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MISSION OF THE IAC

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, training and support for regional and international cooperation and coordination.

(Resolution 553 (XXVI) of the twenty-sixth session of the Commission, San José, Costa Rica, 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 Latin America and the Caribbean. We view development as a comprehensive process from and for the region, a process comprising economic, social and environmental sustainability dimensions which overlap and blend with one another. As an institution, ECLAC has contributed for more than 60 years to the building of a tradition of Latin American and Caribbean thought, through its capacity for analysis and generation of new ideas, combined with technical cooperation activities that have directly benefited the countries of the region.

This activities report highlights the Commission's key achievements and contributions in 2008-2009, a biennium marked by the global economic and financial crisis that brought to an end an historic six-year period of prosperity and progress in the region. The crisis had an immediate impact on work aimed at promoting development in the region and was reflected in a sharp decline in employment and trade and a significant reversal of gains in poverty reduction, as a result of which the already large ranks of the poor had swelled by 9 million at the end of 2009.

In this context, the Commission's substantive capacity and flexible working methods enabled it to respond quickly to the situation of extreme volatility and uncertainty that has prevailed in the region and in the world. The approach of the institution—which has been reflected in all its forums, publications and technical cooperation services—has called for the implementation of countercyclical measures to reduce the impact of the crisis and has emphasized the importance of ensuring sources of employment and, above all, the need to redefine the role of the State in order to adapt to the new reality, which is expected to continue even after the crisis has passed. ECLAC will also continue to promote the region's participation in the debate on reform of the international financial architecture with a view to preventing the recurrence of a crisis such as the current one.

These ideas and policy proposals have been presented in several studies and publications, most notably the document on the reactions of the Governments of the Americas to the international crisis: an overview of policy measures, which has been periodically updated and has been widely read by large audiences, both in the region and elsewhere, because of the added value that this compilation of information offers in keeping with the role of ECLAC as a universal and impartial forum for the promotion of public policy debate and the exchange of best practices.

The work of ECLAC over the biennium, which yielded positive results, was shaped by an institutional process of implementing continuous improvements aimed at increasing the visibility of our products and services, enhancing the transparency of our operations and strengthening our accountability mechanisms, all to the benefit of the countries of the region.

In 2008, in observance of the sixtieth anniversary of ECLAC, several noteworthy events were held, including a seminar commemorating the anniversary, with the theme "Visions of Latin America and the Caribbean" and the release of a book entitled *Sesenta años con América*

Latina y el Caribe, which summarizes the Organization's contribution to the thinking on regional development over the past six decades.

Throughout its history, ECLAC has coordinated numerous consultation meetings at the regional level. It has also been a participant in 33 summits of Heads of State and Government and high-level meetings. Notable among its most recent analyses and public policy proposals, which have helped to stimulate discussion on key regional development issues, are several relating to basic development issues, such as financing for development (Monterrey Consensus follow-up), the food and energy crisis, the knowledge economy, social cohesion, integration and development, and climate change.

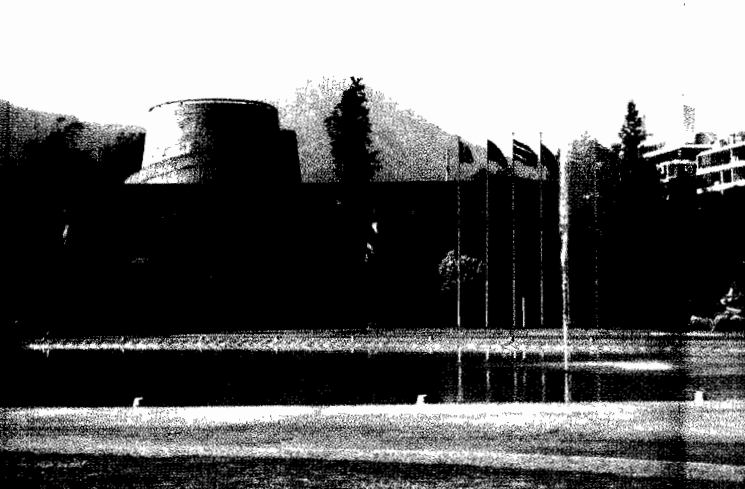
ECLAC officials and technical staff have worked hard to support the design and formulation of sectoral public policies and to catalyse debate around them through our flagship publications—including *Preliminary Overview of the Economies of Latin America and the Caribbean*, *Social Panorama of Latin America*, *Economic Survey of Latin America and the Caribbean*, *Latin America and the Caribbean in the World Economy* and *Foreign Direct Investment in Latin America and the Caribbean*—and through the organization of forums, workshops, seminars 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.

Lastly, I would like to highlight the Commission's leadership in coordinating the work of the funds, programmes and specialized agencies of the United Nations system in the region, through activities such as the meeting of the Regional Coordination Mechanism, organized in 2008 with the aim of strengthening cohesion and synergy in the work of the Organization, at which the reports *Millennium Development Goals: progress towards the right to health in Latin America and the Caribbean* and *Millennium Development Goals: progress in the environmental sustainability of development in Latin America and the Caribbean* were presented and the impact of the financial crisis in the region was analysed. ECLAC has also served as technical secretariat for various intergovernmental initiatives, such as the Committee of the Whole, the Regional Plan of Action for the Information Society in Latin America and the Caribbean (eLAC 2007), 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 Committee of High-level Government Experts (CEGAN), the Caribbean Development and Cooperation Committee (CDCC), the Central American Economic Cooperation Committee and the Regional Council for Planning of the Latin American and Caribbean Institute for Economic and Social Planning (ILPES).

We invite you to read this report, the ECLAC secretariat's principal accountability instrument for reporting on its main achievements and results, highlighting future challenges and reaffirming the Commission's dedication to public service and its continued commitment to addressing the key issues on the regional development agenda.

PART I

INTRODUCTION



ABOUT ECLAC

The Economic Commission for Latin America and the Caribbean (ECLAC) is one of five regional commissions of the United Nations. It was established on 25 February 1948 for the purpose of contributing to the economic and social development of Latin America and the Caribbean, and coordinating actions to promote and strengthen economic relations among countries within the region and with other nations outside the region. ECLAC is headquartered in Santiago and has two subregional headquarters, one in Mexico City, which serves the subregion comprising Central America, Cuba, the Dominican Republic and Haiti, and the other in Port of Spain, which serves the Caribbean subregion. It also has offices in Buenos Aires, Brasilia, Montevideo and Bogota and a liaison office in Washington, D.C. (see map 1). The Commission has 44 member States and 9 associate members, including 33 countries in the region, 9 Caribbean territories, and countries in North America, Asia and Europe that have historically maintained close economic and cultural ties with the region.

Throughout its history, ECLAC has been a major supporter of development in Latin America and the Caribbean and an active promoter of public policy for the Governments in the region. It has the capacity and the tools to monitor, document, systematize, evaluate and compare the progress of member States and associate members, which has enabled it to amass a stock of information that today is considered an important heritage for the region and one that helps to shape and inform the public policy decisions of Governments on a variety of issues relating to the region's economic and social development. The Commission's data and statistics are frequently consulted and used by both ECLAC members and other stakeholders in the region and elsewhere. More information is available on the ECLAC website: www.eclac.org.

HISTORY, EVOLUTION AND MAIN CONTRIBUTIONS OF ECLAC THINKING TO THE REGION¹

In the more than 60 years since its founding, the Economic Commission for Latin America and the Caribbean has made significant contributions to regional development. Its theories and views have also had an impact in many other parts of the world. ECLAC has become an essential reference for anyone studying the recent economic history of the region. At the same time, it has become the leading global source of information and analysis on the economic and social situation in Latin America and the Caribbean. Moreover, it is the only regional "think tank" to have fashioned its own analytical approach, which has been consistently preserved and improved throughout its existence.

The Commission has developed as a specialized school of thought on medium- and long-term economic and social trends in the region. The thinking of ECLAC has been dynamic and has kept pace with the economic, social and political reality in the region and in the world. In its early years the Commission developed its own method of analysis and thematic focus which, with some variations, it has maintained up to the present day. The richness of the ECLAC method lies in a fertile interaction between the inductive method and the theories originally put forward by Raúl Prebisch.

¹ Text excerpted from the ECLAC website and from the commemorative books prepared by Ricardo Bielschowsky for the fiftieth and sixtieth anniversaries of ECLAC (*Cincuenta años de pensamiento en la CEPAL*, vol. 1, Santiago: Comisión Económica para América Latina y el Caribe (CEPAL)/Fondo de Cultura Económica, 1998, and *Sesenta años de la CEPAL*, Santiago: Comisión Económica para América Latina y el Caribe (CEPAL)/Siglo XXI editores, 2009, in press. Available in Spanish only.)

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.

Under the influence of intellectuals such as Celso Furtado, Aníbal Pinto and Aldo Ferrer, the structuralist approach was complemented by the perspective of “historical formation” of the countries of the region, forging a method of research and analysis known as “historical-structuralism”, which analyses how inherited institutions and production structure have influenced the economic dynamics of developing countries and generated behaviours that differ from those of more developed countries.

This approach does not recognize the existence of uniform “stages of development”, since for “latecomers to development” such as the countries of the region, the dynamics of the process are different from those that prevailed in countries that underwent development at an earlier point in history. The dissimilar characteristics of the region’s economies can be better understood by referring to the concept of “structural heterogeneity”, a term coined in the 1970s.

Historians identify five phases in the work of ECLAC:

- Origins and the 1950s: industrialization through import substitution.
- The 1960s: reforms aimed at facilitating industrialization.
- The 1970s: reorientation of development “styles” towards social homogeneity and towards diversification as a means of promoting exports.
- The 1980s: overcoming the external debt crisis through “adjustment with growth”.
- The 1990s: changing production patterns with social equity.

To these five stages may be added the Commission’s recent work, which has its own particular features and areas of in-depth analysis that reflect the economic and social realities of the region.

Keynesian thought, the historicist school and the Central European institutionalists exerted a decisive influence in the early years. More recently, there has been a revival of Keynesian thought and a shift in focus to the new theories of international trade and industrial organization, evolutionary theories of the firm and the new institutionalism.

The history of ECLAC has also been marked by its involvement in the debate on inflation and its introduction of the concept of “inertial inflation”, without which many of

the successful attempts to stabilize inflationary forces in the region would be incomprehensible.

ECLAC has also made a major contribution to the analysis of the debt crisis and the modalities of macroeconomic adjustment employed in the 1980s and to the ongoing debate on sustainable development since the 1970s.

The development of a methodology of analysis that combines multiple elements is another of the Commission’s accomplishments. This methodology emphasizes, first and foremost, an integral, interdisciplinary vision of development; second, a dialectical interplay between ideas and reality, between thought and action, which implies continuous evolution of its thinking in response to changes in the environment and ongoing interaction with the Governments of the region; and, third, the quest for a regional identity, the study of existing conditions from the perspective of regional interests and the evaluation of any conceptual scheme on the basis of its effectiveness in enhancing understanding of those conditions and of how to influence them.

The method and its emphases have given rise to a diverse array of policy analyses and recommendations over time. They have also drawn on a variety of other schools of economic thought, which have left their stamp on the history of the institution.

In recent years, ECLAC has highlighted the profound imbalances in the global order and pointed out how the conditions under which Latin America and the Caribbean participate in that order have a negative impact on the region in productive and financial terms and lead to severe macroeconomic instability, sluggish economies and adverse social effects.

ECLAC has also delved more deeply into its critical analysis of the potential and actual impact of recent reforms on the economies of the region, in a context of growing international recognition of the weaknesses of those reforms, and has pointed up the need to seek a more balanced globalization and to “reform the reforms”.

The main focus since then has been “changing production patterns with equity”, a topic that encompasses all of the priority objectives of ECLAC, including the development of a productive base that combines increased productivity

with competitive engagement in the international economy through increased value added and greater technological innovation, open regionalism and the construction of a more just and egalitarian society. For the achievement of these objectives, ECLAC has highlighted the importance of forging partnerships between the public, private and academic spheres in order to generate knowledge and identify the incentives that need to be created to build greater innovative capacity that will enable the region to add knowledge to what it produces and exports.

Other themes that have guided the work of ECLAC in the past decade have been the promotion of countercyclical measures in the region during the times of greatest growth,

social cohesion, social protection, sustainable development and monitoring of progress on the Millennium Development Goals. Regarding the latter, ECLAC has pointed out that in order to achieve economic and social growth that incorporates an environmental dimension, continuous and stable flows of public and private investment and financing will be needed at both the national and the international levels. The Commission's work in this area has therefore focused on positioning the issue of financing for development as a priority on regional and international agendas. This has been accomplished through various publications, participation in intergovernmental meetings and careful follow-up to the Monterrey Consensus, the Doha Round and the global negotiations on climate change.



HIGHLIGHTS OF BIENNIAL RESULTS

THE REGIONAL CONTEXT

In the years immediately preceding the 2008-2009 biennium, Latin America and the Caribbean had benefited from a period of continued expansion during which the countries of the region not only experienced steady economic growth and decreasing poverty levels, but also made significant improvements to some aspects of their macroeconomic management and reduced their external vulnerability.

In 2008, as a consequence of various external shocks, this period of growth came to an abrupt halt. First, the rise in global energy and food prices cancelled out some of the gains of previous years, such as improvements in terms of trade in various countries, and seriously affected the poorest segments of the region's populations. Then, more importantly, the impact of the collapse of the financial sector in various industrialized countries in the second half of 2008 began to spread rapidly throughout the world and, through the channels of the real economy, spawned the worst global economic crisis in more than half a century, a crisis that has severely impacted Latin America and the Caribbean.

Although most countries of the region were prepared to deal with the crisis thanks to the implementation of sound policy practices in recent years, they had to grapple with the adverse consequences of plummeting trade and investment flows and of sharply deteriorating financing conditions in international markets. As a result, the region experienced negative growth in 2009, with Mexico and Central America suffering the harshest consequences, owing to their strong inter-dependence with the United States economy.

The impacts of the crisis were also felt strongly in the social field as poverty and extreme poverty levels rose significantly in 2009, while employment conditions worsened and informal economic activity grew, in particular among the most vulnerable groups such the poor, women and young people. In late 2009, various signs of recovery seemed to point to a resumption of economic growth in 2010. Nevertheless, as in previous crises, recovery in the social sectors—a decline in poverty levels, for instance—tends to take much longer than recovery in the economic sectors. It was against this recent background that ECLAC carried out its work programme during the biennium.

THE MAIN ACHIEVEMENTS OF ECLAC IN 2008-2009

Given the above context, ECLAC has continued to respond to the most urgent needs of the countries in the region and to serve as a catalyst and leader in addressing economic, social and environmental issues, including the effects of the economic and financial crisis, and in the pursuit of internationally agreed development goals, including the Millennium Development Goals.

ECLAC has continued to serve as a regional forum and facilitator for building regional consensus on the most critical challenges facing the region, through its comprehensive analysis of development processes, public policy formulation and operational tasks, including the provision of technical cooperation, dissemination of specialized information and training. ECLAC has also developed a methodological platform to support countries in their follow-up to world summits on economic, social and environmental issues from a regional perspective.

The economic dimension

As the food and energy crisis gradually turned into a global financial and economic crisis, ECLAC assisted countries of the region through the timely provision of specialized information and policy recommendations, the facilitation of dialogue and the sharing of views by convening the seminar *The Food and Energy Crisis: Opportunities and Challenges facing Latin America and the Caribbean* and by disseminating at several intergovernmental meetings a document entitled “The reactions of the Governments of the Americas to the international crisis: an overview of policy measures. The latter, one of several important publications relating to the crisis, provides a comparative summary of the financial, fiscal, exchange-rate, sectoral and labour/social policies implemented by the countries of the region in response to the current crisis, raising awareness and understanding of the various policy options available for dealing with the crisis, based on the policy measures announced to date by the 33 Governments of the region.

ECLAC has also played an important role as a forum for policy discussion and exchange of experiences and as a catalyst for consensus-building in the area of international trade and integration. With a view to strengthening economic ties within the region and with other regions of the world, it published four documents on opportunities for trade and investment between Latin America and the Asia-Pacific region, which were presented at various intergovernmental meetings and forums. In the area of innovation and competitiveness for export diversification and improvement of the region’s participation in the world economy, the focus has been on public-private partnerships for internationalization, innovation and export development. Success stories in this area were identified in 12 countries of Asia, Europe and Oceania and 7 countries in Latin America with the aim of drawing up recommendations for the countries of the region.

The Commission has worked to strengthen the capacity of governments to formulate and implement policies and strategies to enhance the productivity and competitiveness of the countries’ production structures and to promote policy discussion on industrial development. Important analytical reports and studies were disseminated at

the Ibero-American Summits of Heads of State and Government, including “Espacios iberoamericanos: la economía del conocimiento” and “Innovar para crecer: desafíos y oportunidades para el desarrollo sostenible e inclusivo en Iberoamérica”. Furthermore, the Observatory for the Information Society in Latin America and the Caribbean (OSILAC) was developed for the purpose of centralizing and harmonizing data on the status of the “information society” in the region. ECLAC provided assistance to the Governments of Argentina and Uruguay to create enterprise monitoring centres, to the Government of Nicaragua to develop its national science and technology plan and to the Government of El Salvador on a wide variety of issues, ranging from access to information and communications technologies to science and technology policies.

Economic analyses of fiscal policy and labour markets and a variety of specialized, in-depth macroeconomic analyses were carried out during the biennium. Through publications on fiscal policy and labour markets, such as *Regulation, Worker Protection and Active Labour-Market Policies in Latin America*, ECLAC has contributed to the policy debate on Latin American and Caribbean labour market institutions, and has provided information to decision-makers and technical personnel on policy options with regard to regulation and protection. The Commission also created a joint bulletin with the International Labour Organization (ILO) on the employment situation in Latin America and the Caribbean, with two issues published in 2009, one focusing on the design of public policies aimed at increasing employment and well-being and the other on the evolution of labour markets in the region. In addition, ECLAC organized a series of conferences and studies covering topics closely related to the reconciliation of growth with long-term development, including macroeconomic stability, vulnerability and cyclical fluctuations, labour market institutions and policy options. Also worthy of note is the document “Macroeconomic policies in times of crisis: options and perspectives”, which analyses the economic situation of Latin America and the Caribbean at the onset of the global turmoil, the channels through which the crisis spread and its negative effects on the region, the relationship between macroeconomic fluctuations and fiscal policy, and the limitations of public policies as a means of containing the effects of the crisis.

The social dimension

The Commission's research and dissemination activities have contributed to a fuller understanding and strengthened analytical capacity in regard to the region's structural social problems. Through its leading publications, including *Social Panorama of Latin America*, and publications relating to social inclusion and a "sense of belonging", social protection systems and especially vulnerable groups such as women and youth, ECLAC has helped to disseminate information and promote debate on the new employment-related targets incorporated into the Millennium Development Goals, the demographic dividend as an opportunity for expanding secondary education coverage, and the issue of youth and family violence from a perspective of social inclusion, as well as the financing of social protection, food security, the changing structure of Latin American families and the demands and challenges that these issues create for public action.

In the course of the biennium, the Commission provided technical cooperation to Governments to develop methodologies for measuring social expenditure, to improve management of social programmes and to estimate the cost of hunger in many countries, including the Andean countries and Paraguay. A study on the cost of hunger was also conducted in Haiti. ECLAC provided support to the Plurinational State of Bolivia for the implementation of a social expenditure measurement methodology, enhancing the Government's capacity in that area. ECLAC has devoted much of its work to social protection, in particular conditional cash transfers programmes, which have been identified as fundamental tools for achieving greater equality and reducing poverty in the region. Technical cooperation for that purpose was provided to several countries, including Brazil, Colombia, Ecuador, El Salvador, Panama, Paraguay, Peru and the Plurinational State of Bolivia. ECLAC has disseminated and shared information through the website of the Latin America and Caribbean Network of Social Institutions (RISALC). This network, in which more than 1,332 institutions from 33 countries participate, has served as a platform for knowledge-based social management. In addition, 37 strategic alliances or "virtual corridors" have been established to share, integrate and disseminate information on social development.

ECLAC has also continued its advocacy role with respect to women's rights in the region through its participation in

Support to high-level forums

- Latin American and Caribbean Summit on Integration and Development
- First Meeting of Experts from Ministries of Finance on Follow-up to the Latin American and Caribbean Summit on Integration and Development
- Second Meeting of Ministers of Finance of the Americas and the Caribbean
- XVIII Ibero-American Summit of Heads of State and Government
- APEC Ministerial and Economic Leaders' Meetings
- IV and V Ministerial Meeting of the Latin American Pacific Basin Initiative
- Meeting of the United Nations Regional Coordination Mechanism

Support to intergovernmental forums

- Committee of the Whole
- Plan of Action for the Information Society in Latin America and the Caribbean
- Statistical Conference of the Americas
- Regional Conference on Women in Latin America and the Caribbean
- Committee of High-level Government Experts
- Caribbean Development and Cooperation Committee
- Central American Economic Cooperation Committee
- Regional Council for Planning

high-level regional forums. The launching of the Gender Equality Observatory for Latin America and the Caribbean, the implementation of the Quito Consensus, adopted by the Governments of the region at the tenth session of the Regional Conference on Women in Latin America and the Caribbean, and the integration of a gender perspective into the main institutional documents and work priorities of ECLAC are the most important achievements in this area. The Gender Equality Observatory was developed as a strategic tool that allows Governments to monitor women's economic, political and physical autonomy, in line with the Millennium Development Goals, through indicators agreed jointly with national machineries for the advancement of women, national statistics institutes and other United Nations agencies. As a result of the work of the Gender Equality Observatory, at least nine countries have created their own national observatories to monitor women's income and time

use, violence against women and women's participation in decision-making and enjoyment of basic reproductive rights. In response to the Quito Consensus, a set of policy recommendations addressing the need to generate evidence and integrate a gender perspective in social protection policies is being implemented in many countries through policy reforms, labour policies, social protection pension schemes and monetary transfers. ECLAC is providing support and technical cooperation for those efforts.

