the Dominican Republic as well as in Ecuador and Guatemala have indicated that they will implement tax reforms to help improve direct redistributive State action, for example by increasing the progressiveness of the tax system and the taxation level, improving the rate structure and increasing the level of tax receipts, the ultimate aim being to improve the principal indicators of equity.

It is to be hoped that in the medium term these reforms will reduce tax evasion and macroeconomic volatility in these countries and improve tax equity and social cohesion.

ECLAC is promoting universal social protection systems in Latin America and the Caribbean and assisting with reform, assessment and social dialogue processes

The project on social covenants for more inclusive social protection, which is being implemented by ECLAC with support from the German Federal Ministry for Economic Cooperation and Development (BMZ) and the German Agency for International Cooperation (GIZ), is designed to assist governments in their reform, assessment and social dialogue processes in order to contribute to the generation of covenants and agreements in line with the Commission's principal recommendations and assessments and which will translate into more inclusive, rights-based social protection systems. Among the national processes supported in order to facilitate the development of new regulatory frameworks or laws for universal social protection systems, the following countries have achieved notable success:

- **Colombia:** high-level dialogue on the "judicialization" of the right to health, which brought together the Minister of Health and Social Protection, representatives of the judicial branch and of civil society in the context of the health system reform (Statutory Law (PL Senado 209/13) and Ordinary Statute (PL Senado 210/13)). ECLAC helped to generate a substantive and impartial dialogue at a very high level, acting as a channel of communication in a polarized political context in terms of the various positions vis-à-vis the judicialization of the right to health.^a
- **Costa Rica:** technical assistance, substantive and institutional support provided to the Ministry of Social Welfare and the Family in the promotion and presentation of the bill on childcare and child development. This law is currently being debated in Congress. According to the Ministry, the hope is that this will be the fourth universal national programme following on the social programmes relating to health, education and pensions.^b Fernando Marín, Minister for Social Welfare and the Family stated that this framework bill will lay the foundations for a universal programme, which, technically and on the basis of the country's experience will be adjusted to meet the requirements of the population in particular with respect to pensions. He added that the proposal is to finance this law by contributing 4% of the annual income of the Fund for Social Development and Family Allowances (FODESAF) and specified that the cost of this programme will be in addition to the 8% of GDP earmarked for education. "This programme seeks to integrate children into the teaching model in the best possible manner and to help them to fit into the education system."
- **Ecuador:** (a) Substantive assistance and active participation in the debate on the national strategy for equality and eradication of extreme poverty. Representatives of the public sector and extragovernmental stakeholders (civil society and corporate entities) took part in the discussion. The coordination of this strategy with that relating to the change in the production matrix is part of an innovative cooperation experiment. (b) Substantive support to the National Secretariat for Planning and Development (SENPLADES) and to the Ministry for Economic and Social Inclusion in systematizing the process of constructing care as a public policy objective, an experience which will be useful in subsequent phases and for similar processes in other countries.
- **El Salvador:** consolidation and institutionalization of the universal social protection system through presentation of the bill on development and social protection. The Technical Secretariat in the Office of the President hopes also that this law will guarantee the progressive enjoyment by the population of economic, social, cultural and environmental rights, and will also define the strategic lines of national social policy, giving it stability in the short and long term. The bill is currently being debated by the legislative branch.^c

"The Universal Social Protection System establishes that every Salvadorian, by virtue of being Salvadorian, and irrespective of whether he or she is poor or rich, has the right to a minimum set of social services provided by the State. This law seeks to institutionalize the protection system which the Government of President Mauricio Funes started to set up from the very first day of his mandate in order to guarantee fulfilment of the rights of persons, with equality, equity and recognition of diversity and from a gender perspective." Alexander Segovia, Technical Secretary, Office of the President of El Salvador.