The promotion of action in the context of the Programme of Action of the International Conference on Population and Development (ICPD) and the Madrid International Plan of Action on Ageing has been a key area of focus for ECLAC. As technical secretariat for the Regional Intergovernmental Conference on Ageing, ECLAC has helped to promote the idea of a convention on the rights of older persons by providing substantial support to the Governments of Argentina, Brazil and Chile for the organization of follow-up meetings on the Brasilia Declaration: Outcome of the Second Regional Intergovernmental Conference on Ageing in Latin America and the Caribbean (December 2007). In response to specific requests and needs, extensive technical cooperation services have been provided to countries all over the region on a wide range of population-related topics. In particular, ECLAC has contributed to the improvement of national capacity for conducting the 2010 round of censuses through the organization of regional workshops dealing with key issues, such as the inclusion of questions relating to ethnic identification, health and migration, as well as the use of new technology. The recommendations from these workshops were presented to national statistical offices during the fifth meeting of the Statistical Conference of the Americas of the Economic Commission for Latin America and the Caribbean in 2009, at which ECLAC served as technical secretariat for the Working Group on Censuses. Several training courses were also conducted on the use of the System for the Retrieval of Census Data for Small Areas by Microcomputer (REDATAM), a tool for exploring census and survey data, mainly within the region but also in Africa and Asia, thus strengthening South-South cooperation in this area.

The sustainability dimension

ECLAC has continued working on the interrelationships between economic growth, environmental protection, urban development and social equity, with significant

attention to the cross-cutting issue of climate change. It convened two rounds of regional dialogue on climate change, which provided countries of the region with an opportunity to shape common positions in the run-up to the fifteenth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 15) (Copenhagen, Denmark, December 2009). Significant progress was also made in assessing the economic impact of climate change in Latin America and the Caribbean through 15 national and regional studies to be published in full during 2010. A summary of the study results to date was presented in the document "Economics of climate change in Latin America and the Caribbean: Summary 2009", introduced at a side event held during COP 15.

Another important area of work was the integration of public policies and the follow-up of international and regional agreements on sustainable development, including their links with environmental goods and services markets, and the coordination of a multi-agency report on regional progress under Millennium Development Goal 7, which included information on carbon dioxide emissions per unit of gross domestic product (GDP) and deforestation, the potential impacts of climate change on progress towards other Millennium Development Goals and additional difficulties with respect to addressing climate change. The activities of ECLAC in the area of sustainable development and human settlements helped to enhance the capacity of the Governments of the region to follow up and make progress on the implementation of international agreements and their respective national plans of action. Ten countries of the region presented follow-up reports at the Sixteenth Meeting of the Forum of Ministers of the Environment of Latin America and the Caribbean (Santo Domingo, Dominican Republic, January-February 2008) and 18 countries presented reports on policies and instruments relating to social housing and urban development at the seventeenth Meeting of Ministers and High-level Authorities of the Housing and Urban Development Sector in Latin America and the Caribbean (MINURVI) (El Salvador, September 2008).

During the biennium, analysis, research and technical cooperation services were provided to Governments, civil society and academia with a view to improving public policy formulation in the areas of natural resources management, and public utility and infrastructure services were provided

with the aim of fostering sustainable development. These efforts included production of a landmark document on energy efficiency, "Situación y perspectivas de la eficiencia energética en América Latina y el Caribe", developed jointly with the Latin American Energy Organization (OLADE) and the German Agency for Technical Cooperation (GTZ). The document was presented to senior staff from energy ministries in the region at a high-level meeting organized by ECLAC and OLADE in November 2009. An innovative methodology for the formulation of policies for sustainable production and use of biofuels was developed and disseminated through national workshops in various countries. Other areas in which ECLAC technical cooperation has proved valuable to member countries include road safety, ports and concession models. Support in these areas was provided to 18 countries in the region. Transport facilitation programmes for land-locked countries such as Paraguay and the Plurinational State of Bolivia and their main transit countries were also provided.

The public policy dimension

ECLAC has underscored the need for the countries of Latin America and the Caribbean to strike the necessary balance between private initiative and public action and to consolidate a fiscal and social covenant, defined as the institutional arrangements that ensure effective governance. In this context, it has sought to foster a healthy, long-term balance between the State, civil society and the market economy through the art of governing for sustainable economic, social and institutional development. ECLAC has been the leading voice in development planning, performance-informed budgeting and public management in the region, at both the national and subnational levels, through its research, technical cooperation and training activities, catalysing collective discussion and reflection on these issues in the region. As part of this line of work, comprehensive training was provided during the biennium through more than 200 international, and national courses, including e-learning courses, benefiting some 4,746 trainees from 23 different countries; technical cooperation services were provided to Governments and stakeholders from 12 countries, and applied research was disseminated through more than 13 documents. Additionally, support and development of knowledge networks was strengthened through, inter alia, the creation of new applications and a website designed to increase knowledge and sharing of experiences among public servants and development

experts regarding effective and efficient initiatives to achieve the Millennium Development Goals.

ECLAC continued its work on the systematization and dissemination of statistics and supported at least 15 countries of the region in strengthening their national statistical systems and capacities in the areas of national accounts, development of suitable indicators for measuring progress towards the Millennium Development Goals, conduct of household surveys and production of environmental statistics. As a result of efforts aimed at improving the quantity and quality of Millennium Development Goal indicators, a larger number of countries have made considerable headway in the collection of information and in the production of indicator data. Approximately, 28 countries currently have the data needed to calculate most Millennium Development Goal indicators. ECLAC enhanced efforts to improve accessibility of data collected through CEPALSTAT, a new portal to statistical information available on the website of the Commission.

The subregional dimension

The shocks and crises that have affected the Central American and Caribbean subregions in the last two years have provided a renewed sense of urgency and opportunity for strengthening support in these two areas of the region. In response to Governments' request for advice on possible responses to external shocks, ECLAC published the document "Enfrentando la crisis. Istmo Centroamericano y República Dominicana: evolución económica en 2008 y perspectivas para 2009 (Evaluación final)", which contained an extensive discussion of the causes of the crisis, the channels through which it was transmitted and its economic and social effects so far, together with a set of policy recommendations. Additionally, in the context of discussions on the new development agenda for Central America, at least three countries of the subregion have requested the presence and participation of the Commission, which is illustrative of its work in supporting member States in linking short-term analyses and challenges with long-term perspectives and strategies. Technical cooperation services were also provided for electrical power interconnection in Meso-America. That project, which initiated commercial operations in October 2009, will permit a first phase of an electrical power market involving eight countries (Belize, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua and Panama).

ECLAC has played an important role in leading efforts by United Nations and other multilateral agencies to evaluate the socio-economic and environmental impacts of eight major disasters in the region and of the influenza A (H1N1) pandemic in Mexico; in that connection, training has been provided to national personnel in the use of the ECLAC Damage and Loss Assessment Methodology.

ECLAC strengthened its contribution to policymaking in the Caribbean through the delivery of substantive research outputs, technical cooperation services, and training and capacity-building support. At the Fifth Summit of the Americas in April 2009, the Commission's substantive presentations during the side events —on gender mainstreaming, social exclusion, the impact of the global financial and economic crisis and progress towards the achievement of the Millennium Development Goals—helped to inform the policy debate. At the same time, studies on public-private alliances for export development and internationalization and on the escalation in world food and oil prices and the resulting impact on Caribbean economies were widely disseminated and were appreciated by member States. The food crisis study provided an analysis of the main effects of global food price inflation on Caribbean countries and drew attention to the urgency for addressing food security concerns. The study informed the Hemispheric Ministerial Agreement Jamaica 2009 for Agriculture and Rural Life in the Americas within the context of the Summit of the Americas Process, which was adopted by the Inter-American Institute for Cooperation on Agriculture (IICA) Fifth Ministerial Meeting on Agriculture and Rural Life in the Americas (Montego Bay, Jamaica, October 2009). ECLAC contributed to the discussions on climate change impacts in the Caribbean through the preparation of a policy brief entitled "The economics of climate change in the Caribbean" and promoted active participation in all national consultations in preparation for COP 15. Governments have made adjustments in development planning as a direct result of ECLAC recommendations on disaster impact assessments, which were conducted in Belize, Dominica, Cayman Islands, Haiti, Saint Lucia and Turks and Caicos Islands, and advanced training in the use of the DALA Methodology was provided in Jamaica. ECLAC also sought to advance a coordinated approach 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 in the subregion by serving as the secretariat for the

ECLAC Damage and Loss Assessment (DALA) Methodology for Assessments of Natural Disasters

Over the last 35 years ECLAC has been assessing the impact of major disasters in the Latin American region by means of a methodology for measuring the macro, socio-economic and environmental impacts of natural disasters: the Damage and Loss Assessment (DALA) Methodology for Assessments of Natural Disasters. The methodology has gained international recognition, as evidenced by a global agreement between the United Nations system, the World Bank and the European Commission to support its dissemination through the publication of a handbook translated into four languages and its application not only in the region but in other parts of the world. During the biennium, more than 12 country reports were produced after major natural disasters in various countries of the region and for the first time the methodology was used to assess health disasters such as the influenza pandemic in Mexico and the dengue epidemic in the Plurinational State of Bolivia. Several training workshops were offered to train technical staff in various countries of the region to conduct their own preliminary natural disaster damage assessments using the DALA Methodology. In addition, staff from other regional commissions, including the Economic and Social Commission for Asia and the Pacific (ESCAP) and the Economic Commission for Europe (ECE), were trained in the use of the methodology in the framework of the Global Facility for Disaster Recovery and Reduction (GFDRR) Agreement between ECLAC and the World Bank.

Regional Coordination Mechanism (RCM), which meets under the aegis of the Caribbean Development and Cooperation Committee (CDCC).

As described below, the work of ECLAC is carried out through 12 subprogrammes, which cover the above thematic dimensions as follows: subprogrammes 1, 2 and 3 address the economic dimension; subprogrammes 4, 5 and 6 focus on social development; the sustainable development dimension is covered by subprogrammes 8 and 9 and the public policy dimension by subprogramme 7. The subregional dimension is reflected in subprogrammes 11 and 12. Subprogramme 10 supports all the other subprogrammes through its data and statistics work. Specific details about the activities carried out and the results achieved under each subprogramme are given in part II of this report.

Disseminating knowledge and policy recommendations

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

Its main flagship publications include *Latin America and the Caribbean in the World Economy*, *Foreign Investment in Latin America*, *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 of Latin America and the Caribbean*.



Implementation of the programme of work

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

by a high rate of implementation of its programme of work. As reflected in the table below, by the end of the 2008-2009 biennium, 96% of mandated outputs had been implemented, 1% reformulated, 1% terminated and 2% postponed.

Economic and social development in Latin America and the Caribbean	Total number of mandated outputs	Implementation rate for mandated outputs	Number of total outputs	Implementation rate for total outputs
Executive direction and management	50	100%	50	100%
1. Linkages with the global economy, regional integration and cooperation	48	100%	64	100%
2. Productive, technological and entrepreneurial development	49	100%	49	100%
3. Macroeconomic policies and growth	24	96%	50	98%
4. Social development and equity	33	100%	51	100%
5. Mainstreaming the gender perspective in regional development	36	81%	36	81%
6. Population and development	61	100%	62	100%
7. Planning of public administration	30	100%	62	100%
8. Sustainable development and human settlements	36	86%	51	90%
9. Natural resources and infrastructure	35	100%	48	100%
10. Statistics and economic projections	53	85%	66	88%
11. Subregional activities in Mexico and Central America	202	100%	234	100%
12. Subregional activities in the Caribbean	95	95%	130	96%
Subtotal:	752	96%	953	97%

PART II
**MAIN RESULTS AND
ACTIVITIES**

Executive direction and management

Linkages with the global economy,
regional integration and cooperation

Production and innovation

Macroeconomic policies and growth

Equity and social cohesion

Mainstreaming the gender
perspective into the regional
development process

Population and development

Planning of public administration

Sustainable development and
human settlements

Natural resources and infrastructure

Statistics and economic projections

Subregional activities in Mexico
and Central America

Subregional activities in
the Caribbean

National offices

Technical cooperation

Improving results-based management

1

2

4

5

6

7

12



EXECUTIVE DIRECTION AND MANAGEMENT

CONTRIBUTION TO KEY ISSUES ON THE REGIONAL POLICY AGENDA

ECLAC continued to play an important role in the public policy debate in Latin America and the Caribbean, by raising emerging issues, which have since become firmly established on the regional policy agenda. It has put forward policy recommendations in substantive documents prepared for high-level regional meetings such as the twenty-fifth session of the Committee of the Whole of ECLAC (New York, United States of America, February 2009). Member States requested the ECLAC secretariat to collaborate in shaping a common regional position for the United Nations Conference on the World Financial and Economic Crisis and Its Impact on Development. On the basis of the mandates derived from these intergovernmental forums, ECLAC supported several regional summits, events and high-level meetings by providing analysis and policy proposals that helped to spark policy discussion on the most pressing issues facing the region. At the same time, it continued to work to address the many long-term structural challenges still pending.

As the food and energy crisis gradually turned into a global financial and economic crisis, ECLAC assisted countries of the region by providing timely specialized information and policy recommendations and facilitating exchanges of views aimed at generating regional positions in the relevant multilateral forums. In compliance with mandates

from the United Nations Economic and Social Council and the Commission itself, several intergovernmental meetings were convened, including the seminar *The Food and Energy Crisis: Opportunities and Challenges facing Latin America and the Caribbean* (Santiago, Chile, September 2008) and the high-level seminar *The Emerging Global Financial Order: A Regional Perspective* (La Romana, Dominican Republic, November 2008), convened by President Leonel Fernández of the Dominican Republic with support from ECLAC, the Inter-American Development Bank (IDB) and the Organization of American States (OAS).

ECLAC contributed to policy discussion at the highest level through the preparation of the main substantive documents for the deliberations of the Ibero-American Summits of

Heads of State and Government in 2008 and 2009. Three documents, “Espacios iberoamericanos: la economía del conocimiento”, “Youth and social cohesion in Ibero-America: a model in the making” and “The Latin American Pacific Basin initiative and the Asia-Pacific region”, were submitted to the XVIII Summit (San Salvador, El Salvador, October 2008); and one document entitled “Innovar para crecer: desafíos y oportunidades para el desarrollo sostenible e inclusivo en Iberoamérica” was presented at the XIX Summit (Estoril, Portugal, November-December 2009). ECLAC played an active role in the Fifth Summit of the Americas (Port of Spain, Trinidad and Tobago, April 2009), where it presented the documents “Summit of the Americas 1994-2009. Selected Indicators” and “The reactions of Latin American and Caribbean governments

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to the international crisis: an overview of policy measures up to 31 March 2009". These publications presented information on the evolution of development topics and challenges over the past 15 years and a summary of the measures taken by 34 countries in the region to mitigate and address the economic crisis. The latter publication has been continuously updated and widely disseminated in the region and beyond, and has served as a means for sharing knowledge and best practices on how to respond to the financial downturn. The document was updated seven times in 2009.

ECLAC also supported several regional coordination events during the biennium, including the Summit of Latin America and the Caribbean on Integration and Development, convened by the Government of Brazil (December 2008). ECLAC prepared the document "Crisis internacional y oportunidades para la cooperación regional" for that event. Subsequently, ECLAC hosted the first meeting of finance ministry experts on follow-up to the Summit of Latin America and the Caribbean on Integration and Development and then presented the document "Las repercusiones de la crisis en los países de América Latina y el Caribe" at the second Meeting of Ministers of Finance of Latin America and the Caribbean (Viña del Mar, Chile, July 2009). At the request of the Government of Ecuador, President pro tempore of the Union of South American Nations (UNASUR), ECLAC prepared the document "UNASUR: un espacio de cooperación por construir", which was widely disseminated at the Summit and in other forums. The Commission also assisted the Government of Mexico, President pro tempore of the Rio Group, in convening a meeting to discuss the regional position of Latin America and the Caribbean in preparation for the United Nations Conference on the World Financial and Economic Crisis and Its Impact on Development (New York, United States of America, June 2009). Participants stressed the need to bring about a profound reform of the international financial system through a process that is as inclusive as possible.

In addition, ECLAC continued to foster economic and cooperation links between Latin America and the Caribbean and other regions. As a contribution to the fifth European Union–Latin America and the Caribbean Summit of Heads of State and Government (Lima, Peru, May 2008), ECLAC prepared, at the request of the Ministry of Foreign

Affairs of Peru, the document "Defeating poverty through social inclusion", which laid the conceptual groundwork for a joint programme of Latin America and the Caribbean with the European Union to fight poverty, inequality and exclusion. The Commission also presented the document "Opportunities for trade and investment between Latin America and Asia-Pacific: the link with APEC" at the sixteenth APEC Economic Leaders' Meeting/ twentieth APEC Ministerial Meeting (Lima, Peru, November 2008). In addition, ECLAC prepared the documents "The Latin American Pacific Basin initiative and the Asia-Pacific region" and "El Arco del Pacífico Latinoamericano después de la crisis: desafíos y propuestas" for the fourth and fifth Ministerial Meetings of the Latin American Pacific Basin Initiative (Chile and Mexico, October 2008 and November 2009, respectively).

Another cross-cutting issue that has been a significant focus of attention throughout the period is climate change. ECLAC has helped to raise awareness of the issue through the dissemination of specialized information, the formulation of policy recommendations and the provision of technical cooperation to build national capacity and provide a regional platform for the exchange of views on the issue. Jointly with the Governments of Peru and Germany, ECLAC organized a side event on funding for adaptation to climate change in developing countries through scaled-up mitigation during the fifth European Union–Latin America and the Caribbean (EU–LAC) Summit of Heads of State and Government. The High-level Seminar on Climate Change: Impact, Mitigation Possibilities and Financing and the sixth Designated National Authorities Forum (DNA Forum) of the clean development mechanism (CDM), organized and hosted by ECLAC, provided two additional opportunities to continue the regional dialogue on climate change. These forums also afforded the opportunity for the countries of the region to shape common positions in the run-up to the fifteenth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 15). Significant progress was also made in the study of the economic impact of climate change in Latin America and the Caribbean through 15 national and regional studies to be published in full during 2010. A summary of the study results to date was presented in the document "Economics of climate change in Latin America and the Caribbean: Summary 2009", introduced at a side event held during COP 15.

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

ECLAC continued to lead interregional efforts aimed at analysing progress made towards the achievement of the Millennium Development Goals in the region. During 2008 it coordinated publication of the report “Millennium Development Goals: progress towards the right to health in Latin America and the Caribbean”, launched at a meeting of high-level officials from United Nations specialized agencies in San Jose, Costa Rica, in May 2008 and presented at a side event during the High-level Event on the Millennium Development Goals held at United Nations Headquarters (New York, United States of America, September 2008).

ECLAC also hosted a meeting of the Regional Coordination Mechanism (RCM) (Santiago, Chile, November 2008), chaired by the Deputy Secretary-General of the United Nations, in which the Regional Directors of all United Nations funds, programmes and specialized agencies reviewed inter-agency activities in relation to the Millennium Development Goals and examined the impact of the international financial crisis in the region. It was agreed that joint efforts within the Regional Coordination Mechanism would focus on two fronts in 2009: first, production of a joint regional report on Goal 7, Sustainable development, and secondly, preparation of a joint report on employment and labour issues with a view to assessing progress towards the newly added Target 1 for Millennium Development Goal 1. The first of these reports—prepared under the coordination of ECLAC and the United Nations Environment Programme (UNEP), with the support of UNDP and the participation of eight other agencies—has recently been published under the title “Millennium Development Goals: progress in the environmental sustainability of development in Latin America and the Caribbean”; the second report on employment and labour issues, coordinated by ECLAC and ILO, is expected to be published in the second quarter of 2010. Work began in the last quarter of 2009 in preparation for the 2010 interagency report on all the Millennium Development Goals, which will serve as input for the High-level Plenary Meeting of the sixty-fifth session of the General Assembly. In preparation for the 2009 Annual Ministerial Review of

CEPAL Review – 2008-2009



The *CEPAL Review*, the journal of ECLAC, was created for the purpose of contributing, from a regional and institutional perspective, to a better understanding of the nature of development processes and their consequences in the various countries of the region. The *CEPAL Review* has been published continuously, in Spanish and English, for the last 33 years, and now constitutes an invaluable collection of 99 issues containing approximately a thousand articles and papers by a broad range of authors, including academics, policymakers and researchers from Latin America and the Caribbean and other regions of the world. The *CEPAL Review* adopted a new editorial and organizational approach during this reporting period, marking the beginning of a new stage in the publication's history that also includes broadening of its editorial scope and a redesigned format, all inspired by the need to reflect the shifting realities of today's world. The *cepal Review* will thus broaden its thematic horizons in order to address the principal trends of today's knowledge-based world. In so doing, it will seek to achieve the necessary coverage and treatment of important emerging development issues.