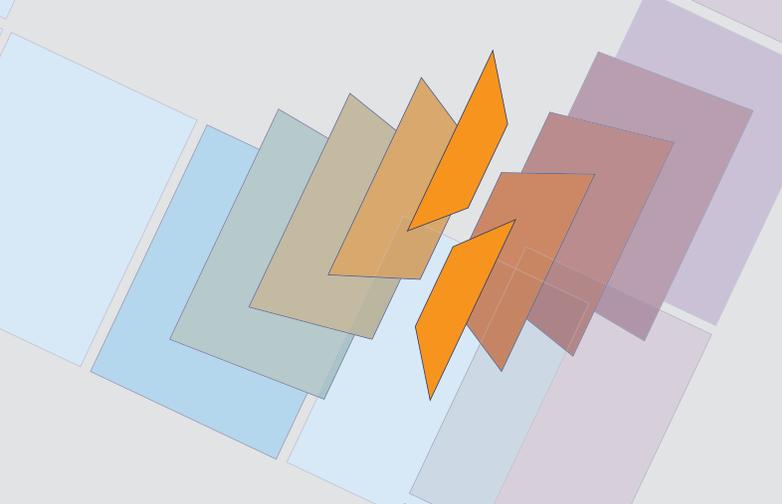
- **Uruguay:** assistance and documentation of the process of definition of the System of Care designed by the Ministry of Social Development.^d This system will target four main population groups: (a) Children (with emphasis on girls and boys aged 0 to 3 years); (b) Persons who are dependent on account of a disability; (c) Dependent older persons; and (d) Caregivers. Bearing in mind the criterion of universality, the System should ultimately reach all those persons belonging to these population groups. However, initially, criteria will be established in order to direct efforts towards the most vulnerable population.

^a For the contents and participants of the seminar, see [online] <http://dds.cepal.org/proteccionsocial/pacto-social/actividades-2013-07-taller-judicializacion-salud-colombia>.

^b For the official communiqué, see [online] <http://www.asamblea.go.cr/Lists/Noticias/DispForm.aspx?ID=4287>.

^c Official press release, see [online] <http://tecnicapresidencia.gob.sv/component/k2/item/888-stp-presenta-el-anteproyecto-de-ley-de-desarrollo-y-proteccion-social-y-promueve-el-dialogo-con-importantes-sectores-de-la-sociedad-salvadorena.html>.

^d For the initial proposal approved by the social authorities and currently under discussion, see [online] http://www.mides.gub.uy/innovaportal/file/23302/1/12.11_-_snc_hacia_un_modelo_solidario_de_cuidados.pdf.



RESULTS-BASED MANAGEMENT

BETTER PLANNING OF PROGRAMMES AND PROJECTS

During the biennium, ECLAC continued to strengthen results-based management by streamlining processes and improving accountability.

To this end, the Office of the Executive Secretary, in conjunction with the Deputy Executive Secretary and the Programme Planning and Operations Division, continued to convene annual strategic planning meetings with the substantive divisions, subregional headquarters and national offices. These meetings provided an opportunity to assess achievements and obstacles and monitor the implementation of the programme of work and projects in 2012-2013, discuss substantive priorities for 2014-2015, and review modalities of work and strategic partnerships with donors and other strategic partners, with a view to attaining greater impacts and synergies through the execution of the activities. Furthermore, these meetings were occasions to discuss management matters and take corrective measures when necessary, and to identify areas of coordination and monitoring.

The Programme Planning and Operations Division conducted several meetings with the substantive divisions, the subregional headquarters and the national offices in order to improve the formulation of their logical frameworks, so as to reinforce ownership of and commitment towards the programme of work. As a result of these consultations, better and streamlined objectives, expected accomplishments and indicators of achievement were identified.

As a natural consequence of these rounds and the constant outreach of the Programme Planning and Operations Division, two ECLAC strategic planning documents were prepared:

- The ECLAC draft strategic framework for the biennium 2016-2017, which will be reviewed and discussed by the

Committee for Programme and Coordination, at its fifty-third session, and, later, by the United Nations General Assembly at its sixty-ninth main session;

- The draft programme of work of the ECLAC system for the biennium 2016-2017, which will be reviewed by member States of ECLAC at its thirty-fifth session in 2014.

These two documents set out the new proposed strategic priorities, as well as the related strategies and tentative list of outputs.