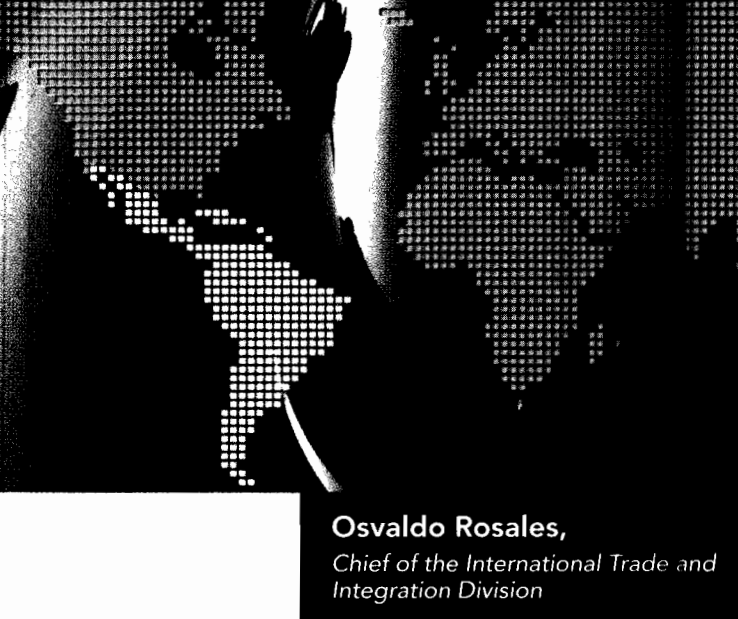
the Economic and Social Council, ECLAC teamed up with the United Nations Department of Economic and Social Affairs (DESA), the Pan American Health Organization (PAHO), the Joint United Nations Programme on HIV/AIDS (UNAIDS) and the Caribbean Community (CARICOM) in organizing the Regional Ministerial Meeting on HIV and Development in Latin America and the Caribbean (Montego Bay, Jamaica, June 2009), which was also supported by several other agencies, including UNICEF, the United Nations Population Fund (UNFPA), UNESCO and ILO.

COMMUNICATION STRATEGY

The efforts ECLAC has made to ensure a place for development issues on the regional policy agenda have been supported by a revitalized and more effective

communication strategy, which has included a more focused and coordinated approach to the dissemination of its flagship publications, a more direct and targeted effort at attracting media interest and the first steps towards revitalizing the Commission's website. Enhanced outreach programmes have resulted in increased media interest in the most recent flagship publications, such as the 2009 edition of *Social Panorama of Latin America*, and have

facilitated the creation of a mini-website devoted exclusively to analysis of the impact of the international financial crisis in the region. By maintaining contacts with leading media groups, providing newsworthy information to journalists and designing outreach activities for diverse audiences, ECLAC is more effectively promoting its mandate and mission and consolidating its position as a substantive leader in thinking on development issues within the region.



Oswaldo Rosales,
Chief of the International Trade and
Integration Division

SUBPROGRAMME 1

LINKAGES WITH THE GLOBAL ECONOMY, REGIONAL INTEGRATION AND COOPERATION

The Division has worked to strengthen the role of ECLAC as a forum for policy discussion and exchange of experiences and as a catalyst for consensus-building in the area of international trade and integration. Regular interaction was promoted during the biennium among stakeholders from both public and private sectors, and greater collaboration was fostered with other United Nations agencies working on trade, international financial organizations, regional development banks and regional integration agencies.

The Division's extensive list of publications included four documents on opportunities for trade and investment between Latin America and the Asia-Pacific region: (a) "Opportunities for Trade and Investment between Latin America and the Asia-Pacific region: the link with APEC", presented at the sixteenth APEC Economic Leaders' Meeting and the fourth Meeting of the APEC Business Advisory Council (ABAC) (Lima, Peru, November 2008); (b) "Economic and Trade Relations between Latin America and Asia-Pacific: the link with China", submitted to the Second China-Latin America Business Summit (Harbin, China, 20-21 October 2008) and (c) two reports for the Latin American Pacific Basin Initiative: "The Latin American Pacific Basin Initiative and the Asia-Pacific region" presented at the fourth Forum of Ministers of the Latin American Pacific Basin Initiative (Santiago, Chile, October 2008) and "El arco del Pacífico Latinoamericano después de la crisis: desafíos y propuestas", presented at the fifth Forum of Ministers of the Initiative (Puerto Vallarta, Mexico, November 2009). The measurable impacts of these publications can be seen in the number of letters received and in the number of press citations. ECLAC was also specially invited to serve as a panelist at the inaugural session of the third China-Latin America Business Summit (Bogotá, Colombia, November, 2009).

The annual flagship publication *Latin American and the Caribbean in the World Economy* continued to receive wide recognition in the press and other media, especially the 2008-2009 edition, which examines the implications of the crisis and the opportunities it affords for regional cooperation. *Latin American and the Caribbean in the World Economy: Crisis and opportunities for regional cooperation* provides a detailed up-to-date analysis of the impact of the crisis on the regional economy and trade and puts forward proposals for fostering regional cooperation during the post-crisis period. The Division has also played an active role in analysing the effects of the financial crisis on regional integration processes.

The twelfth Annual Conference on Global Economic Analysis "Trade Integration and Sustainable Development: Looking for an Inclusive World" was held at ECLAC headquarters (Santiago, Chile, June 2009), with the participation of more than 200 representatives from academic, government and international organizations, who exchanged ideas on how to conduct quantitative analysis using the Global Trade Analysis Project (GTAP) models on trade agreements and links between trade and the environment, labour and poverty.

The Division played a pioneering role in providing assistance to several countries in the region in organizing public-sector institutional processes, strategic national visions and public-private partnerships and consensuses based on analysis of extraregional "success stories" of public-private partnerships examined by ECLAC. It also provided technical cooperation through the organization of a dozen seminars and workshops, benefiting approximately 1,000 participants.

TRADE AND REGIONAL INTEGRATION

The Latin American and Caribbean countries have faced the challenge of taking part in several simultaneous negotiations on trade agreements and economic partnership mechanisms at the global, regional and bilateral levels, while at the same time dealing with the hurdle of consistently and efficiently implementing, managing and monitoring those agreements, so that their outcomes will lead to effective economic development and social well-being.

As a result of the 2008-2009 crisis, world trade plummeted even faster than during the Great Depression, resulting in a downturn in regional trade unprecedented in recent history. ECLAC estimates that the volume of regional trade shrank by 13% in 2009, even more than the 10% decline in world trade. In 2009 the volume of exports of the Latin American and Caribbean region dropped by 11% and its imports by 14%.

In light of the above, during the 2008-2009 biennium, the Division's efforts were oriented towards supporting and strengthening the competitiveness of the Latin American and Caribbean countries and enhancing their ability to achieve more proactive and efficient global integration in order to benefit from cooperation among countries and regional groupings. Emphasis was placed on the need to adopt coordinated, participatory and mutually informed policy responses and on the need for greater regional cooperation, not only to contain the fallout from the recent crisis, but also to improve the region's position in the global economy.

MAJOR ACHIEVEMENTS IN 2008-2009

Research, analysis and dissemination

The capacity of Latin American and Caribbean countries to address global and regional trade issues, formulate and implement trade policies and participate in international negotiations was increased, facilitating the decision-making of government authorities and other beneficiaries through the Division's research and publications.

Analysis of the effects of the financial crisis that affected the world economy after 2008 has been the highest priority. In response to requests from stakeholders, new fields of research have been developed in the areas of trade and poverty, gender and international trade, the impact of environment issues and aid for trade.

During the first part of the biennium, significant changes were introduced to the Division's website, which resulted in easier access and optimized use of search engines. This has fostered a strong increase in the number of downloads of its main publications, which reached a monthly average of 16,704 in the biennium. The number of downloads rose 67% from January to November 2009 in comparison to the same period in the previous year, which indicates an increased interest in the subprogramme's analysis and policy proposals.

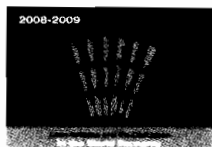
The flagship publication *Latin America and the Caribbean in the World Economy 2007: Trends 2008* was launched in Mexico City for the first time and received wide media coverage. The 2009 edition, *Latin America and the Caribbean in the World Economy 2008-2009: Crisis and opportunities for regional cooperation*, was released on 25 August 2009. A readership survey indicated that 98% of readers considered the thematic coverage of the publication good or excellent and its content sufficiently current, and it has been widely recognized by high-level government authorities.

[...] really useful work because it provides a clear view of developments in commodity prices and terms of trade between the region and the rest of the world [...] based on the statistics collected, you have provided a report with which I agree absolutely.

Excerpt from a letter from Dr. Carlos A. Rossi, Senator, Argentina, 23 September 2009.

In terms of research and dissemination, the Division would like to highlight two areas of its work: first, publications and participation in meetings to disseminate studies relating to the crisis and opportunities for regional cooperation and, second, trade and investment opportunities between

Latin America and the Caribbean in the World Economy 2008-2009: Crisis and opportunities for regional cooperation



This is an annual publication on trends in trade flows. The 2008-2009 edition offers a medium-term view of current international economic conditions, examining in particular the variables that are most likely to have an impact on global scenarios and affect the position of the Latin America

and Caribbean economies in the world economy. It looks at the immediate and long-term implications of the crisis for regional trade patterns and also analyses opportunities for regional cooperation in Latin America and the Caribbean. This publication is widely recognized, as evidenced by the high number of citations in the press (327) in 29 countries and the number of interview requests received by the Executive Secretary and the Chief of the Division after its launch in August 2009.

the region and Asia. In relation to the latter issue, three documents were disseminated during the biennium which have generated substantial interest.

One was the study "Opportunities for trade and investment between Latin America and Asia Pacific: The link with APEC", which was presented at the sixteenth APEC Economic Leaders' Meeting, the twentieth APEC Ministerial Meeting, the fourth meeting of the APEC Business Advisory Council (ABAC), the 2008 CEO Summit and the Second Small and Medium-Sized Enterprises Summit, this last meeting held in Lima in November 2008. This publication, in the opinion of the Peruvian Minister of Economy and Finance, "Provides rich information and a short-term but edifying analysis of trade and investment relations among APEC members and between the Asia-Pacific region and Latin American and the Caribbean" (letter to the Executive Secretary of ECLAC, dated 27 November 2008).

The document "Economic and trade relations between Latin America and Asia-Pacific: the link with China" was

submitted to the second China-Latin America Business Summit (Harbin, China, October 2008) and was translated into Chinese by the China Development Bank to further its dissemination.

The publication "The Latin American Pacific Basin Initiative and the Asia-Pacific region" was presented to the fourth and fifth Forums of Ministers of the Latin American Pacific Basin Initiative, held in October 2008 and November 2009 in Santiago, Chile, and Puerto Vallarta, Mexico, respectively. As a result, ECLAC was asked to share the responsibility of coordinating the collaboration provided by international organizations to promote that Initiative and will form a bipartite committee with the Inter-American Development Bank (IDB) to support the implementation of the Puerto Vallarta commitments.

Other major activities in the area of trade relations between Latin America and the Caribbean and the Asia-Pacific region include participation in the 2008 China International Auto Parts Expo (CIAPE 2008, Beijing, China, November 2008) and the seventh Conference on Global Governance, "China, EU and Latin America: Current Issues and Future Cooperation", organized by the Friedrich Ebert Foundation and Shanghai Institutes for International Studies (Shanghai, China, April 2009).

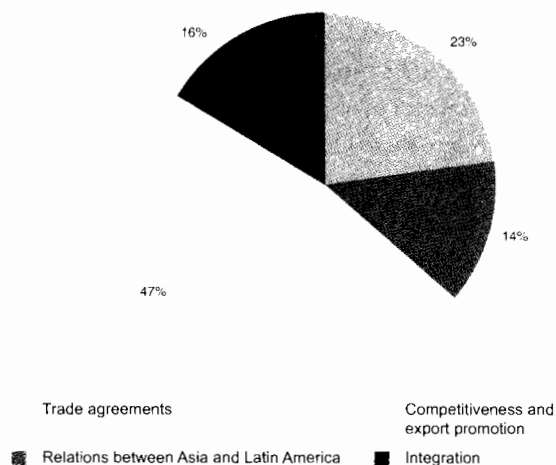
A document on the international crisis and the opportunities for regional cooperation was prepared for the Summit of Latin America and the Caribbean on Integration and Development (Costa do Saúpe, Brazil, December 2008) and the Fifth Summit of the Americas (Port of Spain, Trinidad and Tobago, April 2009), which was attended by Heads of State and Government and high-level officials.

That document, later published under the title "Crisis internacional y oportunidades para la cooperación regional", has been one of the Division's most frequently consulted publications, with 30,000 downloads in October and November 2009. An inventory of measures adopted by the countries of the region to deal with the crisis, especially in the area of trade, was also prepared and regularly updated in 2009.

Technical cooperation and support for policymaking

Figure 1

Technical cooperation missions (74)



Technical cooperation activities carried out during the biennium mainly focused on areas such as public-private partnerships; the relationship between trade and development, with special emphasis on social issues and sustainability; negotiation and administration of trade agreements; innovation and competitiveness; and trade development.

The Division has worked with regional organizations and private and public institutions to strengthen countries' capacity to negotiate and implement trade agreements by providing training and technical cooperation to Government authorities and officials, especially those concerned with the formulation, execution and management of strategies and policies in the areas of foreign trade, international negotiation, and regional integration and cooperation. Training was also provided to various private-sector institutions, such as producers' and exporters' associations, chambers of commerce and other promotion and development entities.

Overall, 95% of the participants in the seminars, workshops and meetings organized by the Division and the main beneficiaries who have received technical cooperation have rated its analyses and recommendations as useful for their work.

Technical cooperation in the area of negotiation and administration of trade agreements was provided to Costa Rica, Honduras, Nicaragua and Paraguay, among other countries of the region, resulting in enhanced capacity of these countries to negotiate and manage trade agreements.

In the area of innovation and competitiveness for export diversification and improvement of participation in the world economy, the Division's focus was on public-private partnerships for internationalization, innovation and export development. Success stories in this area were identified in 12 countries of Asia, Europe and Oceania and in 7 countries in Latin America with the aim of drawing up recommendations for the region. The main findings were included in the policy document: "Structural change and productivity growth —20 years later: old problems, new opportunities", presented during the thirty-second session of ECLAC (Santo Domingo, Dominican Republic, June 2008). This information was also disseminated through the publication "Alianzas público-privadas para una nueva visión estratégica del desarrollo" and through various seminars and workshops, such as the second meeting of the work group on economic and technical cooperation for competitiveness (Lima, Peru, September 2008).

With regard to public-private partnerships, a forum was held in Mexico City in November 2008 on attracting foreign direct investment, export promotion and export development in the framework of public-private partnerships, with the support of the Ibero-American Secretariat (SEGIB), ProMéxico, the Mexican Importers and Exporters Association (ANIERM) and the Mexican Business Council for Trade, Investment and Technology (COMCE). In addition, a seminar on public-private sector partnerships for the development of competitiveness was co-organized with the Ministry of Finance of Guatemala. The importance of this seminar was illustrated by the presence of the President and the Minister of Finance of Guatemala at the opening ceremony. It was attended by over 500 participants.

In addition, several technical training courses relating to competitiveness and innovation were offered in Argentina, Chile, Mexico, Peru and Uruguay, including the Americas Innovation Forum in Punta del Este, Uruguay; the first

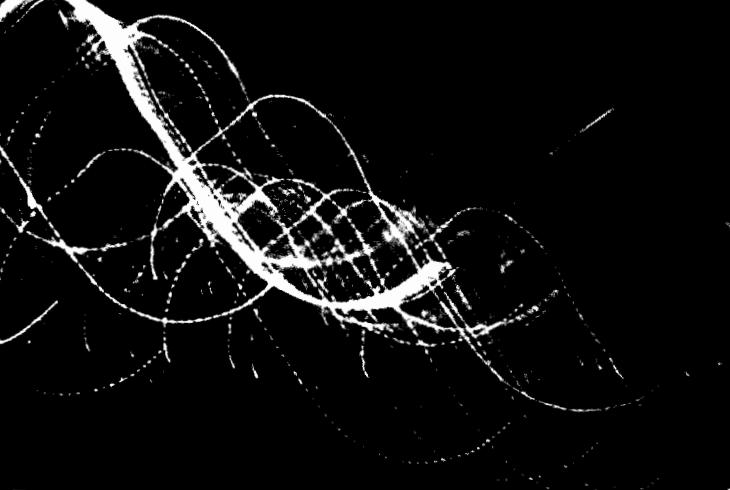
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International Forum on Science, Technology, Innovation and Competitiveness in Lima, Peru; and the ECLAC-InnovaChile seminar on Innovation and Export Development in the Framework of Public-Private Alliances, which was offered in both Santiago, Chile, and Buenos Aires, Argentina.

The Division also co-organized the twelfth Annual Conference on Global Economic Analysis “Trade Integration and Sustainable Development: Looking for an Inclusive World” held at ECLAC headquarters (Santiago, Chile, June 2009), which brought together more than 200 representatives from academia, government and international organizations to promote the exchange of ideas among economists conducting quantitative analysis using GTAP (Global Trade Analysis Project) models on trade agreements and the links between trade and the environment, labour and poverty.

LESSONS LEARNED AND OUTLOOK FOR THE NEXT BIENNIUM

The 2008-2009 crisis made it evident that the Governments of the region need to adopt coordinated, participatory and mutually informed policy responses. In particular, policies must be coordinated in the following areas: (a) countercyclical fiscal policy; (b) financial regulation; (c) re-establishment of capital flows and support for intraregional trade with special financing from regional or development banks; and (d) measures to avoid protectionism. The new international conditions call for greater regional cooperation, not only to contain the fallout from this crisis, but also to improve the region’s position in the global economy —priorities that will guide the work of the Division in the next biennium.



SUBPROGRAMME 2

2

PRODUCTION AND INNOVATION

Mario Cimoli

Chief of the Production, Productivity and Management Division

Although the context of economic crisis experienced during the biennium calls for careful attention to macroeconomic variables, it is also important not to disregard a long-standing problem hindering the development of the region: low rates of productivity growth and a widening gap in productivity with respect to developed economies. ECLAC strongly believes that productivity growth is one of the cornerstones of sustainable economic development. For this reason, the Division has devoted considerable effort to strengthening the capacity of Governments to formulate and implement policies and strategies to enhance the productivity and competitiveness of their countries' production structures.

The demand for timely analysis and sharing of experiences on how to deal with the crisis increased significantly during the biennium. In the flagship publication *Foreign Direct Investment in Latin America*, a special section was therefore included on the impacts of the crisis on capital flows to the region. In addition, a set of comprehensive studies on industrial policies was prepared, including policy options for addressing the crisis, which have been presented at several international forums. Together with other international institutions, ECLAC produced consensus documents on the determinants of the high commodity prices that triggered the food crisis and the effects of the current crisis on the agricultural sector.

Despite the urgencies of the crisis, the Division's research on the determinants of productivity growth in developing countries has remained an important reference for policymakers and research institutions, in line with the objective of the subprogramme. After a decade, the Commission's foreign direct investment report remains the only permanent source of regional analysis of the effects of foreign direct investment on economic development. The Division has provided documents and reports to high-level meetings, such as the Ibero-American Summit of Heads of State and Government. It continues to work closely with Governments of the region to implement policies to strengthen production capacity. Some examples are the design of an innovation strategy for the Government of Nicaragua, enterprise monitoring centres in Argentina and Uruguay, and technical cooperation services provided to El Salvador on a wide variety of issues, ranging from access to information and communications technologies (ICTs) to science and technology policy. The Division also coordinates a major project on the information society, sponsored by the European Union.

New ways to foster growth continue to be explored and tested, sometimes via uncharted paths. For example, ECLAC recently suggested that broadband access to the Internet should be considered a public good. This has opened up new spaces for policy debate in the region which, it is hoped, will yield concrete policy actions in the near future.

The Division remains committed to working closely with Governments and exploring, on the basis of timely and high-quality research, new policy options with the objective of fostering productivity growth to build better and more egalitarian societies in Latin America and the Caribbean.

PRODUCTION AND INNOVATION IN THE REGION

The experience of most countries in Latin America and the Caribbean suggests that the implementation of prudent macroeconomic policies is insufficient to sustain vigorous, long-term economic growth. Thus, these economies will need to continue making resolute efforts to design and implement sectoral and microeconomic policies to foster the introduction of new and dynamic outputs, especially those involving knowledge-intensive inputs, into the production structure.

Production processes and economic agents remain too heterogeneous, and job creation in the formal sector and in dynamic demand-sensitive activities remains inadequate. These substantive issues are expected to occupy a prominent place in the regional development agenda with respect to business development, the production structure and productivity.

Latin America and the Caribbean have faced the international crisis with a burdening heritage: a lack of industrial policies that has led to weak structural change, low productive diversification and productivity and deficient development of more knowledge-intensive sectors. More importantly, the capacity to design and implement industrial policy had been all but dismantled. This is a significant constraint, given the importance of technological capabilities in determining the intensity and direction of post-crisis recovery.

MAJOR ACHIEVEMENTS IN 2008-2009

Research, analysis and dissemination

ECLAC increased awareness among Latin American and Caribbean countries by providing quality analyses on current topics, including the global economic crisis, and offered medium- and long-term policy recommendations for sector development. Such recommendations are presented in the Division's leading publications, including *Foreign Direct Investment in Latin America and the Caribbean*, *Survey of Agriculture in Latin America and the Caribbean*, and a set of papers on productive development policies, which have been downloaded almost one million times during the biennium.

In addition, the Division published a book entitled *The Information Society in Latin America and the Caribbean: Development of Technology and Technologies for Development*, one of the most comprehensive recent studies of the impacts of information and communications technologies on innovation, productivity growth, industry structure, foreign investment, government organization and social impacts.

The number of downloads of the latest edition of *Foreign Direct Investment in Latin America and the Caribbean* increased significantly in comparison with the previous two editions. The publication's outreach also increased, thanks to better press coverage, which increased approximately 50% with respect to the previous year and included articles

Foreign Direct Investment in Latin America 2008



99 of

The last edition of this flagship document provides current data on foreign direct investment (FDI) for all the countries in the region, by sector and by country of origin, which makes it possible to establish benchmarks for policymaking. The document reveals that even with a marked

slowdown in comparison to the previous year, FDI inflows to Latin America and the Caribbean in 2008 reached a new historic high, while the investments by Latin American and Caribbean companies reached the second highest level to date. However, it warns that no matter how surprising these results may seem in a period of financial and economic turbulence, they should be analysed with caution. It is therefore crucial to focus on the impact that the financial crisis will have, which requires short-term measures that will not undermine long-term development.

The 2008 issue also includes an analysis of investment in large coastal hotel and real estate complexes in tropical countries, which have been hit hard by the current crisis. Despite the difficulties they are facing now, these types of investment projects are an interesting example of a new model for tourism development that could be adopted by many countries in the region.

in the *Wall Street Journal* and major newspapers in Latin American and the Caribbean. This boost in press coverage may be attributable to the FDI forecast included for the first time in this publication. The level of user satisfaction with the publication remained high at 90%.

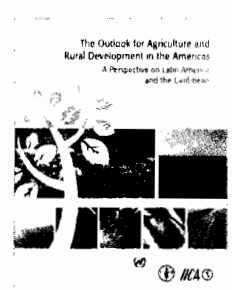
ECLAC also served as a forum for discussion and regional consensus, convening for example the seminar *The Food and Energy Crisis: Opportunities and Challenges facing Latin America and the Caribbean* in response to a request made by member countries during the thirty-second session of ECLAC. Governments discussed a situation assessment on policies and actions taken and their impact, and reached the conclusion that the focus should be on short-term measures within a longer-term approach. Results and related documents generated after the seminar were presented at several meetings, including the discussion on the Millennium Development Goals during the General Assembly.

During the biennium, the Division provided analytical reports and studies for the Ibero-American Summits of Heads of State and Government, including “Espacios iberoamericanos: la economía del conocimiento” and “Innovar para crecer: desafíos y oportunidades para el desarrollo sostenible e inclusivo en Iberoamérica”.

In addition, the Division contributed to policy discussion on the industrial development debate. Some of its papers were published in leading journals, such as the *Cambridge Journal of Economics* and the *Journal of Economic Issues*. Recently, Division staff collaborated with Nobel laureate Joseph Stiglitz in producing the book *Industrial Policy and Development: The Political Economy of Capabilities Accumulation*.

The Commission’s post-graduate summer school hosted 50 young researchers interested in studying, analysing and understanding the Latin American and Caribbean economies. Evaluation surveys of the 2008 Summer School showed that 80% of respondents found the knowledge gained in the various courses “useful” or “very useful”. In 2009, the school’s main focus was on the current economic crisis and its causes and consequences for regional development.

The Division developed and continues to maintain the Observatory for the Information Society in Latin America and the Caribbean (OSCILAC), whose main objective is to centralize and harmonize data that serve to monitor the status of the information society in the Latin American and Caribbean region.



The Outlook for Agriculture and Rural Development in the Americas: A Perspective on Latin America and the Caribbean (2009) is a new joint publication by ECLAC, the Food and Agriculture Organization of the United Nations (FAO) and IICA, which was prepared for the Fifth Ministerial Meeting on Agriculture and Rural Life in the Americas (Montego Bay, Jamaica, October 2009).

The document, considered a milestone in terms of inter-agency collaboration, provides decision-makers in the Americas with a reference report on trends in the agricultural sector and rural areas. It is to be published regularly as part of a series of annual publications resulting from collaborative work.

The Division developed and continues to maintain the Observatory for the Information Society in Latin America and the Caribbean (OSCILAC), whose main objective is to centralize and harmonize data that serve to monitor the status of what is known as the “information society” in the Latin American and Caribbean region.

The Observatory provides support for national statistical institutes in compiling indicators on information and communications technologies in the region and in employing the associated methodology. It also promotes the implementation of an international platform of ICT statistics. OSCILAC has been a key player in the harmonization of ICT development statistics among the countries of the region. As a result, an online database containing harmonized data on ICT use and development for 17 countries is now available.

Lastly, an intelligent search engine was developed that automatically updates existing information and leads to specialized Web pages for policymakers, providing access to current information on science, technology and innovation policies by geographical area and selected countries or instruments and tools. It also provides graphs and tables on innovation

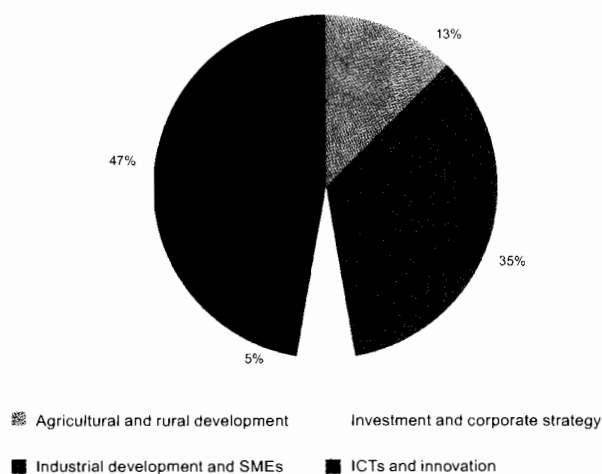
dynamics. Thus far, the search engine has 189 registered users from 24 countries (18 from Latin America and the Caribbean, the rest from Germany, Italy, Spain and the United States). More than 50% of the users are known to belong to government or research institutions, while the rest belong to non-governmental organizations (NGOs) or academia. More information may be found on the Observatory website: <http://www.eclac.org/socinfo/osilac/>

Technical cooperation and support for policymaking

ECLAC, through its Information Society Programme—which includes the projects Alliance for the Information Society, phase 2 (@LIS2), sponsored by the European Commission and OSILAC, with funding from Canada’s International Development Research Centre—has received technical cooperation requests from countries in the region interested in improving their national ICT programmes. Thus far specific support initiatives have been developed for Brazil, Colombia, Costa Rica, Ecuador, El Salvador, Nicaragua, and Paraguay. Technical cooperation is also being provided in the framework of the Meso-American Information Highway project in response to a request from the countries of the Meso-America Project.

Figure 2

Technical cooperation missions (207)



Support was provided to the Government of Uruguay for the establishment of an enterprise monitoring centre, which has helped the Government to track the performance of small and medium-sized enterprises and to implement policies to support their development. Assistance was also provided to the Government of Nicaragua for the

Building a common regional platform to maximize the benefits of ICTs in the region

There has been wide consensus in Latin America and the Caribbean as to the economic and social benefits that information and communications technologies can bring to societies. However, no consensus has been reached on which policies should be implemented in order to maximize those benefits and which methods should be used to assess their impacts in the region. ECLAC facilitated consensus-building by bringing all relevant stakeholders to the negotiating table to agree on a common regional platform. This was the genesis of the Regional Plan of Action for the Information Society in Latin America and the Caribbean (eLAC 2007). Today, ECLAC provides secretariat services to eLAC as the common forum for Governments, public and private institutions, civil society and academia to discuss challenges, monitor performance and share experiences with a view to ensuring that ICTs have a positive impact in the lives of the people of the region.

formulation of its national science and technology plan, launched on 4 December 2009.

Technical cooperation was also provided to the Government of Argentina on issues such as employment conditions in small and medium-sized enterprises and employment of women. The Government of Ecuador benefited from ECLAC assistance in relation to the creation of clusters and local production systems.

During the last half of 2009 a comprehensive technical cooperation agreement was signed with the Government of El Salvador. The agreement covers a number of areas, including innovation, science and technology, and social inclusion.

The Enterprise Monitoring Centre, is supported by ECLAC and was established jointly by the Planning and Budgeting Office of the Government of Uruguay and the Social Security Bank (Banco de Previsión Social)... it makes it possible to track changes in the business environment, evaluate possible impacts and design economic policies accordingly.

Planning and Budgeting Office within the Office of the President of Uruguay, Montevideo, Uruguay, August 2009.

LESSONS LEARNED AND OUTLOOK FOR THE NEXT BIENNIUM

The region still faces some old challenges: low productivity growth and little structural change in its production structure. Despite the efforts of the past, domestic innovation systems

remain weak and have limited capacity of absorption, which constrains countries' ability to adapt and improve foreign technology in order to boost productivity. The Division is aware of these persistent challenges and will continue to develop new strategies and new ways to assist Governments in overcoming them.



Oswaldo Kuczaj
Chief of the Economic
Development Division

SUBPROGRAMA 3

MACROECONOMIC POLICIES AND GROWTH

In the context of the financial and economic crisis that marked the 2008-2009 biennium, the Economic Development Division placed emphasis on providing rapid analytical and technical support to Latin American and Caribbean countries in order to assist them in assessing the impacts of the crisis and formulating policy response.

The Division continued to present and discuss with policymakers and academics a number of analytical studies regarding unemployment insurance, minimum wage and trade union issues, among other topics, through a workshop focusing on the situation of labour market institutions in Latin America and the Caribbean (Santiago, Chile, April 2009). The workshop also analysed policy options for labour market integration, especially among vulnerable groups, and the role of such policies in a crisis context. In the midst of the crisis, ECLAC contributed to the policy debate on the role of fiscal policy in the region and beyond in a context of global crisis through the organization of three high-level meetings (Montevideo, Uruguay, May 2009; San Salvador, El Salvador, August 2009; and Santiago, Chile, September 2009). Participants from Latin America, the Caribbean and the European Union attended and participated actively in the discussions. At these seminars the Division disseminated technical and policy documents on stimulus measures, fostering of sustainable development, protection of the most vulnerable sectors of the population and efforts to achieve greater social cohesion, which fostered debate and policy discussion among government officials from ministries of finance, central banks and other institutions.

As in previous bienniums, the Division was a leading contributor to dissemination of relevant up-to-date information on current macroeconomic policy topics and to the promotion of information-sharing through a number of documents, notably that on *The reactions of the Governments of the Americas to the international crisis: an overview of policy measures*, which was updated on a monthly basis, presented a comparative summary of the financial, fiscal, exchange-rate, sectoral and labour/social policies adopted by various countries of the region in response to the current crisis. This document has reached a broad audience, ranging from academics to high-level politicians, and has been met with great interest by policymakers, for whom it has provided an opportunity to increase their awareness and understanding of available policy options for dealing with the crisis, drawing on the policy measures announced by the Governments of the region. This document was presented at major intergovernmental meetings such as the Fifth Summit of the Americas. Another noteworthy publication, "Macroeconomic policies in times of crisis: options and perspectives", analyses the economic situation of Latin America and the Caribbean at the onset of the global turmoil, the channels through which the crisis spread and its negative effects on the region, the relationship between macroeconomic fluctuations and fiscal policy, and the limitations of public policies as a means of containing the effects of the crisis.

Fostering collaboration among United Nations agencies has been another key aspect of the Division's work. ECLAC together with the International Labour Organization created a joint bulletin on the employment situation in Latin America and the Caribbean, which offers an assessment of the evolution of labour markets in the region in the context of the current crisis and explores issues relating to public policies aimed at increasing employment and well-being. The bulletin has been widely disseminated to the press and relevant stakeholders, thus raising the general public's awareness of those issues.

2008-2009

At the beginning of the biennium, the Governments of the Latin America and Caribbean countries were still experiencing a period of unprecedented economic growth and their main challenge was consolidating that growth within a framework of stability and enhancing equitable distribution of resources. In the effort to achieve those goals, the emphasis was on the need to combine macroeconomic policies designed to reduce real and nominal volatility with production policies that offset the effects of the structural heterogeneity characteristic of the region. However, by the end of 2008 the region's fastest growth stretch in four decades was interrupted by a worldwide crisis that brought an abrupt end to a boom phase of unusual intensity and scope. This crisis has affected almost all of the world's economies, whether developed or developing. ECLAC estimates that, after growing continuously for six years, the gross domestic product of Latin America and the Caribbean will fall by 1.6% in 2009 and unemployment will climb to around 9%.

The strongest impacts from this crisis have come through the real economy. In addition to declining export volumes, the macroeconomic impact of the crisis in the region has been reflected in shrinking investment and a major slowdown in private consumption. The recent repercussions of the crisis have narrowed the macroeconomic space for implementing policies to spur domestic demand and have underscored the choices that must be made regarding instruments and resources available to Governments for meeting competing objectives.

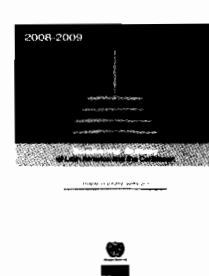
2007-2008

10

The Division enhanced the awareness of policymakers in the region about key issues relating to short-term macroeconomic policies within a long-term growth framework by undertaking an ongoing systematic assessment of the application of economic policies and reforms and of their impact on the economies of the region and disseminating its main analyses and findings through its publications, including *Economic Survey of Latin America and the Caribbean*.

The Division's leading publications — *Preliminary Overview of the Economies of Latin America and the Caribbean* and *Economic Survey of Latin America and the Caribbean*— were downloaded more than 1.8 million times during the biennium. Readers' surveys, which include feedback from policymakers, academics, the press, NGO representatives and economists from the private sector, show a 94.5% satisfaction rate. The readers of the Division's publications are mainly policy makers, technical staff of government agencies, academics and national and local government authorities.

The Division also disseminated relevant economic analysis on fiscal policy and labour markets, including a variety of specialized, in-depth macroeconomic analyses, through its working paper series *Macroeconomía del desarrollo*. Through publications on fiscal policy and labour markets,



For the last 61 years, *Economic Survey of Latin America and the Caribbean* has been an important source of information and analysis relating to the economic situation in the region. This yearly publication changed its focus in 2007, presenting an in-depth analysis on a particular subject of relevance to the region, while also providing an overview of regional economic performance.

The 2008-2009 edition looks at the channels through which the crisis is affecting the economies of the region and its impact on variables such as economic growth, employment and external-sector indicators. It also discusses countries' strengths and weaknesses in dealing with the fallout from the global crisis and examines the economic policies they have been deployed to that end. This year's *Economic Survey* looks in particular at the evolution of labour institutions which, in the recent past, have been at the centre of polarized and hotly contested debates. Today, however, opportunities have opened up for a more balanced discussion in which one-sided views have been set aside and it is accepted that such institutions are called upon to fulfil a number of objectives.



This annual publication is released at the end of each year. It contains a description and assessment of the region's economic performance during the year and provides the most recent detailed information about the evolution of macroeconomic

variables in the region as a whole and in most individual countries. It is thus the earliest source of information on regional economic performance for the whole year.

The content includes a "Regional panorama", from both a global and a sectoral perspective, and provides growth projections for the following year, together with individual country chapters covering all Latin American and many Caribbean economies.

The 2009 edition predicts that the economic recovery from the international crisis in Latin America and the Caribbean will be quicker than expected a few months ago. Growth in the region is projected at 4.1% in 2010, with positive growth rates for most countries, but doubts remain as to whether this recovery will be sustainable over time, given that the external scenario continues to be uncertain, which may affect growth expectations in the region.

such as *Regulation, Worker Protection and Active Labour-Market Policies in Latin America*, it contributed to the policy debate with respect to labour market institutions in Latin America and the Caribbean and has informed decision-makers and technical personnel about policy options with regard to regulation and protection.

During the biennium, ECLAC and the ILO created a joint bulletin on the employment situation in Latin America and the Caribbean. The first issue reviewed the ways in which the crisis affected the region's labour markets during the first quarter of 2009 and what Governments and social partners needed in order to design public policies aimed at increasing

In addition to the publication on the reactions of the Governments of the Americas to the international crisis: an overview of policy measures, mentioned above, a second document, entitled "Macroeconomic policies in times of crisis: options and perspectives", was widely disseminated to policymakers and government technical staff. It analyses the economic situation of Latin America and the Caribbean at the onset of the global turmoil, the channels through which the crisis spread and its negative effects on the region. Additionally, the Division developed a set of composite leading indicators for several countries in the region, which are to be regularly monitored as an important input for making short-term projections for the region in the crisis context.

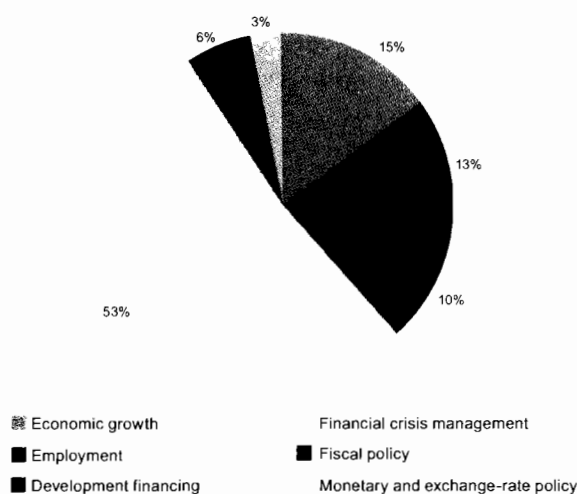
employment and well-being. The second issue analysed the evolution of labour markets in the region during the second quarter of the year and discussed the potential for job creation through public investment in infrastructure and emergency employment programmes. The bulletin was designed mainly as an electronic medium, accessible to the general public through the ECLAC and ILO websites. However, print copies were distributed at some high-profile events, such as the International Labour Conference (Geneva, Switzerland, June 2009), the second Meeting of Ministers of Finance of Latin America and the Caribbean (Viña del Mar, Chile, July 2009) and the Inter-American Conference of Ministers of Labour (Buenos Aires, Argentina, October 2009).

A two-year project, implemented with the support of the Danish Government, analysed and discussed challenges for labour market institutions in Latin America and the Caribbean and reactions/implications on a national level. The main findings of the project have been published in a book entitled *Regulation, Worker Protection and Active Labour-Market Policies in Latin America*, which will also be made available in Spanish and Portuguese. This project was also supported by the Spanish International Cooperation Agency for Development (AECID) and the Swedish International Development Cooperation Agency (SIDA).

Technical cooperation and support for policymaking

Figure 3

Technical cooperation missions (172)



Through the Division, ECLAC has continued to contribute to increased understanding in Latin American and Caribbean countries of the opportunities for reconciling growth with long-term development. To that end, it has disseminated research findings and policy recommendations at expert group meetings, such as a workshop on macroeconomic policy and cyclical fluctuations (Santiago, Chile, April 2008), the EU-LAC Forum on Fiscal Policies in Times of Crisis: Volatility, Social Cohesion and the Political Economics of Reform (Montevideo, Uruguay, May 2009); and the seventh meeting of the Andean Community branch of the Macroeconomic Dialogue Network (REDIMA) (Lima, Peru, June 2008), a joint initiative of ECLAC and the European Union.

The Division organized a workshop on challenges confronted by labour market institutions (Santiago, Chile, April 2009), at which a number of studies on various labour market issues in Latin America and the Caribbean, were presented and discussed. The study topics included unemployment insurance, minimum wage and trade unions. A lecture on the state of the art of the debate on labour market issues at the global level was given by renowned labour economist Richard Freeman. The workshop also analysed policy options for labour market integration, especially among vulnerable groups, and the role of such policies in a crisis context. Representatives of government institutions and the International Labour Office, as well as ECLAC officials, participated as

commentators, catalysing dialogue and information-sharing, analysis and identification of policy options to inform decision-making.

95% of participants in the Division's workshops and meetings acknowledged the usefulness of its analyses and recommendations for their work to promote countercyclical macroeconomic policies and regional and subregional macroeconomic coordination.

The Division also organized a series of conferences on topics relating to the reconciliation of growth with long-term development, such as macroeconomic stability, vulnerability and cyclical fluctuations, labour market institutions and policy options. The positive results of evaluation surveys carried out among participants after these events show that the Division of Economic Development has adequately achieved its goal of exploring and proposing ways of promoting growth while ensuring sustainable development, with an emphasis on problems and opportunities in Latin America and the Caribbean.

LESSONS LEARNED AND CHALLENGES FOR THE NEXT BIENNIUM

The challenge with respect to fiscal policy in the current economic climate lies in applying countercyclical measures in a context of lower tax revenues, while simultaneously protecting certain expenditures—in particular, spending

"I concur fully with the content of these recommendations. I believe that, in including in this seminar the issue of labour market integration policies for vulnerable women and youth in Guatemala, ECLAC is aiming to empower them to compete in the labour market, which will enhance their well-being from an economic, social and cultural perspective and, of course, also strengthen the Guatemalan economy. Accordingly [...] I make a formal commitment—in my capacity as a member of the Board of Directors of the Technical Institute for Training and Production (INTECEP)— to submit [the recommendations of ECLAC] to the Board so that, having considered them, we may proceed to implement them, where appropriate."

Mario Illescas, Deputy Minister of Labour and Social Security of Guatemala, speaking at the opening session of a seminar on policies to promote labour market integration among vulnerable groups (Guatemala City, Guatemala, January 2009).

on education, social protection and infrastructure— that are vital for staving off an increase in poverty and laying the foundations for future growth.

Some of the participants at meetings organized by the Division have suggested that in future it should increase its attention to country-specific issues, the international situation and subregional linkages with the economy of the United States, measurement of indicators, evaluation of research proposals and dissemination of policy conclusions. The Division will therefore strive to improve the coverage,

content and organization of the expert meetings that it coordinates, gradually incorporating the foregoing topics into its work for the coming biennium.

In addition, the Division will stay in close contact with country officials in order to facilitate timely availability of data and will maintain flexibility in its programme of work in order to respond to the rapidly changing needs of the member States of ECLAC. One of the initiatives under way in that connection is the development of an observatory of public policies.



Martin Hopenhayn

Chief of the Social
Development Division

SUBPROGRAMME 4

EQUITY AND SOCIAL COHESION

4

The dynamics of development in Latin America and the Caribbean have been shaped by two distinct periods in 2008-2009, both relevant to the work of the Social Development Division: 2008 saw an end to six years of successes in reducing poverty, expanding employment, extending social protection coverage and improving income distribution, while in 2009 countries began to feel the effects of the global financial crisis on the social situation. In this context, the Division has focused on two areas of work of great importance: (a) monitoring the extent and ways in which the social impact of the crisis is affecting poverty levels, unemployment and vulnerability; and (b) monitoring and supporting countercyclical social policies and programmes and social safety nets put in place in earlier years. All of this work converges in the assessment of the capacity of States to mitigate the social effects of the crisis and protect the lives and incomes of the poor and indigent.