In formulating strategic priorities for 2016-2017, ECLAC has sought to ensure that the gender perspective is mainstreamed throughout the proposed programme of work, whether through strategies, expected outcomes or specific products. In this respect, jointly with the Office of the Executive Secretary, and the Division for Gender Affairs, the Programme Planning and Operations Division has coordinated the oversight of the implementation and monitoring of the gender mainstreaming strategy.

Regarding the optimization of resources, when elaborating the programme of work, ECLAC has also explored all possible synergies between all kinds of activities, regardless of their sources of funding, in order to improve their scope and impact.

STRONG MONITORING CAPACITIES

During the biennium, the Programme Planning and Operations Division continued to keep pace with improvements in the Integrated Monitoring and Document Information System (IMDIS), which monitors indicators and results on all aspects of the Commission's projects and programme of work, and to prepare results-oriented reports for submission to the General Assembly.

As in previous years, the Commission fostered the use of monitoring tools, such as evaluation surveys and the establishment of monitoring focal points in all substantive divisions and offices away from headquarters. The Programme Planning and Operations Division showed client orientation by frequently advising the substantive divisions on the improvement of monitoring and oversight.

In order to make follow-up processes more consistent and standardize the presentation of results, precise instructions have been issued for each biannual review, with formats that enable focal points to verify that requirements and monitoring lines established by United Nations Headquarters and by ECLAC have been met.

With the aim of improving staff capacities, a workshop on results-based management was delivered in Santiago in April 2013. The course targeted ECLAC project managers and monitoring focal points and its objective was to provide them with knowledge and tools to improve the design and follow-up of the programme of work and cooperation projects. The workshop combined theoretical and practical lectures on different topics, such as project design, planning criteria, formulation of logical frameworks and workplans, monitoring and evaluation. The course was very well rated by the participants, 95% of whom considered it excellent or good.

STRENGTHENED EVALUATION FUNCTION

The 2012-2013 biennium has been crucial in strengthening the ECLAC evaluation function, with the publication of the official ECLAC evaluation policy and strategy and the introduction of a number of measures to make its methodological processes more rigorous and inclusive. This past biennium also saw the launch of the Commission's formal evaluation follow-up process.

ECLAC finalized its first official evaluation policy and strategy in October 2013, which will allow the Commission to maximize transparency and coherence in its evaluation function and ensure high quality standards in its evaluations. This, in turn, is aimed at creating greater accountability, improved performance, and institutional learning within the Commission. The document sets out the institutional background and context of the evaluation function at ECLAC, and outlines its scope, objectives, and methodological processes. The document also describes its internal follow-up mechanisms aimed at putting evaluation recommendations into effect once evaluations have been completed, and presents the Commission's strategy for sharing knowledge on its evaluation practice with other institutions within the region and beyond.

Moreover, this document reflects some important reforms that were introduced in the Commission's evaluation practice during the 2012-2013 biennium.

- First, ECLAC has strengthened the independence of its evaluation function by relying solely on external teams to conduct its evaluations and guaranteeing them full editorial independence. The Commission's role, meanwhile, has been adjusted to task management of the evaluation.
- In the past biennium, ECLAC has also improved the quality control mechanisms of its evaluations by creating an Evaluation Reference Group (ERG), a formal panel composed of representatives of all implementing partners and tasked with providing feedback on the evaluation's preliminary findings and draft report.
- ECLAC has also enhanced the participation of implementing partners in the evaluation process, including other regional commissions and entities in the broader United Nations system through "stakeholder debriefs" which take place upon completion of the data collection process and give partners the opportunity to provide initial feedback to the evaluator.
- In line with its launch of the gender mainstreaming strategy in March 2013, the Commission now incorporates gender into the criteria for analysis in all of its evaluations and has included evaluation indicators in its gender mainstreaming strategy. ECLAC also enhanced its reporting on the Evaluation Performance Indicator of the United Nations System-wide Action Plan on Gender Equality and the Empowerment of Women (UN-SWAP).
- In 2013, ECLAC formally established a follow-up process to its evaluations, with the objective of strengthening accountability, facilitating results-based management, and promoting organizational change through the establishment of best practices within the Commission.
- Lastly, ECLAC has begun to expand its involvement in coordination and knowledge-sharing on evaluations with various evaluation networks in the United Nations system. The Commission, for example, currently co-chairs a working group on knowledge management for evaluation within the United Nations Evaluation Group (UNEG), and contributed to the December 2013 launch of the official evaluation network of the five United Nations regional commissions.