The Division has strengthened assessment and monitoring of social protection systems and poverty reduction policies and of the links between families and social protection policies—a very timely line of work in terms of the dynamics of social development in the region during the biennium. Many of its activities and outputs have proved useful, including information for public management by Governments, training of those responsible for formulating and implementing policies in high-priority social areas, direct technical cooperation services for social programmes and dissemination of knowledge in a broader context of social policy debate in the region.

Among these activities, two have had a particularly significant impact on the agendas of the Governments of the region. The first was carried out in the framework of cooperation between ECLAC and the Organization of Ibero-American States for Education, Science and Culture (OEI) and entailed the estimation of annualized costs for a set of educational goals in Latin American countries for the period 2010-2021. This information was then presented to deputy ministers and experts from the ministries of education of those countries. Together, ECLAC and OEI transferred the calculation software designed for this purpose to ministries of education in almost all the Latin American countries for use in monitoring financing goals and strategies in preparation for the Ibero-American Conference of Ministers of Education and the Ibero-American Summit of Heads of State and Government, both to be held in 2010. Within two months after publication of the first version of the complete document containing the cost estimates and the associated goals and policies, it had already been widely disseminated through the websites of ECLAC and OEI.

The second activity that was of great usefulness and impact was the design, in the framework of cooperation between ECLAC and GTZ, of new methods for producing functional estimates of social spending in countries. The Governments of El Salvador, Paraguay, Peru and the Plurinational State of Bolivia are implementing the methodological recommendations resulting from this activity, which is expected to bring about a significant improvement in the ability of Governments to obtain a clear picture of the input-output matrix of social spending. Also worthy of note are the Division's many publications, in particular *Social Panorama of Latin America*, which has helped to inform decision-making and the formulation of public policy in the countries of the region in response to emerging social problems associated with the current economic and financial crisis.

SOCIAL DEVELOPMENT IN LATIN AMERICA AND THE CARIBBEAN

At the beginning of the biennium, Latin America and the Caribbean had recently experienced five years (2003-2007) of significant economic growth, with important achievements in poverty reduction and other social indicators. Although national situations were diverse, overall performance showed a positive trend in many areas: in Latin America, the unemployment rate had dropped from 11.0% to 7.5%, the poverty rate had fallen from 44% to 34.1% (from 221 to 184 million people) and the extreme poverty rate from 19.4% to 12.6% (from 97 to 68 million people).

Employment rates and labour incomes had increased and income distribution had improved in many countries of the region. But these positive trends reversed dramatically as a result of the hike in basic food and energy prices in 2008 and the successive shocks of the financial and economic crisis in 2009.

The downturns resulted mainly in declining employment (especially among low-income and low-wage groups), falling labour and household incomes within lower-income strata and growing constraints on public expenditures. In this scenario, the Division focused on the need to develop short-term poverty alleviation programmes (including cash transfers and job creation among the most vulnerable sectors) and on investment in human capital and nutrition. In the medium and long terms, emphasis is being placed on the need to increase the scope and coverage of social protection systems and establish fiscal covenants with a larger solidarity component.

MAJOR ACHIEVEMENTS IN 2008-2009

Research, analysis and dissemination

Through its research and dissemination activities, the Division has contributed to a fuller understanding and strengthened analytical capacity in respect of the region's structural social problems. The latest edition of the flagship publication *Social Panorama of Latin America* provides up-to-date poverty figures from 18 countries, thus contributing to policy discussions regarding the new employment-related targets incorporated into the Millennium Development Goals, the demographic dividend as an opportunity for expanding secondary education coverage and the issue of youth and family violence from a perspective of social inclusion.

During the biennium, the Division's publications were downloaded 3,882,243 times, which illustrates the effectiveness of its efforts to disseminate information on innovative analyses relating to social protection systems, policies and poverty dynamics.

The steady increase in downloads of the 2008 edition of *Social Panorama of Latin America*, which totalled 459,891 during the biennium, is indicative of the demand for crucial information for assessing social conditions, advances in poverty reduction, migration and health issues and public social expenditure and on the role of ECLAC in furthering the regional social development agenda.

Readership evaluation responses indicate that the publication was used most widely in Mexico, Colombia, Argentina, Peru and Chile, followed closely by the Bolivarian Republic of Venezuela, Brazil, the United States of America, Spain and Ecuador. The 2008 edition was consulted mainly by individuals associated with universities, government offices and ministries, NGOs, international agencies and private enterprises; 40% were economists, 23.7% students, 11.9% sociologists, 6.2% journalists, 8.4% professors and 4.3% lawyers.

In written evaluations by participants in workshops and seminars organized by the Division, this flagship publication received high approval ratings (an average 4.7 out of a maximum of 5.0 points).

The Division has actively promoted debate on issues relating to social protection systems through a number of publications and seminars focusing on financing for social protection, food security, the changing structure of Latin American families and the demands and challenges that these issues create for public action. It produced a comparative analysis of family-related legislation in five countries of the region and on the effects of the crisis on the security of health and pension benefits, with policy recommendations for tackling those effects. In October 2009, the Division hosted a regional seminar to reflect on appropriate conceptual and policy approaches to the problems affecting Latin American and Caribbean families and in November 2009 it held an international expert workshop on social protection, poverty and rights.

Several publications and activities have focused on issues relating to social inclusion and a "sense of belonging". In

Social Panorama of Latin America 2009



The 2009 edition of *Social Panorama of Latin America* links trends in poverty and income distribution with social protection systems, placing special emphasis on how these systems have responded to the social impacts of the 2008-2009 crisis and on medium and long-term projections. It focuses in particular on the impact of public transfers, trends in social spending, the mechanisms by which social vulnerability is reproduced and changing intergenerational and gender relations. These changes pose significant challenges for governments, the market and families in jointly meeting needs relating to public welfare. The 2009 edition also includes an extensive section on the "care economy", with information and data on paid and unpaid work from a gender perspective, which highlights inequalities and persistent imbalances in the sexual division of labour.

November 2009 alone, three publications on topics such as the new constitutionalism in Latin America, identity and belonging, cosmopolitanism and difference, and contemporary challenges for social cohesion were released, and an international seminar on *The Sense of Belonging in the Twenty-first Century* was held at ECLAC headquarters in Santiago, Chile.

In relation to the care economy, in December 2008 the Division published a study of the challenges faced by girls who bear the bulk of the burden of unpaid domestic work. In June 2009 a virtual forum was held with the collaboration of the Division for Gender Affairs and the Latin American and Caribbean Demographic Centre (CELADE) - Population Division of ECLAC on unpaid care and social protection.

An important activity undertaken jointly by the Division and the Ibero-American Organization for Education, Culture and Science was in relation to the 2021 Education Goals and, indirectly, the advancement of the education-related Millennium Development Goals. The main result of this joint effort was a study of costs for achieving the education goals, which was presented to a meeting of deputy ministers of education and education experts

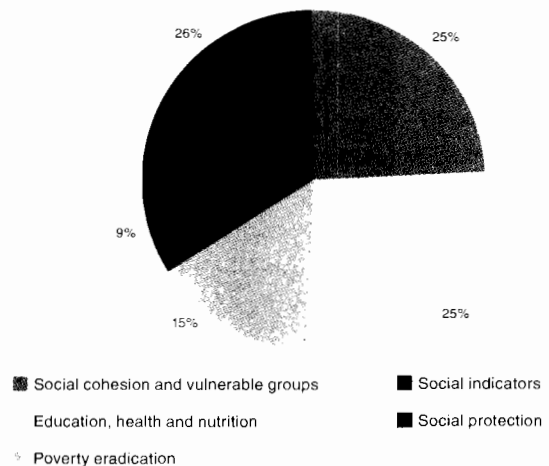
from various Ibero-american countries. The methodology used to calculate the costs was transferred to the meeting participants. Technical cooperation services will be provided to countries to enable them to monitor the goals established in the document and the financing strategies identified.

Measuring the impact of the emerging social issues of e-education and e-health on social development will require further development of analytical capacity in countries and a deeper understanding of policy implications. Within the framework of the 2009 Global Forum on ICT and Innovation for Education (Monterrey, Mexico, September 2009), the Division organized a regional panel on "Learning and teaching with ICTs: challenges for Latin America". A workshop on e-health was held in late November 2009. The objective was to evaluate regional policies and goals in e-health and telemedicine and to agree on an agenda for monitoring progress towards the goals of the Regional Plan of Action for the Information Society in Latin America and the Caribbean (eLAC 2010).

Technical cooperation and support for policymaking

Figure 4

Technical cooperation missions (145)



Six thematic networks of social policymakers or other social stakeholders were established for the exchange of information, experience and best practices.

The Division has continued to provide technical cooperation to Governments to develop methodologies for measuring social expenditure, improving management of social programmes and estimating the cost of hunger in the Andean countries and Paraguay. The outcomes of these activities have been widely disseminated to other Governments and agencies in the region. In the Caribbean, the Division collaborated with the World Food Programme and the Ministry of Health of Haiti in implementing a study on the cost of hunger in that country. It provided assistance in the implementation of a social expenditure measurement methodology in the Plurinational State of Bolivia, enhancing the capacity of the Government's Economic Policy Analysis Unit (UDAPE). The Ministry of Economics and Public Finance of Argentina requested assistance in the same area. Additionally, the Division carried out a management and impact evaluation in Medellín, Colombia, which resulted in a specialized document on process evaluation and a proposal for a strategic intervention in the framework of the Antioquia Food and Nutrition Improvement Plan (MANA), which aims to fight hunger in the Antioquia region of Colombia.

The Division has devoted much of its work to social protection and conditional cash transfer programmes, which have been identified as fundamental tools for achieving greater equality and reducing poverty in the region. In this connection, cooperation services were provided to the Ministry of Social Development (MIDES) of Panama, the Ministry of Development Planning of the Plurinational State of Bolivia, the United Nations independent expert on the question of human rights and extreme poverty and the UNICEF Office for Barbados and the Eastern Caribbean. In Panama, the Division participated in meetings with the Government during the transition of power in order to ensure the continuity of established social policies, while in the Plurinational State of Bolivia it provided technical cooperation services on the Government's strategy for the eradication of extreme poverty. The recommendations that came out of the work done with the United Nations independent expert on human rights were included in her report to the Human Rights Council.

The Division also provided technical cooperation for the improvement of procedures for the collection and classification of social expenditure data in Brazil, El Salvador,

I would like to thank you for your participation in the workshops on human rights and cash transfer schemes held at OHCHR...the lively discussions and insightful comments of each and every participant proved to be invaluable for the preparation of my report to the Human Rights Council.

Magdalena Sepúlveda Carmona, United Nations independent expert on the question of human rights and extreme poverty, Geneva, Switzerland, 21 April 2009.

Paraguay and Peru; on the implementation of a methodology to assess the cost of hunger in Colombia, Ecuador, Peru and the Plurinational State of Bolivia; and on analysis and monitoring of social indicators and social protection in Panama. El Salvador, Paraguay, Peru and the Plurinational State of Bolivia are all fully implementing the methodological recommendations provided by ECLAC with regard to social expenditure.

As a result of the technical cooperation provided to Panama, in August 2009 the country launched a social panorama of Panama modelled on the ECLAC flagship publication produced by the Division.

I would like to thank you on behalf of ONPES for your participation in the workshop on the MDGs, held in Port-au-Prince on 25 and 26 November[...] Your presence marked the beginning of a fine and open partnership between our two institutions.

Dr. Philippe Rouzier, Coordinator, National Observatory of Poverty and Social Exclusion (ONPES), Ministry of Planning and External Cooperation, Port-au-Prince, Haiti, 2 December 2009.

One area in which sharing and dissemination of experiences has taken place extensively was the project Experiences in Social Innovation in Latin America and the Caribbean, carried out by ECLAC with support from the W.K. Kellogg Foundation. Through an annual contest, the project identifies innovative social development initiatives to address social exclusion in effective and efficient ways. The contest has been conducted for five years, during which time more than 4,800 initiatives in the region have been presented, of which 72 have been identified as truly innovative and 21 have received awards.

Youth and social cohesion in Ibero-America: a model in the making



This publication, presented to Heads of State and Government at the eighteenth Ibero-American Summit of Heads of State and Government (El Salvador, San Salvador, October 2008), provides a comprehensive, up-to-date picture of the situation of youth in Ibero-america. Conceptually, it links youth development with social cohesion. Using data from household surveys, censuses, youth surveys and public opinion surveys, it describes and analyses the situation of youth and the social gaps they face with respect to education, health, employment and violence, among other aspects of everyday life. The publication also includes relevant and comparable information on young people's participation, sense of belonging, family life and family composition.

LESSONS LEARNED AND OUTLOOK FOR THE NEXT BIENNIUM

The 2008-2009 economic downturn will affect social outcomes and, notwithstanding the growing interest in the Commission's publications and analyses, the Division faces the challenge of effectively and swiftly transmitting comparable statistics on the evolution of social indicators and public spending on the basis of official data submitted by Governments, while at the same time providing analysis of long-standing structural challenges faced by the region, such as the need for progressive countercyclical public spending and taxation, and more inclusive and effective social policies and poverty reduction strategies to inform policy formulation and decision-making. For that purpose, a network of government institutions is being established to exchange statistical information among experts.

Regarding emerging social issues, assessing the impact of e-education and e-health on social development calls for

The Division has also disseminated and shared information through the website of the Latin American and Caribbean Network of Social Institutions (RISALC). This network, which comprises over 1,332 institutions from 33 countries,² has served as a platform for knowledge-based social management. In addition, 37 strategic alliances or "virtual corridors" have been established to share, integrate and disseminate information on social development via the web. During 2008 and 2009, dissemination of the RISALC Electronic Bulletin continued (35 bulletins distributed to a total of 849 registered users in 29 countries worldwide), and two new online databases were created, one of social indicators and the other a video database of innovative social experiences developed mainly at the local level by civil society organizations (available at <http://www.risalc.org:9090/portal/videos>).

Within the framework of RISALC, four virtual forums were carried out in 2008-2009, during which four winning projects from the Experiences in Social Innovation contest were presented. Participation by members of local and regional governments and by members of civil society resulted in a rich debate that reinforced the cross-fertilization of experiences and the sharing of ideas.

In addition, three new thematic networks of social policymakers and other stakeholders—including representatives of UNICEF, UNFPA, UNDP, the United Nations Development Fund for Women (UNIFEM), the W.K. Kellogg Foundation, OEI and the Ibero-American Youth Organization (OIJ)—were established to promote the exchange of information and best practices, thereby strengthening capacities for the formulation and implementation of social policies in the region on issues relating to family, youth and public social expenditure.

The Division has continued to provide technical cooperation to Governments to develop methodologies for measuring social expenditure, improving management of social programmes and estimating the cost of hunger.

² Antigua and Barbuda, Argentina, Bahamas, Barbados, Belize, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Saint Lucia, Suriname, Trinidad and Tobago and Uruguay.

the development of further analytical capacity in countries and for a deeper understanding of policy implications. At the institutional level, more work is needed in order to incorporate a social perspective into the analysis of information and communications technologies and to strengthen the analytical linkages between social and technological factors.

In the area of sharing of experiences on innovative social projects, the main task is to identify and document, classify, and promote the replication of innovative social projects. Greater social impact may be ensured by enabling stakeholders and policymakers to learn from successful grass-roots experiences throughout the region. The Division will continue to pursue these kinds of initiatives in the next biennium.

SUBPROGRAMME 5

MAINSTREAMING THE GENDER PERSPECTIVE INTO THE REGIONAL DEVELOPMENT PROCESS

Sonia Montaña

*Officer in Charge of the Division
for Gender Affairs*

The 2008-2009 biennium was a turning point in support by the Commission for gender mainstreaming processes in Latin America and the Caribbean. The former ECLAC Women and Development Unit was significantly upgraded and strengthened, becoming the current Division for Gender Affairs. As a result, ECLAC is now in a much better position to demonstrate its leadership role in generating knowledge and enhancing capacity for gender equality and the empowerment of women and in contributing to gender mainstreaming in the countries of the region, in consonance with internationally agreed development goals, including those contained in the Millennium Declaration and the 2005 World Summit Outcome.

The launching of the Gender Equality Observatory for Latin America and the Caribbean; the implementation of the Quito Consensus, adopted by Governments at the tenth session of the Regional Conference on Women in Latin America and the Caribbean (Quito, Ecuador, August 2007); and the integration of a gender perspective into the main institutional documents and work priorities of ECLAC are the Division's most important achievements during this period.

The Gender Equality Observatory for Latin America and the Caribbean was developed as a strategic tool that allows governments to monitor women's economic, political and physical autonomy—and violence against them—in line with the Millennium Development Goals, through indicators commonly agreed with national machineries for the advancement of women, national statistics institutes and other United Nations agencies. Information gathered from government reports shows that Brazil, Colombia, Ecuador, El Salvador, Guatemala, Mexico, Peru, the Plurinational State of Bolivia and Uruguay have now created some type of observatory that measures and monitors violence against women and women's income, time use, participation in decision-making and basic reproductive rights. Another valuable impact of both the Gender Equality Observatory and the Quito Consensus is a 2008 proposal by women's networks in the region to create "ISO-Quito", a civil society project that will annually monitor the implementation of the Consensus by Governments.

Worthy of particular note is the Division's contribution to raising the profile of issues relating to the care economy and women's unpaid work on the policy agendas of the countries of the region. In the context of the 2008-2009 economic and financial crisis, these issues have taken on special relevance. In line with the Quito Consensus, which focuses on gender parity in decision-making and recognition of women's unpaid work, a set of policy recommendations addressing the need to develop evidence and integrate a gender perspective in social protection policies is being implemented in many countries. Some of the initiatives undertaken include policy reforms, labour policies, social protection pension schemes and monetary transfers. Fifteen countries in the region have formulated and implemented time-use surveys with ECLAC technical support.

ECLAC has mainstreamed the gender perspective in various studies on the economic crisis, analysing its impact on women and, in particular, the contribution of unpaid work and access to the labour market. A high-level seminar on analysis of the impact of the crisis from a gender perspective (Mexico City, Mexico, July 2009) yielded new knowledge and a commitment by civil society to replicate the debate at country level. This has already occurred in Colombia, the Dominican Republic and the Plurinational State of Bolivia and similar meetings are planned in other countries of Central and South America.

GENDER PARITY IN THE REGION

Latin America and the Caribbean continue to be characterized by high levels of inequality and poverty, including the practice of various forms of discrimination, one of the most pervasive being gender-based discrimination.

While steady progress has been made, women are still over-represented among the poor and indigent. Aside from a few visible advances in national executive cabinets, women's representation in decision-making spheres is minimal—especially in the legislative, judicial and economic branches. Meanwhile, women continue to shoulder the vast majority of caring and reproductive tasks.

Numerous poor, adolescent and indigenous women continue to live in conditions of high vulnerability, and for many their situation is compounded by gender-based violence. While this scourge is exacerbated by poverty, it is a universal evil that crosses all educational and social boundaries and is present in all sectors of society, and national strategies for gender equality are needed to address it.

MAJOR ACHIEVEMENTS IN 2008-2009

Research, analysis and dissemination

Through the implementation of the subprogramme, ECLAC has increased its interinstitutional leadership in the field of gender policies in the region of Latin America and the Caribbean. The main achievement has been the process of agenda-setting and highlighting the importance of the issue of the care economy and the need for policymakers to take into account women's unpaid work.

ECLAC has also mainstreamed gender in the analysis of the economic crisis through the integration of gender analysis in various studies on the impact of the crisis on women, particularly in the area of women's unpaid work and access to the labour market. It also organized a successful regional seminar, the Expert Group Meeting on Analysis of the Economic and Financial Crisis from a Gender Perspective: Understanding its Impact on Poverty and Women's Work (Mexico City, Mexico, July 2009), which provided new knowledge on the issue. The seminar brought together some 400 government officials, representatives of civil society organizations and scholars specializing in feminist

economics, and it has been followed-up by national meetings to replicate the debate and disseminate its results in various countries.

The Division collaborated in coordinating the mandates of two ECLAC subsidiary organs—the Regional Conference on Women in Latin America and the Caribbean and the Statistical Conference of the Americas—thus strengthening the implementation of international mandates through regional agreements on the production of gender statistics. The Division's support of these bodies has facilitated the production of information on gender inequalities needed for the formulation of efficient public policies and helped countries to surmount the political and technical challenges they face in their efforts to produce such information.

ECLAC has actively promoted the adoption of a gender perspective by countries of the region, and 15 countries³ have now integrated supplementary gender indicators into their databases and documents relating to monitoring of progress towards the Millennium Development Goals. Seven programmes that use these indicators to monitor Goal 3 (promote gender equality and empower women) have been established.

This coordinating role has proved especially valuable in the process of establishing the Gender Equality Observatory for Latin America and the Caribbean pursuant to the Quito Consensus. The Observatory is coordinated by ECLAC and is a joint initiative of the Commission, the International Research and Training Institute for the Advancement of Women (INSTRAW), PAHO, UNDP, UNIFEM and UNFPA, with support from the Spanish International Cooperation Agency for Development and the Ibero-American Secretariat. Its development was monitored by the Presiding Officers of the Regional Conference who, at their forty-second meeting (Santiago, Chile, December 2008), welcomed the preparatory work carried out by the inter-agency working group under the coordination of ECLAC and requested that the Observatory begin operating immediately and that its work be made available to the public on the website of the Division for Gender Affairs.⁴

³ Argentina, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, El Salvador, Jamaica, Mexico, Panama, Paraguay, Peru, Puerto Rico and Uruguay.

⁴ See the agreements adopted at the meeting [online]: [http://www.eclac.cl/mujer/noticias/noticias/4/34684Adopted agreements.pdf](http://www.eclac.cl/mujer/noticias/noticias/4/34684Adopted%20agreements.pdf).

Gender Equality Observatory for Latin America and the Caribbean

The creation of this Observatory not only strengthens the role of the national mechanisms for the advancement of women at national level by providing useful tools, but also highlights the importance of gender indicators for monitoring results and following up the implementation of public policies.

A demonstration of the Observatory's impact is the strong response received from 21 member States to a request in February 2009 by the Division for Gender Affairs to the national mechanisms for the advancement of women regarding updating of some indicators and new data for others. This information will be crucial in the preparation process for the 15-year review of the implementation of the Beijing Declaration and Platform for Action (Beijing+15), where for the first time in the region empirical data will highlight achievements and challenges (see www.cepal.org/oig).

The Gender Equality Observatory, which marks an important achievement in the implementation of the Quito Consensus, has already generated a valuable outcome: a proposal by women's networks in the region to create "ISO-Quito", a civil society initiative that will annually monitor the fulfilment by Governments of their commitments under the Consensus.

"As for the regional initiatives, the Rio Group expressed its satisfaction at the recent launch of the Gender Equality Observatory, established by the ECLAC during the tenth session of the Regional Conference on Women in Latin America and the Caribbean, held in Quito, Ecuador, in 2007. This Observatory will provide us with reports about the condition of women and facilitate the exchange of good practices."

Ambassador Claude Heller, Permanent Representative of Mexico to the United Nations, on behalf of the Rio Group.

ECLAC played an important coordinating role in the development of a conceptual and methodological definition of gender indicators and the strengthening of national capacity to collect data on emerging issues such

as time use and unpaid work, violence against women and women's political participation.

It also carried out preparatory work aimed at fostering collaboration between users and producers of statistical information at country level through the organization of two technical meetings (Aguascalientes, Mexico, October 2008 and Port-of-Spain, Trinidad and Tobago, December 2008), with active participation by representatives of national machineries for the advancement of women/gender affairs and national statistical offices from Latin America and the Caribbean in defining the basic set of indicators necessary for the functioning of the Gender Equality Observatory.

Within the framework of the Working Group on Gender Statistics of the Statistical Conference of the Americas, ECLAC, UNIFEM, the National Women's Institute (INMUJERES) and the National Institute of Statistics and Geography (INEGI) of Mexico are finalizing a proposal for classification of time-use data which will be consolidated with the regional classification, and will be proposed for adoption by national statistical institutes. The results of this project will be a critical contribution to the implementation of time-use surveys in the region and to the monitoring work of the Gender Equality Observatory with regard to the economic autonomy of women.

In relation to the issue of violence against women—one of the strategic areas monitored by the Gender Equality Observatory—the Division is coordinating the implementation of the project Enhancing Capacities to Eradicate Violence against Women in collaboration with the other four United Nations regional commissions and in coordination with the United Nations Division for the Advancement of Women, the United Nations Statistics Division and the ECLAC Statistics and Economic Projections Division, and with financial support from the United Nations Development Account. The objective is to strengthen national and regional capacity to take action to prevent, sanction and eradicate violence against women through enhanced statistical data and indicators on the issue and to create or reinforce knowledge-sharing networks at the regional and interregional levels, thereby also contributing to the achievement of the third goal of the United Nations Secretary-General's Campaign UNite to End Violence against Women.

Regional contribution to the United Nations Secretary-General's Campaign UNite to End Violence against Women

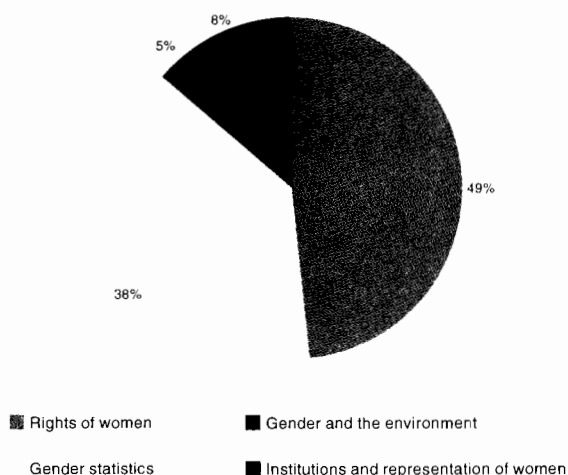
ECLAC actively participated in consolidating efforts to support the United Nations Secretary-General's Campaign UNite to End Violence against Women, launched in February 2008, through collaborative response, participatory action and sharing of best practices. From the first days of the Campaign, ECLAC has served as a key link between the regional and the global working groups. As a result of these inter-institutional efforts, the region of Latin America and the Caribbean was the first to officially launch, at an event in Guatemala on 25 November 2009, a regional component of the Campaign.

The Division for Gender Affairs has contributed significantly to work on the issue of gender-based violence through: (a) the creation of an interinstitutional regional working group to define a regional strategy, as an outcome of the fifteenth Meeting of Specialized Agencies and Other Bodies of the United Nations System on the Advancement of Women in Latin America and the Caribbean (Bogota, Colombia, April 2008); (b) participation in the working group of the Secretary-General at Headquarters, which is coordinated by the Office of the Special Advisor on Gender Issues and Advancement of Women (OSAGI); (c) the preparation of a series of seven video clips on violence against women, which were widely distributed by the five regional commissions and the regional working group on the occasion of the 2008 International Day for the Elimination of Violence Against Women (these clips are available on the ECLAC website at www.eclac.cl/mujer); and (d) preparation of a policy document for the Campaign: *¡Ni una más! Del dicho al hecho: ¿cuánto falta por recorrer?*, which focuses on prevention and on ending impunity.

ECLAC played an important coordinating role in the development of a conceptual and methodological definition of gender indicators and the strengthening of national capacity to collect data on emerging issues such as time use and unpaid work, violence against women and women's political participation.

Technical cooperation and support for policymaking

Figure 5
Technical cooperation missions (37)



As a result of technical cooperation services provided by ECLAC, 11 countries⁵ have received support to implement the agreements reached at the tenth session of the Regional Conference on Women in Latin America and the Caribbean and the Millennium Summit. This cooperation has focused on issues relating to gender statistics (six countries), violence against women (two countries), women's political representation (one country), the development of a national system of indicators (one country), preparation of national time-use surveys (two countries) and the assessment of disasters from a gender perspective (one country).

As mentioned above, at least eight countries have established national observatories on gender issues. The Senate of Argentina has created a special commission of women senators as an official response to the Quito Consensus; the commission will promote gender

⁵ Chile, Colombia, Dominican Republic, El Salvador, Haiti, Honduras, Mexico, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

mainstreaming in public policies and laws. Also in response to the Quito Consensus, Haiti adopted new legislation on the status of domestic workers, the Dominican Republic and Peru have incorporated gender indicators into their national statistics, and Chile and Peru are adopting time-use survey systems.

- 13 public programmes or policies have been adopted by the countries of the region in response to the agreements of the tenth session of the Regional Conference on Women in Latin America and the Caribbean.
- 15 countries⁶ have made significant progress in implementing time-use surveys and in policymaking.

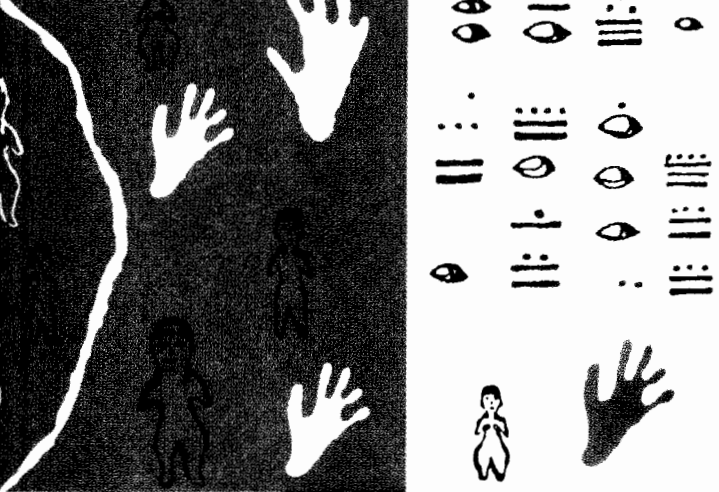
The Division has supported the creation of networks and the sharing of policies and best practices on the eradication of violence against women, which has helped to bolster the capacity of Governments to prevent, sanction and eradicate this type of violence, enhanced statistical data and indicators on violence and strengthened knowledge-sharing networks at the regional and interregional levels. Additionally, to further strengthen support, tripartite letters of agreements of technical cooperation were signed by ECLAC with the national statistical institutes and the national mechanisms for the advancement of women of Haiti and Paraguay.

LESSONS LEARNED AND OUTLOOK FOR THE NEXT BIENNIUM

Despite steady progress and increasing political will, the region still lacks sufficient statistical capacity to generate information in key areas, such as the participation of women in decision-making at all levels, gender-related poverty, women's paid and unpaid work, time use and gender violence. The regional Gender Equality Observatory should be a consistent tool for delivering technical support and training to government authorities and for strengthening the formulation of public policies and programmes aimed at achieving gender equality and responding to international mandates.

In the light of results obtained and lessons learned in the previous biennium and the recommendations of the Quito Consensus, the Division will continue working to (a) develop new knowledge on the nature of problems that have arisen with regard to gender policies in the region; (b) incorporate this knowledge into the institution-building strategy of countries and, above all, into the strategy of the national mechanisms for the advancement of women; (c) enhance the active leadership of these mechanisms through their participation as Presiding Officers of the Regional Conference; (d) take into account regional specificities and promote intraregional exchange for the benefit of all women; and (e) strengthen the Commission's increasingly prominent role at the regional, interregional and global levels, especially in the areas of gender statistics and action to stem gender violence.

⁶ Argentina, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, El Salvador, Guatemala, Mexico, Nicaragua, Panama, Plurinational State of Bolivia and Uruguay.



SUBPROGRAMME 6

POPULATION AND DEVELOPMENT

Dirk Jaspers_Faijer

Chief, Latin American and Caribbean
Demographic Centre (CELADE) –
Population Division of ECLAC

Over the past biennium the activities of CELADE-Population Division of ECLAC have been guided by mandates arising from international agreements, especially the Programme of Action of the International Conference on Population and Development and the Madrid International Plan of Action on Ageing. Regarding to the latter, CELADE-Population Division of ECLAC helped to promote the proposal for a convention on the rights of older persons by providing, as technical secretariat for the Regional Intergovernmental Conference on Ageing in Latin America and the Caribbean, substantial support to the Governments of Argentina, Brazil and Chile for the organization of follow-up meetings on the Brasilia Declaration: Outcome of the Second Regional Intergovernmental Conference on Ageing in Latin America and the Caribbean (December 2007). The fifteenth anniversary of the International Conference on Population and Development in 2009 was of special significance for ECLAC. As part of the commemoration, a comprehensive report was prepared and a regional seminar organized on progress in implementing the Programme of Action in the region, with the support of UNFPA.

In response to specific requests and needs, extensive technical cooperation services were provided to countries all over the region on a wide range of population-related topics. In particular, CELADE-Population Division of ECLAC helped to improve national capacity for conducting the 2010 round of censuses through the organization of regional workshops dealing with key census-related issues, such as the inclusion of questions concerning ethnic identification, health and migration, as well as the use of new technology. The recommendations from these workshops were presented to national statistical offices during the 2009 Statistical Conference of the Americas, at which the Division served as technical secretariat for the working group on censuses. Several training courses were also conducted on the use of REDATAM, a tool developed by CELADE-Population Division of ECLAC for exploring census and survey data, mainly within the region, but also in Africa and Asia, thus strengthening South-South cooperation in this area.

Additionally, several activities focused on migration and ethnic issues, including support to SEGIB for the development and follow-up of the Plan of Action of the Ibero-American Forum on Migration and Development. In addition to producing a number of studies and building capacity through the provision of training to indigenous organizations on the use of census data and reproductive health information, the Division developed a database on indigenous peoples and Afro-descendants that includes information on migration, health, employment and other variables, disaggregated by ethnic group, sex and geographic residence, among other characteristics.

The impact of changes in population age structure on development has also been of particular interest in the region. The Division presented a background document on the socio-economic impact of demographic changes at the 2008 ECLAC sessional Ad Hoc Committee on Population and Development and prepared a chapter for the last two editions of the flagship publication of ECLAC *Social Panorama of Latin America*: one chapter on the opportunity to improve secondary education brought about by the demographic dividend (2008) and the other on the impact of demographic changes on care systems (2009).

An issue of recent concern has been incorporating the effects of the financial and economic crisis into the Division's analyses of demographic dynamics in the region. One example is a document that examines the effects of the global crisis on international migration, prepared for a high-level meeting of Government representatives on migration held in Brussels in 2009 within the framework of the Structured and Comprehensive Dialogue of Latin America and the Caribbean with the European Union (EU-LAC) on migration and development; another example is an article published in a specialized journal on the impact of the global crisis on older persons in Latin America and the Caribbean.

DEMOGRAPHIC TRENDS IN THE REGION

The demographic transition continues in Latin America and the Caribbean as a result of the steady decline in fertility and the rise in life expectancy, although the pace of the transition differs between and within countries in the region. This has had a considerable impact on the age structure of the population, with a decline in the proportion of children and youth and growth in the adult population, particularly the group comprising older persons. At the same time, the trend towards urbanization persists, with medium-sized cities experiencing the greatest growth, while international migration flows continue to grow and diversify, both within and outside the region. A noteworthy phenomenon is the establishment of strong links between emigrants and their countries of origin, in the context of the changes brought about by globalization.

In addition to addressing the challenges and opportunities resulting from demographic changes in the countries of the region, there is a need to continue making massive efforts to reduce poverty and the profound and sustained social inequality that is reflected in the sociodemographic imbalances within and between countries. CELADE continues to work to increase the technical capacity of Latin American and Caribbean member States to monitor population trends and tackle population and development issues in the framework of social programming.

MAJOR ACHIEVEMENTS IN 2008-2009

Research, analysis and dissemination

During 2008, a survey on the activities of national statistical offices in relation to the 2010 round of censuses identified the thematic areas in which countries of the region needed technical cooperation and support. As a consequence, the Division organized four workshops on emerging issues relating to the 2010 decade of censuses, including measurement of racial and ethnic identity, measurement of migration and other forms of mobility, the use of cartography and the inclusion of health-related questions in censuses. These workshops brought together experts, representatives of national statistical institutes and representatives of pertinent NGOs (organizations concerned with matters relating to racial and ethnic

identification in censuses) from a total of 20 countries in the Latin American and Caribbean region.⁷ Recommendations emanating from these workshops were presented to representatives of national statistical institutes in 2009 at the fifth meeting of the Statistical Conference of the Americas in Bogota.

Courses and workshops in demographic analysis, sociodemographic indicators and use of the REDATAM tool provide counterparts of CELADE-Population Division of ECLAC in Latin American and Caribbean member States with updated capacities to design, implement, monitor and evaluate social programmes and policies. In 2008-2009, five REDATAM workshops were held in Santiago, Chile, and seven were held in El Salvador, Nicaragua and Saint Lucia. Additionally, at the request of the Chilean Ministry of Health, a REDATAM workshop on the incorporation of sociodemographic indicators into social policy planning was offered for health professionals working on indigenous issues. During the biennium, the relevant technical staff members from national statistics offices of 12 Latin American and 8 Caribbean countries⁸ were trained in the use of REDATAM. As a result of a variety of technical cooperation activities, 17 countries⁹ are using the REDATAM software to disseminate their census and survey data.

Additionally, 3 REDATAM-based systems of indicators were completed during the biennium and are now available online: Sistema Integrado de Información Georreferenciada en Juventud (INJUMAP), a geo-referenced set of indicators on youth, in Chile; a system of indicators on youth in El Salvador; and Encuesta de Caracterización Socioeconómica Nacional (CASEN), a national socio-economic survey, of the Ministry of Planning and Cooperation of Chile. These products were

⁷ Argentina, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guyana, Haiti, Honduras, Mexico, Netherlands Antilles, Nicaragua, Panama, Paraguay, Peru and Plurinational State of Bolivia.

⁸ Argentina, Bolivarian Republic of Venezuela, Chile, Colombia, Dominican Republic, Ecuador, El Salvador, Nicaragua, Paraguay, Peru, Plurinational State of Bolivia and Uruguay in Latin America, and Barbados, Belize, Grenada, Saint Kitts and Nevis, Saint Lucia, Suriname, Trinidad and Tobago and Turks and Caicos Islands, in addition to CARICOM, in the Caribbean.

⁹ Argentina, Belize, Bolivarian Republic of Venezuela, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia, Saint Lucia and Trinidad and Tobago.

developed by Government institutions in these countries with the objective of strengthening and promoting data accessibility in order to widen dissemination of demographic information and thus enhance decision-making on youth issues, and facilitate sociodemographic analysis of the population. To date, at least four countries (Chile, Dominican Republic, El Salvador and Panama) are using REDATAM-based information systems for the development of social policy.

In addition, CELADE–Population Division of ECLAC supported national statistical offices in 20 Latin American countries in updating their population estimates and projections during the biennium.

In addition to the above REDATAM-related activities, CELADE–Population Division of ECLAC supported national statistical offices in 20 Latin American countries in updating their population estimates and projections during the biennium. These new estimates and projections

Regional cooperation to support the generation and use of census data on indigenous and afro-descendant persons

During the biennium, CELADE–Population Division of ECLAC conducted several seminars and workshops to encourage the generation and use of statistical information on indigenous people and Afro-descendants in the region. Among these activities, a seminar-workshop on the inclusion of an ethnic perspective in the 2010 censuses, held in November 2008, has had, by far, the most impact in the countries of the region. As a result, three countries (Argentina, Panama and Uruguay) plan for the first time to include identification of their Afro-descendent population in their upcoming censuses, and another five countries that have not heretofore included identification of Afro-descendent populations in their censuses (the Bolivian Republic of Venezuela, Chile, Mexico, Paraguay and the Plurinational State of Bolivia) are examining how to incorporate such data in 2010. For countries that had already included the identification of indigenous and Afro-descendent persons in their 2000 censuses (15 countries), the seminar and other related activities have contributed to better use and dissemination of ethnic identity information for policies and programmes and have also improved the quality of the ethnic identity questions to be included in the 2010 censuses.

include information disaggregated by 5-year age groups up to age 100 and older, thus allowing for a better estimate of the population of older adults. The incorporation of data from recent censuses into population estimates and projections has allowed for a better assessment of the demographic situation at country level. These new estimates and projections have given countries of the region a better idea of their population size and composition, which has enabled them to reorient their economic and social programmes accordingly, including updating the various indicators for monitoring internationally agreed development goals, especially the Millennium Development Goals.

CELADE–Population Division of ECLAC further supported the generation of sociodemographic information based on population estimates and projections through the development of new software for population projections, PRODEX, and two workshops for staff of national statistical offices on the preparation of population estimates and projections.

Technical cooperation and support for policymaking

Figure 6
Technical cooperation missions (177)

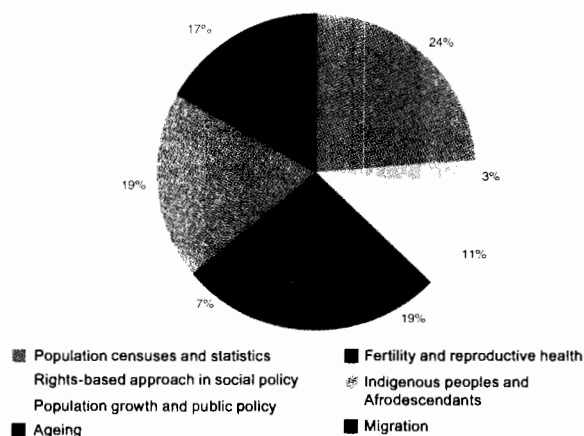
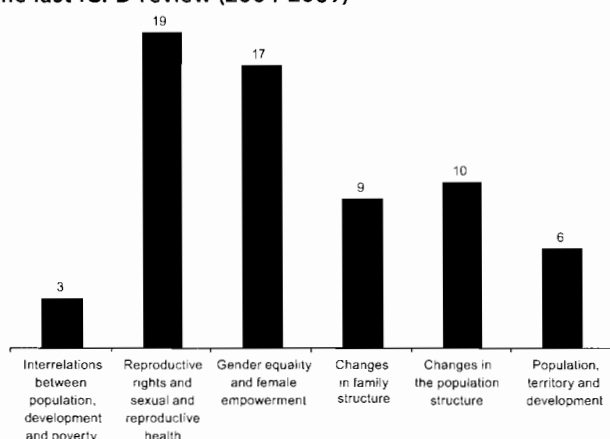


Figure 7

Number of countries taking action since the last ICPD review (2004-2009)



Source: National reports based on the technical guide developed by CELADE-Population Division of ECLAC and UNFPA Regional Office for Latin America and the Caribbean.

During 2008 and 2009, a total of 12 countries¹⁰ took action to achieve the goals and implement the recommendations of the Programme of Action of the International Conference on Population and Development and 16 countries¹¹ took action on the Regional Strategy for the Implementation in Latin America and the Caribbean of the Madrid International Plan of Action on Ageing.

As 2009 marked the fifteenth anniversary of the ICPD Programme of Action, CELADE-Population Division of ECLAC, in conjunction with the Latin American and Caribbean office of UNFPA, supported countries in their evaluation of the progress made with respect to population and development policies through the preparation of a technical guide. This technical guide helped the countries of the region to identify key challenges to the implementation of the Programme of Action and actions to be taken to achieve its goals by the target date of 2014. The ICPD system of indicators has been updated in order to provide statistical documentation of progress towards these goals in the region, particularly during the last five years.

National reports and the system of indicators served as inputs for the regional report "Progress and prospects for

¹⁰ Argentina, Bolivarian Republic of Venezuela, Costa Rica, Cuba, Ecuador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay and Plurinational State of Bolivia.

¹¹ Argentina, Belize, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, Honduras, Mexico, Montserrat, Panama, Paraguay, Peru and Plurinational State of Bolivia.