During the 2012-2013 biennium, ECLAC conducted evaluations of its cooperation programmes with external donors, the Swedish International Development Cooperation Agency (SIDA) and AECID, as well as of projects completed within the portfolio of its Development Account:

- **Evaluation of the ECLAC-SIDA Cooperation Programme 2010-2011 “Social protection and social inclusion in Latin America and the Caribbean” (November 2012).** The Commission’s work within the cooperation programme supported by SIDA has been crucial in promoting the “Nordic model” of social protection and has allowed the Commission to strengthen its position in several countries in the region, particularly where social protection system reform has been part of the national government agenda. The evaluation also noted that the programme was effective in strengthening the capacity of decision-makers and contributed to the political debate on social protection in the region, although more could have been done to promote the adoption of best practices in this area. ECLAC was urged to pursue the activities undertaken in participating countries and to effectively implement results-based management and knowledge management practices so as to make strategic use of the limited financial resources at its disposal.
- **Evaluation of the technical cooperation programmes of the Spanish Agency for International Cooperation for Development (AECID) and the Economic Commission for Latin America and the Caribbean (ECLAC) 2007-2009 (April 2013).** The evaluation team concluded that the programme was relevant to current development priorities in the region and that it had achieved its expected results, thanks to its legitimacy and leverage within the region as well as to the high quality of its technical cooperation work. Among the main weaknesses identified was the lack of coordination between the different components of the programme, which detracted from the overall coherence and consistency as well as from the effectiveness of the technical assistance missions undertaken in participating countries. The evaluators also noted that more efforts should be dedicated to mainstreaming the gender perspective across programme components, in line with the gender mainstreaming strategy of the Commission and the United Nations system as a whole.
- **Evaluation of the Development Account Project 08/09A, “Strengthening national capacities to deal with international migration: Maximizing development benefits and minimizing the negative impact” (September 2013).** The evaluation found that the project effectively assisted participating countries in adopting best practices and in developing policy responses to international migration challenges and contributed critical new or updated national, regional and global databases and analyses covering relevant issues

and emerging trends in international migration. The evaluation noted room for improvement in the project’s stated goals of incorporating international migration issues into countries’ national development strategies, and stated that a planned web-based interregional/ regional network on international migration and development had yet to be implemented.

- **Evaluation of the Development Account Project 10/11AH, “Improving poverty measurement: building national statistical capacity in Caribbean countries to estimate purchasing power parities” (November 2013).** The key findings of this evaluation were that, thanks to range of activities undertaken by the project, participating countries were able to harmonize their consumer price indices (CPIs) through the use of common classifications of consumer goods and services. The project also succeeded in helping countries to compile their GDP by type of expenditure, as per the ICP requirements, and to establish partnerships with important actors in the Caribbean region. The evaluator suggested improvements in defining governance and management structures, in the design of the project, as well as in the formulation of a sustainability plan.

REINFORCED ACCOUNTABILITY

As a means of reinforcing accountability to member States, and to the General Assembly and ECOSOC bodies that review the implementation of its programme of work, every two years ECLAC presents its report of activities for the consideration of its constituency. Further, in the intermediate years, ECLAC generally presents to its member States, in the context of the Committee of the Whole, a simplified statement of accounts of activities carried out and future lines of work. As shown above, evaluations also serve the purpose of ensuring accountability to donors, member States and different stakeholders. Besides, ECLAC has made a concerted effort to systematize results-based management components into the reports it submits to donors and those that analyse the short and long term impacts of all extrabudgetary activities.

At the internal level, the Programme Planning and Operations Division coordinates responses to diverse oversight bodies, including the Office of Internal Oversight Services, the Joint Inspection Unit and the Advisory Committee on Administrative and Budgetary Questions, regarding compliance with the different recommendations issued by them.



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