Demographic Observatory



This publication, which replaced the *Demographic Bulletin*, published by CELADE since 1968, provides information regarding population estimates and projections at national level and by urban/rural area, including data on economic active population, fertility, mortality, international migration and population distribution for the Latin American and Caribbean countries. It also contains an analytical chapter that introduces and explains each topic to users.

It is a bilingual publication (Spanish and English), published twice a year. This biennium's issues were dedicated to the following thematic areas: fertility, indigenous persons, population projections, and the CELADE-Population Division of ECLAC database on spatial distribution and urbanization in Latin America and the Caribbean (DEPUALC).

Notas de población



This review is published three times a year and has an interdisciplinary focus. Its main objective is to disseminate research and analysis on population issues in Latin America and the Caribbean and other parts of the world. It features academic and policy-related articles on economic, social and biological phenomena as well as demographic issues and trends.

the Implementation of the Programme of Action of the International Conference on Population and Development", presented as a background document during a regional seminar on progress and key actions for implementing the Programme of Action 15 years after its adoption, organized by CELADE-Population Division of ECLAC (at ECLAC headquarters (Santiago, Chile, 7 October 2009), in which more than 200 representatives of Governments, NGOs and academic institutions in the region participated.

CELADE-Population Division of ECLAC, after serving as the technical secretariat for the Second Regional Intergovernmental Conference on Ageing in Latin America and the Caribbean (Brasilia, Brazil, December 2007), has also

"I am very impressed by the long-standing and strong collaboration between ECLAC and UNFPA, and I would like to reiterate the importance of pursuing opportunities for collaboration between the Regional Commission and the Regional Directors Team. We sincerely appreciate your continued support for the promotion and implementation of the Programme of Action adopted in Cairo in the five years leading to 2014 and well beyond."

Mari Simonen, Deputy Executive Director, United Nations Population Fund (UNFPA).

continued to support the countries of Latin America in the implementation of the Madrid International Plan of Action on Ageing and the regional strategy for implementation. Among the activities associated with the Brasilia Declaration, Argentina, Brazil and Chile, with technical support from CELADE and UNFPA, held follow-up meetings on the theme of human rights and ageing, reinforcing the importance of a convention on the rights of older adults. The Plurinational State of Bolivia also held a national seminar on human rights and ageing in which the importance of a convention on the rights of older adults was highlighted. Argentina created the Office of Promotion and Protection of the Human Rights of Older Adults, based on the instruments adopted by ECLAC member States in 2003 and 2007, and ratified during the ECLAC sessions in 2006 and 2008.

In 2009 CELADE conducted a survey of the activities that countries in the region have carried out for the implementation of the Declaration of Brasilia in the field of human rights. The survey was answered by 19 countries in the region, and the results showed that 11 countries¹² had conducted national seminars on the Declaration of Brasilia and the issue of human rights of older persons. Thirteen countries¹³ had included the issue of human rights of older persons in the speeches of senior government officials. Additionally, seven countries¹⁴ had promoted the development of declarations or

¹² Argentina, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, Panama, Peru, Plurinational State of Bolivia and Uruguay.

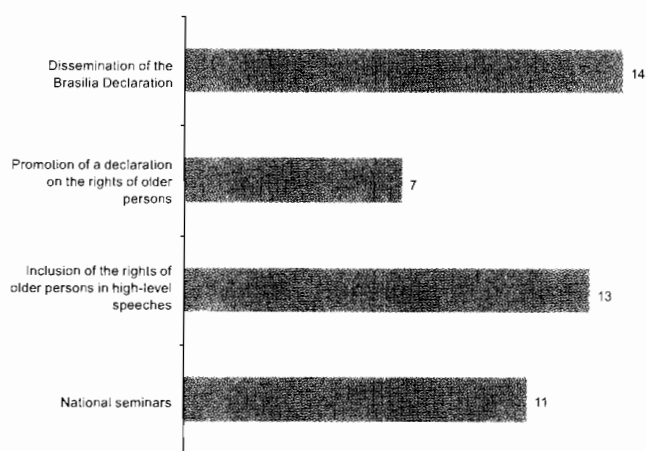
¹³ Argentina, Belize, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, Nicaragua, Panama, Peru and Plurinational State of Bolivia.

¹⁴ Belize, Brazil, Costa Rica, Dominican Republic, Honduras, Montserrat, Panama, Plurinational State of Bolivia and Paraguay.

agreements on the rights of older persons in the executive and/or parliamentary branch. Brazil, Colombia, Cuba, Dominican Republic, Ecuador and Paraguay promoted the development of research on the topic of rights of older persons. Finally, 14 countries¹⁵ undertook activities to disseminate the Brasilia Declaration at the national level. All of these activities illustrate the great influence the work of CELADE–Population Division of ECLAC has had on informing decision-making and policies relating to the protection of older adults.

Figure 8

Number of countries conducting follow-up to the Brasilia Declaration



Source: Survey conducted by the Latin American and Caribbean Demographic Center (CELADE) - Population Division of ECLAC, 2009.

Technical cooperation services were also provided for the generation of information on older adults. For instance, the National Council for Older Persons (CONAPAM) of Costa Rica, together with the University of Costa Rica, prepared the first report on the state of older persons in Costa Rica. In drawing up the report, the University of Costa Rica used the manual on indicators of quality of life in old age, published by CELADE–Population Division of ECLAC, as a framework for calculating and analysing indicators on the ageing of the population and the situation of older adults. Chile, Ecuador and Uruguay have also used this manual for the preparation of their national reports on the status of older persons.

¹⁵ Argentina, Belize, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, Mexico, Panama, Paraguay, Plurinational State of Bolivia and Peru.

CELADE-Population Division of ECLAC provided support to SEGIB for the organization of the first Ibero-American Forum on International Migration and Development (Cuenca, Ecuador, May 2008). Two migration-related publications, one on international migration and the other on internal migration and development with a broad regional perspective, were published.

LESSONS LEARNED AND OUTLOOK FOR THE NEXT BIENNIUM

The survey conducted by CELADE on the eve of the 2010 round of censuses, indicated that many countries in the region still have unanswered questions regarding the content and design of their upcoming censuses. Continued support is therefore needed to enable countries to conduct their censuses within the planned timeframe. Regarding the development of the system of indicators, CELADE found a great variety of sources of information and databases, which require standardization, a task that is both labour- and time-intensive. Lack of expertise among counterparts in this area points up the need for carefully planned and conducted training activities prior to the initiation of this type of endeavour.

In 2009, the United Nations Secretariat recognized the importance of the Brasilia Declaration, and the President of the General Assembly highlighted the need to develop a legal mechanism to protect the rights of older persons. CELADE will therefore follow up and generate more technical material on human rights and ageing and expand its work aimed at ensuring that the human rights of older persons are taken into account in other areas of policymaking, in compliance with the international agreements on ageing and development.

The implementation of the Madrid International Plan of Action on Ageing at the subnational level has been a challenge in terms of identifying improvements and obstacles within countries. With the technical cooperation of CELADE, the National Institute for Older Persons (INAPAM) of Mexico adapted CELADE's guide on the preparation of reports on the implementation of the Regional Strategy from the federal level to the state level. INAPAM then requested reports from the governors of Mexico's 32 states. This was the first time that progress in implementing the Regional Strategy had been evaluated at a subnational level. The methodology developed as a result of this experience could be used in future in other countries of the region.

PLANNING OF PUBLIC ADMINISTRATION

Raul García Buchaca
*Officer in Charge, Latin American
and Caribbean Institute for Economic
and Social Planning (ILPES)*

In recent years, and particularly in the context of the international economic and financial crisis during 2008-2009, enhancing the ability of the State to implement medium- and long-term policies has once again emerged as a core issue on the development agenda. During the past biennium, the Latin American and Caribbean Institute for Economic and Social Planning (ILPES) has underscored the need for the countries of Latin America and the Caribbean to strike the necessary balance between private initiative and public action and to consolidate a fiscal and social covenant, defined as the institutional arrangements that ensure effective governance. In this context, it has sought to foster a healthy, long-term balance between the State, civil society and the market economy through the art of governing for sustainable economic, social and institutional development.

Imbuing national, regional and sector development strategies with a forward-looking focus means enhancing the capacity of the various institutions and stakeholders that participate in this process. Planning institutions should play an important part in reinforcing the role of the State by performing important functions such as the formulation of national development strategies and institutional and subnational policies, sector coordination and evaluation of public programmes and projects. Local and regional development policies have become particularly relevant in the light of the ever-increasing need to design instruments and public policies that promote the use of endogenous local resources.

ILPES is the leading voice within ECLAC for development planning, performance-informed budgeting and public management in the region, at both the national and subnational levels, through its research, technical cooperation and training activities. The Institute has catalysed the collective discussion and reflection on these issues in the region, and has contributed to both national and subnational efforts aimed at improving the quality of public policies and strengthening institutional capacities.

ILPES/ECLAC has the comparative advantage of working in very specialized areas and offering short courses, which are generally not available in this form in the programmes of academic centres in Latin America. These courses feature a combination of theory and practice and systematize the experiences of the countries of the region, which gives them great added value in assisting government officials in the design and implementation of their development programmes and policies.

The Governments of the region are generating growing demand for training in specific areas of competence covered by ECLAC as a whole. This has been reflected in a greater number of courses and a broadening of the thematic issues addressed in response to the evolving needs of national and local governments in countries of the region, as well as new technological opportunities. ILPES offered comprehensive training through more than 200 international, national and e-learning courses, organized during the 2008-2009 biennium. These events served a total of 4,746 trainees from 23 different countries. The Institute also provided technical cooperation services to Governments and other relevant stakeholders from 12 countries of Latin America and the Caribbean; conducted applied research, resulting in the publication of more than 13 documents during the period; and supported and developed knowledge networks, including the creation of a new application on the ILPES website—Network for Interchanging and Disseminating Excellent Experiences for Achieving the Millennium Development Goals (Net IDEEA-MDGs)—designed to increase knowledge and sharing of experiences among public officials and development experts regarding effective and efficient initiatives for achieving the Millennium Development Goals.

PLANNING OF PUBLIC ADMINISTRATION IN THE REGION

In the last couple of years, the development agenda of the countries of Latin America and the Caribbean has continued to prioritize State modernization, economic and social planning, budgetary and public investment policies and local development policies.

In response to the demands of the countries of the region, the Division conducted activities in the sphere of economic and social planning of regional, territorial and/or sectoral scope, in the framework of processes of State modernization and public policymaking.

Development requires long-term approaches and the creation of institutions for putting development strategies in place, supporting their implementation and following up on them. Public planning plays an important role in performing the basic functions of forward planning; institutional, sectoral and regional coordination; generation of information; and evaluation.

The Division has also provided active support to the countries of the region in their efforts to reform public administration and achieve greater fiscal transparency.

MAJOR ACHIEVEMENTS IN 2008-2009

Research, analysis and dissemination

The Division organized 28 international, 169 national and 5 distance-learning/online courses. This represented a total of over 6,000 teaching hours. The number of participants was almost three times the original target set for the biennium. The courses covered topics relating to local economic development, territorial competitiveness and fiscal decentralization; strategic planning and evaluation of public projects and programmes; public finances and budgetary policies; and planning and public management.

According to satisfaction surveys, 90% of participants rated the courses as "useful" or "very useful" for their work and said that the content had increased their knowledge of planning, budgeting and local development approaches in public policies.

In addition, 3,000 participants attended seminars and meetings organized by the Division on issues relating to public administration, which illustrates the contribution that the subprogramme has made to increasing coordination and the exchange of experiences in the region. Three million downloads of publications and technical materials from the ILPES website (<http://www.ilpes.cl>) were recorded during the biennium, indicating a high level of interest in the applied research carried out by the Division.

- 202 international, national and e-learning courses were conducted, with 4,746 participants from 23 countries of the region, for a total of 6,000 teaching hours, with a 90% satisfaction rating from participants, who found the courses "useful" or "very useful" for their work.
- 3 million downloads of the Division's main publications and technical materials were recorded during the biennium, indicating a high level of interest in its applied research.

In terms of high-level seminars, worthy of note are the twentieth and twenty-first Regional Seminars on Fiscal Policy, co-organized by ECLAC, the IMF, the Organisation for Economic Co-operation and Development (OECD), the World Bank, the IDB and the Ministry of Finance of Chile and attended by 800 high-level participants from various countries of the region. These seminars provide an important opportunity for discussion and exchange of experiences among participants. Several networks have been created as a result of the seminars. Another important international seminar was Planning Methods and Approaches, co-organized by ECLAC with FOMUDE (a municipal strengthening and decentralization project in Costa Rica), the Ministry of National Planning and Economic Policy of Costa Rica and the National University of Costa Rica. A Central America planning network was created as an outcome of this seminar, which was attended by 1,000 participants.

Over its 40 years of existence, ILPES has provided courses of various types for over 22,000 participants from the countries in the region, mainly from the public sector.

During the biennium, e-learning courses were successfully carried out on local and regional development, strategic management and the logical framework for project

design and management. Since the introduction of the e-learning modality, more than 2,000 participants have received training, and the results of evaluations from both participants and external evaluators specifically hired to measure the impact and effectiveness of these courses have been highly satisfactory.

In the area of research and analysis, 13 documents have been published and widely disseminated throughout the region on such topics as public management, budgeting, project and programme evaluation, regional analysis and tax estimations. Five CD-ROMs containing information and materials about the courses, seminars and conferences organized by the Division were also produced to increase awareness and the availability of information on relevant issues among government officials.

During the biennium, ILPES, incorporated a new application into its website: Network for Interchanging and Disseminating Excellent Experiences for Achieving the Millennium Development Goals (Net IDEEA-MDGs). This database has helped to increase knowledge and exchange of experiences among public officials and development experts regarding effective and efficient initiatives for achieving the Millennium Development Goals. Successful experiences are uploaded to the website by participating entities. Information on the experiences compiled is available on the website at <http://ideea.cepal.org/ideea/ideea.htm>. Four issues of the Net IDEEA-MDGs network bulletin were distributed to users during the biennium.

The Division provided technical cooperation services to 12 countries of the region¹⁶ on issues relating to planning, budgeting and local development in public policies, covering 27.3% of the countries of the region.

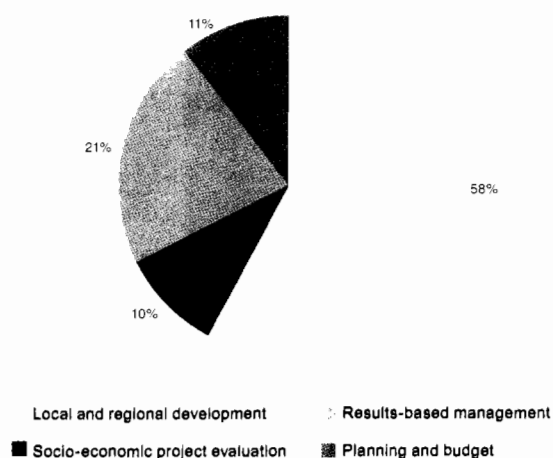
Under the umbrella of a technical cooperation agreement with the Ministry of Planning, Budget and Management of Brazil, ILPES organized 12 courses for 154 professionals from Argentina, Brazil, Paraguay and Uruguay, with a view to strengthening

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Technical cooperation and support for policymaking

Figure 9

Technical cooperation missions (393)



the technical capacity of civil servants and supporting the activities of the MERCOSUR Structural Convergence Fund (FOCEM). The courses focused on the evaluation of different types of projects, two of which related to socio-economic evaluation of social infrastructure and social programmes. Assistance was also provided to the Government of the Dominican Republic for the preparation of its first medium-term strategic plan.

Within the framework of a technical cooperation agreement with the Ministry of National Integration of Brazil and with financing from the Inter-American Institute for Cooperation on Agriculture (IICA), nine courses on regional and local strategic development management were conducted in

various locations in Brazil for the purpose of strengthening the human and professional capacities of staff of decentralized entities to promote and put in motion endogenous development processes and to improve the efficiency of government at the local level. More than 600 government officials were trained in the areas of local and regional planning.

Additionally, ILPES supported the Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food of Mexico (SAGARPA) by providing proposals to

¹⁶ Argentina, Chile, Brazil, Colombia, Costa Rica, Dominican Republic, Ecuador, Guatemala, Mexico, Paraguay, Peru and Uruguay.

“As you know, our country is engaged in the formulation of its first medium-term plan, pursuant to the Act Establishing the National Planning System, and I take this opportunity to thank you on my own behalf and on behalf of the Government of the Dominican Republic for the technical cooperation provided by ILPES, which has proved highly effective for our institution.”

Excerpt from a letter to ILPES from the Secretary of State for Economic Planning and Development of the Dominican Republic, Temistocles Montás, 31 July 2009.

improve the design and evaluation of five programmes currently under way. The technical cooperation provided entailed analysing the consistency of programme design, establishing baselines and evaluating processes for the production of goods and services delivered by these programmes to rural producers. Workshops were organized for staff of SAGARPA and technical missions were carried out in various states. As a result of this work, the Government of Mexico was able to provide more than US\$ 4 billion to Mexican farmers after having gained a clear overview of the strengths, weaknesses and challenges in the design and implementation of the programmes.

LESSONS LEARNED AND OUTLOOK FOR THE NEXT BIENNIUM

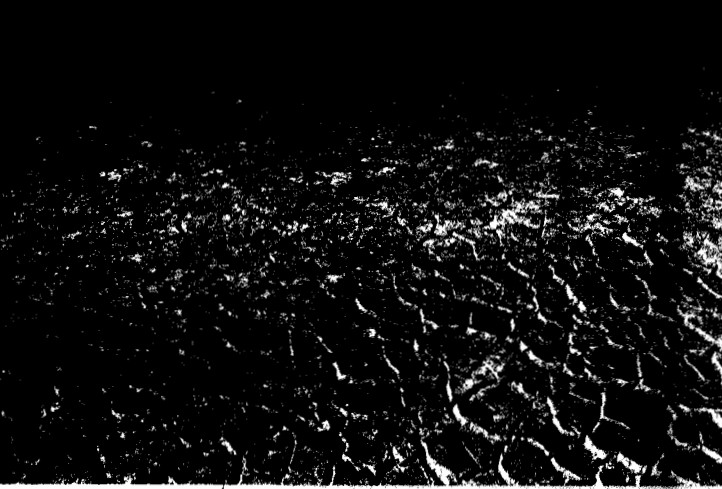
In recent years, the role of the State and other relevant institutions in implementing development strategies of national, territorial and/or sectoral scope has reemerged as a central issue on the development agenda.

One of the principal challenges with regard to the national development strategies of the countries of the region is to balance sustainable public budgets with social spending and infrastructure investment in an effort to move progressively towards universal coverage of benefits and entitlements. Local and regional development policies have become particularly relevant in the light of the ever-increasing need to design instruments and public policies that promote the use of endogenous local resources. These policies are designed to foster new styles of development based on the

Improving results-based management in Mexico's local governments

ILPES continued assisting the Government of Mexico through a technical cooperation agreement with the Secretariat of Social Development (SEDESOL), and the National Council for Evaluation of Social Development Policy (CONEVAL). The agreement was aimed at continuing support for the implementation of results-based management by the federal Government through training given to more than 153 high-level officials from various ministries and federal programmes. In addition, 3,135 professionals received training on the logical framework and evaluation methodologies for development programmes. Under this agreement, three manuals on the logical framework methodology and performance indicators were produced, as was a technical note on the implementation of the logical framework matrix for public administration at the federal level. The manuals were widely disseminated with a view to enhancing the capacity of both national and local government officials to apply performance indicators, the logical framework approach and other results-based management tools in order to improve the effectiveness of their work.

potential of local and regional economies in a manner that is complementary to national policies. These areas will become one of the main priorities that will guide the work of the subprogramme in the next biennium. At the same time, the Division will continue to provide active support to the countries of the region in their efforts to reform public administration and achieve greater fiscal transparency. To meet these challenges and achieve greater impact in Latin America and the Caribbean, ILPES needs to ensure that countries participate actively in the various meetings and workshops that it organizes. To that end, ILPES will ensure that such events are relevant and that they respond to the countries' needs. A thorough review of ILPES activities is being conducted with a view to rethinking and revamping the research, technical cooperation and training activities it offers to the countries of the region.



SUBPROGRAMME 8

SUSTAINABLE DEVELOPMENT AND HUMAN SETTLEMENTS

During the 2008-2009 biennium, the Division continued to work on the interrelationships between economic growth, environmental protection, urban development and social equity. Technical cooperation and studies carried out by the Division have strengthened the capacity of the countries of the region to assess their progress towards sustainable development through the generation of empirical information and the construction of sustainability indicators for objectively measuring the magnitude of the economic, social and environmental costs associated with their development strategies at national and subnational levels. Eight studies on climate change mitigation, including evaluation of carbon markets and economic adaptation in the Latin American and Caribbean region, were undertaken jointly with national government institutions of Argentina, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay. These studies are summarized in the publication *Economics of climate change in Latin America and the Caribbean — Summary 2009*, which was presented at the fifteenth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 15) (Copenhagen, Denmark, December 2009).

The Division has also worked on the integration of public policies and the follow-up of international and regional agreements on sustainable development, including their links with environmental goods and services markets. It coordinated a multiagency report on regional progress under Millennium Development Goal 7, which includes information on carbon dioxide emissions per unit of GDP and deforestation, and the potential impacts of climate change on the achievement of other Millennium Development Goals, and also elaborates on additional difficulties for addressing climate change. The report shows important advances in some aspects of environmental sustainability, such as increases in the number of protected areas, reduction in the consumption of products that damage the ozone layer and increased coverage of water and sanitation services in the region.

The Division also coordinated the Regional Implementation Forum on Sustainable Development (Antigua, Guatemala, November 2009). A document was produced by ECLAC and presented at that forum to serve as the basis for discussion of the main advances, lessons learned and challenges for Latin America and the Caribbean in the areas of mining, transport, chemicals, waste management and others.

Socio-economic and environmental urban development trends in the region were examined with a view to strengthening the capacity of the countries of the region to design and put into practice policies and instruments for planning, financing and land management. Support was provided to countries and local authorities to enable them to cope with the estimated increase of 40 million inhabitants in urban populations over the next five years and the repercussions that this increase will have on demand for housing and public services and in terms of the exacerbation of environmental pollution and soil degradation. A study was prepared on urban metropolitan sustainability in six urban regions in Latin America (Bogota, Buenos Aires, Lima, Mexico City, Sao Paulo and Santiago). The Division participated as co-organizer in the Meeting of Ministers and High-level Authorities of the Housing and Urban Development Sector in Latin America and the Caribbean (MINURVI), at which a substantive study on the housing deficit and urban management was presented to housing ministers and authorities of the region.

URBANIZATION AND SUSTAINABLE DEVELOPMENT IN THE REGION

The interrelationships between economic growth, environmental protection, urban development and social equity are of increasing importance for Governments and for the principal social and economic stakeholders in the region. In order to address this complex set of interrelationships from a public policy perspective, the countries of Latin America and the Caribbean need to strengthen their capacities for analysis and quantification of the social costs of their current development strategies. They also need to strengthen their public administrations' capacity to design and put into practice integrated policies aimed at achieving intersectoral targets, such as those established for the Millennium Development Goals, and reversing unsustainable trends, such as the loss of biodiversity, soil degradation and deforestation.

As a result of the global financial crisis, the region of Latin America and the Caribbean is facing a whole new set of economic and environmental challenges for achieving sustainable development objectives. Although increasing public spending and investment will be important in the short term in order to bring about economic recovery rapidly and to create job opportunities, this will not be sufficient to attain long-term sustainable development objectives. The new challenges that the region is facing will call for discussion of new policy measures to address the opportunities associated with restructuring economies with a view to reducing carbon dependency, assess environmental impacts and resource use and alleviate poverty in the region.

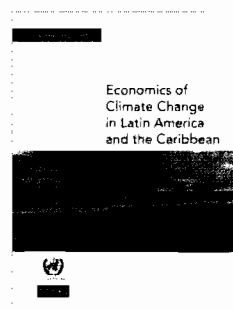
MAJOR ACHIEVEMENTS IN 2008-2009

Research, analysis and dissemination

The Division has contributed to a fuller understanding among the Governments of the region and other stakeholders of trends and prospects with regard to sustainable development and human settlements through the dissemination of analyses, information and publications, as evidenced by the 3,267,444 online consultations and downloads recorded on its website —a number that exceeded the target set for the biennium. Evaluation

surveys show that 75% of participants in the Division's seminars and training courses found the knowledge gained very useful for their work. The activities carried out by the Division were aimed at decision-makers involved in the design and implementation of public policies in the areas of sustainable development and human settlements at the regional, national, subnational and local levels; civil society, universities and academia; NGOs, local authorities and the private sector.

The contribution of ECLAC to the debate on climate change in the region



Climate change has been identified as a key issue in the international environmental agenda. For Latin American and Caribbean countries, it creates opportunities for strengthening their adaptation and mitigation policies. Studies on the economics of climate change in South

America were undertaken with the support of the Governments of Denmark, Germany, Spain and the United Kingdom and with the IDB and the United Nations Development Account. In this process, ECLAC directly supported countries of the region in preparing reviews and developed a common set of tools and methodologies. The results of the reviews were used to inform the discussions at the fifteenth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 15) in Copenhagen. These studies address the economics of climate change, the costs of inaction and the benefits associated with taking action to mitigate and adapt to climate change, facilitating the design of policies and measures tailored to the likely impacts and opportunities for each country under study. This is a unique initiative in the region. These studies have brought about a change of perception among the Governments in the region: climate change is no longer seen exclusively as an environmental issue. It is now conceived of as a development challenge. This initiative also secured the active involvement of the ministries of the environment and ministries of finance and/or economy in various countries of the region.

The workshops and seminars organized during the biennium strengthened the capacities of eight countries¹⁷ of the region on issues relating to climate change, especially on how combinations of policies, projects, carbon finance and technologies can help to scale up responses to this global problem in the areas of mitigation and adaptation as priority areas for the Latin American and Caribbean countries.

ECLAC has already disseminated these analyses and policy recommendations through a regional-level study, which presents an aggregate economic analysis of climate change in Latin America and the Caribbean, based on national studies. The regional study has been presented to policymakers of the region at high-level meetings, such as the second Latin American and Caribbean Dialogue on the Climate Change Talks in 2009: The Road to Copenhagen, and at climate models courses. The policy debates during those events have helped to inform decision-making and the design of policies to mitigate the effects of climate change. The national studies reveal the diversity of situations in the region and the richness and intensity of the debate surrounding the topic. They also spell out the significant, non-linear economic consequences of climate change in the region, which vary according to each country's socio-economic conditions. Moreover, they reveal that failure to tackle the issue is gradually becoming an additional impediment to economic growth.

ECLAC has also raised awareness and disseminated its analyses and policy recommendations on the issue of climate change to regional policymakers at major meetings such as the High-Level Seminar on Climate Change: Impact, Mitigation Possibilities and Financing and the sixth Designated National Authorities Forum (DNA Forum) of the clean development mechanism (CDM), organized by the secretariat of the United Nations Framework Convention on Climate Change. Information dissemination activities also included the launch of reviews of the economic

impacts of climate change in Chile, Mexico and Uruguay and regional studies, as well as the organization of two side events on assessment of the economic impact of climate change on the region, held in Barcelona and Copenhagen (2009). This analysis and research is contributing to a better understanding of climate change implications among policymakers in the region and will continue to be supported by the Division.

The Division co-hosted, along with the International Trade and Integration Division and the Statistics and Economic Projections Division, the Global Trade Analysis Project (GTAP) conference in order to provide economic modellers in member countries the most recent studies available worldwide on assessment of the economic impact of shocks such as changes in prices resulting from economic fluctuations (e.g., the food and financial crisis), policy strategies such as taxes and subsidies for achieving the Millennium Development Goals, climate change and disasters impacts.

ECLAC has also raised awareness and disseminated its analyses and policy recommendations on the issue of climate change to regional policymakers.

The Division published four methodological guides aimed at facilitating decision-making in areas such as the construction of composite indices of sustainable development, economic analysis of environmental externalities and strategic environmental assessment. These guides were aimed at strengthening countries' capacity to generate local analysis in order to determine the current situation and identify trends with respect to sustainable development by developing indicators to measure the economic impacts of not achieving sustainable development and designing the best strategies for doing so.

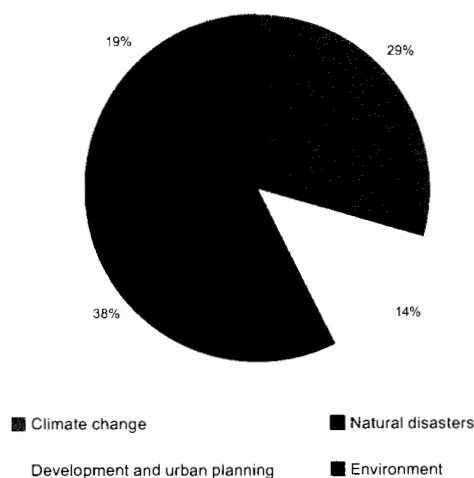
Urban infrastructure sustainability analyses were presented at expert group meetings with the Governments of Chile, Colombia and Mexico. Results were also presented at three courses attended by 30 participants from regional and municipal authorities in those countries who are engaged in the development of urban projects on human security, energy efficiency and climate change. A website on sustainable urban infrastructure was set up to facilitate online access to the information and enhancing awareness of sustainable infrastructure issues.

¹⁷ Argentina, Chile, Colombia, Ecuador, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

Technical cooperation and support for policymaking

Figure 10

Technical cooperation missions (154)



The activities carried out by the Division in 2008-2009 (research, technical cooperation services and training) enhanced the capacity of the Governments of the region to follow-up and make progress in implementing international agreements and national plans of action arising from the outcomes of the World Summit on Sustainable Development, the United Nations Framework Convention on Climate Change and the Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States.

54% of participating countries presented reports at regional implementation meetings, well above the 30% target established for the biennium.

At the Sixteenth Meeting of the Forum of Ministers of the Environment of Latin America and the Caribbean (Santo Domingo, Dominican Republic, January–February 2008), 10 countries of the region presented follow-up reports.

In the area of urban sustainability, the seventeenth Meeting of Ministers and High-level Authorities of the Housing and Urban Development Sector in Latin America and the Caribbean (MINURVI), 18 countries presented reports on

policies and instruments relating to social housing and urban development.

A variety of field projects and technical cooperation services were carried out in the region in 2008-2009. The main ones were: (a) a project with the Office of the Under-Secretary for Regional and Administrative Development (SUBDERE) of the Government of Chile on territorial development and human security, through which a methodology was developed for urban and territorial planning in 15 regions in Chile; (b) a project with the GTZ aimed at reducing emissions from deforestation and forest degradation (the REDD Project) and strengthening the negotiating capacities of Latin American and Caribbean Governments in international discussions of forest and climate change; (c) a cooperation programme on urban regional human security, energy efficiency and climate change, through which three courses were offered and programmatic clean development mechanism (CDM) projects eligible for international financing in the framework of the Kyoto Protocol were developed; (d) a project for the development of strategies on urban laws and norms for the consolidation of a biotechnology clusters in Santiago (the BIOPOLO project) with the World Bank and the Government of Chile; (e) a project with the German Government on sustainable and equitable globalization in the Amazon region of Brazil; and (f) capacity-building projects on climate change, carried out with the support of the Governments of Spain and the United Kingdom.

In 2009 Governments focused on the issue of urban responses to climate change. ECLAC serves as a member of a global programme that analyses and recommends public policies and choices relating to climate change mitigation and adaptation in urban areas. Eighty percent of the member States participating in the initiative presented reports in the framework of the Review of the Economics of Climate Change in South American (Argentina, Chile, Ecuador, Paraguay and Uruguay).

In 2009 a course was launched in the framework of a memorandum of agreement with the city of Milan and the United Nations Centre for Regional Development (UNCRD). The objective is to design projects and programmes on human security, energy efficiency and climate change. Government officials from Brazil, Chile, Colombia and Mexico took part in this capacity-building programme.

LESSONS LEARNED AND OUTLOOK FOR THE NEXT BIENNIUM

The region's population has become overwhelmingly urban (nearly 77% of the total population now lives in urban areas) and countries therefore face the increasingly complex challenge of achieving economic growth while meeting the growing needs of this large segment of the population, especially in a context of social vulnerability and growing inequalities. In relation to climate change, mitigation and adaptation policies and measures have begun to be adopted in various cities in the region, but in the face of growing urbanization there remains a need to design sustainable transport systems.

Symptoms of environmental pressure make it evident that achieving sustainable development is still a challenge in Latin America and the Caribbean. These challenges are severely impacting the region's ability to achieve the Millennium Development Goals. The strategy ECLAC has adopted in this respect has been

oriented, on the one hand, towards analysing current public policies in the region and their relationship with sustainable development objectives and, on the other, making recommendations aimed at guiding the actions of relevant actors in order to reduce the gap between needs and achievements.

Work carried out in 2008 and 2009 included the development and maintenance of networks of technical experts, which has helped to alleviate problems stemming from frequent political changes within government institutions. This was made possible by the use of new information and communication technologies, such as virtual platforms for e-learning courses and workshops, a line of work that will continue during the next biennium, as will efforts to empower Governments and foster their active participation by assuring their involvement in the preparation of terms of reference, the selection of consultants and the design and implementation of studies, which has proved essential to the success of the Division's activities.



During the 2008-2009 biennium, the Natural Resources and Infrastructure Division produced analyses and research and provided technical cooperation services to Governments, civil society and academia, aimed at improving public policy formulation in the areas of management of natural resources and the provision of public utility and infrastructure services to support sustainable development and the achievement of the Millennium Development Goals. New lines of action were established, such as sustainable transportation and road safety, while others, including logistics and multimodal transport, were reinforced under the paradigm of an integrated policy of infrastructure, transport and logistics, which the Division is promoting among the Governments of Latin America and the Caribbean. Among its many different areas of work, the Division focused on strengthening the institutional capacity of countries in the region to formulate and implement public policies and regulatory frameworks in order to increase efficiency in the sustainable management of natural resources and the provision of public utilities and infrastructure services, and in coordinating and sharing best practices, through an extensive list of publications, initiatives and technical cooperation services, with a view to harmonizing policies in its areas of expertise.

In the area of infrastructure, the Division provided support and cooperation to enable countries to address three kinds of challenges that threaten future social and economic development in the region: (a) the infrastructure gap resulting from delays in investment coupled with explosive growth in demand for transportation), (b) lack of sustainable criteria in the planning of infrastructure services and (c) problems in the operation of transport and logistics chains that increase costs and affect the competitiveness and productivity of national economies, among other important negative externalities. The Division also provided technical cooperation on maritime transport and infrastructure development to Argentina, Brazil, Chile, Colombia, the Dominican Republic, Ecuador, El Salvador, Guatemala, Panama, Paraguay, the Plurinational State of Bolivia and Uruguay.

In the energy sector, the Division supported the region's Governments in the promotion of an integral and sustainable energy policy, with special emphasis on renewable energies, energy efficiency and biofuels. Technical cooperation was delivered to energy-related ministries, agencies and institutions in countries of the Andean Community and in Antigua and Barbuda, Argentina, Aruba, Chile, Colombia, Ecuador, Jamaica, Montserrat, Paraguay and Peru. The Division has also proposed an innovative methodology for the formulation of policies for the sustainable production and use of biofuels, which was disseminated through national workshops in Argentina, Chile, Ecuador, Jamaica, Paraguay and Peru, attended by high-ranking government officials and representatives of other national authorities and agencies.

Regarding mining, the countries of Latin America and the Caribbean that are most active in this sector (Argentina, Chile, Colombia, Ecuador, Honduras, Peru, the Plurinational State of Bolivia, among others) received technical cooperation services on environmental management of the mining industry, including aspects of management such as mining liabilities, mine closures and social responsibility. In the water sector, public policies have been the focus of cooperation. The growing awareness in the region of water-related concerns —such as unsustainable water use, water scarcity, water pollution, deterioration of watersheds, monopolization of access to water resources, shortfalls in coverage/quality of water supply, deteriorating water-related infrastructure and escalating water-related conflicts at the local, national, regional and international levels— all illustrate the relevance of the technical cooperation provided to countries such as Argentina, Chile, Colombia, Guatemala, Mexico and Peru.

Since the beginning of the current decade, the thematic elements around which the subprogramme was structured have been influenced by two trends. First, international demand for processed products made from natural resources extracted from countries of Latin America and the Caribbean has gradually strengthened, resulting in an improvement in the terms of trade. And second, the region's economic growth has picked up, led by an upswing in exports not only of resource-intensive primary products but also of manufactures whose market position has benefited from the lowering of trade barriers and the entry into force of free trade agreements.

The experience of the past few years has also demonstrated the significant impact of macroeconomic policy on patterns of sustainability in the use of natural resources and has shown the difficulty of harmonizing macroeconomic and sectoral policies in order to strengthen trends towards sustainability. Limited progress in this regard has led to growing pressure for the development of natural resources, particularly water resources. All this has created an urgent need for the inclusion of sustainability considerations in macroeconomic policy and, at the same time, for improved institutional capacities among managers and users of natural resources and among public interest services to enable them to assume a more active role in decision-making in this sphere.

By the end of the biennium, the Division had contributed to enhancing policy harmonization and coordination and sharing of best practices at subregional and regional levels, as evidenced by feedback from 22 decision-makers, entrepreneurs and scholars who acknowledged the value of the Commission's contributions in these areas.

The Division lent its expertise to policymakers of the region at several high-levels meetings, including the First Inter-American Forum on Water and Sanitation Services and the Regional Preparatory Meeting for the Fifth World Water Forum, with the aim of promoting policy harmonization and coordination and sharing of best practices regarding

natural resource management and the provision of infrastructure and utilities.

Additionally, the Division organized eight seminars and expert meetings, among them a regional conference on policies for economically efficient, environmentally sustainable and socially equitable water supply and sewerage services. This event, organized with the collaboration of the German Federal Ministry for Economic Cooperation and Development (BMZ), GTZ and Capacity Building International (InWent) and held at the ECLAC headquarters (Santiago, Chile, September 2008), contributed to the promotion of policy debate and the sharing of experiences with respect to water and sewerage services in countries of the region. It brought together approximately 130 participants, including senior officials from the public and private sectors from 10 countries¹⁸ and representatives of international, regional and bilateral cooperation institutions. Countries have already started considering and applying some of the recommendations discussed during the conference.

In Mexico, for example, the National Association of Water and Sanitation Companies (ANEAS) incorporated the lessons learned at the conference in a bill on drinking water supply and sanitation services submitted by the Water Resources Commission for consideration by the National Senate.

"The Regional Conference on Policies for Economically Efficient, Environmentally Sustainable and Socially Equitable Drinking Water and Sanitation Services has had a favourable impact in the drinking water and sanitation sector in Mexico. We had the opportunity to incorporate the conference's results in the bill presented by the [Mexican] Senate's Water Resources Commission."

Roberto Olivares, Executive Director, National Association of Water and Sanitation Companies (ANEAS), Mexico, 6 April 2009.

In Peru, the outcome of the regional conference contributed to the national debate on improvement of the legal and regulatory framework for service provision

¹⁸ Argentina, Brazil, Chile, Colombia, Mexico, Nicaragua, Panama, Paraguay, Peru and Plurinational State of Bolivia.

in the drinking water supply and sanitation sector. Representatives of several other countries of the region, including Chile, Colombia, Ecuador and Panama, have officially acknowledged the conference's usefulness for their internal/national discussions on the improvement of the institutional framework for service provision.

The Division also organized the international seminar *Infrastructure 2020: Progress, Deficits and Challenges* (Santiago, Chile, November 2008), attended by ministers of infrastructure, public works, transport and planning from nine countries,¹⁹ the aim of which was to share knowledge and exchange experiences and best practices.

One important example of the Division's contribution to the region was the signature of the Panama City Declaration at the conclusion of a seminar on road traffic casualty reduction targets, in which the countries of the Meso-American region, under the umbrella of the Meso-America Project, manifested their willingness to implement the Project's recommendations and continue sharing information and best practices under a multidisciplinary approach.

The Governments of Bahamas, Barbados, Belize, Guyana, Jamaica, Saint Lucia, Suriname and Trinidad and Tobago received recommendations from ECLAC concerning road traffic casualty reduction during the third subregional seminar on the topic, held in Guyana, and declared their strong support for the Commission's activities in this area and their commitment to coordinate actions and resources for the benefit of the Caribbean Community as a whole.

The Division also provided Latin American and Caribbean energy ministers meeting at the third Regional Energy Integration Forum (FIER) (Buenos Aires, Argentina, November 2008) with an assessment of the current local and regional energy situation and an evaluation of policy proposals on regional integration from the perspective of regional energy markets.

At another high-level meeting organized in coordination with OLADE and held in November 2009, the Division presented to senior staff from the energy ministries of 15 countries of the region the document "Situation and

perspectives on energy efficiency in Latin America and the Caribbean", produced jointly with OLADE and GTZ. This document has helped to place the issue of energy efficiency high on the current regional energy policy agenda. It presents an assessment of the global and local energy situation and describes current initiatives and integration proposals that are being developed in the region and the various subregions, evaluating integration prospects from the point of view of the regional energy market, the current state of public and private energy infrastructure and the opportunities for expansion of the regional energy matrix using clean and renewable energies. It also highlights the importance of coordination and cooperation among international organizations working on energy issues in order to consolidate processes of regional and local integration.

In the geothermal sector, the Division organized the First Eastern Caribbean Geothermal Conference, with the support of OAS, CARICOM and the Government of Saint Kitts and Nevis. Representatives of 12 Caribbean countries participated in the event.

Under the Initiative for the Integration of the Regional Infrastructure of South America (IIRSA) and with support from the Andean Development Corporation (ADC), ECLAC prepared a document on transnational infrastructure projects, which analysed investment in infrastructure in various countries and proposed a methodology for distributing the economic impacts of these investments among countries. This methodology was disseminated to 80 participants during the course *Integration and Development of the Regional Infrastructure of South America*, offered by IIRSA in August 2009 and attended by representatives from Argentina, the Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, the Plurinational State of Bolivia, Suriname and Uruguay.

In coordination with UNDP and the Club de Madrid, the Division prepared the document "Contribution of energy services to the Millennium Development Goals and to poverty alleviation in Latin America and the Caribbean", which was officially released in Santiago in October 2009. The document's main messages are:

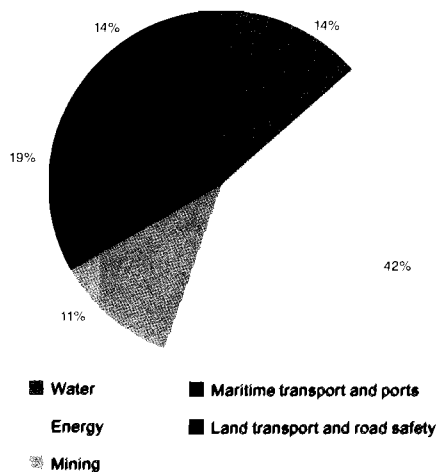
- (i) Efficient and effective access to energy services is a vital requirement for attainment of the Millennium Development Goals.

¹⁹ Argentina, Brazil, Chile, Ecuador, El Salvador, Panama, Paraguay, Plurinational State of Bolivia and Uruguay.

- (ii) Countries must tackle the challenge of energy access in order to ensure a decent quality of life and protect the rights of their citizens.
- (iii) National, regional and international agendas must be formulated with a clear focus on this issue in order to combat poverty and inequity.

Figure 11

Technical cooperation missions (160)



26 countries and academic, regional and business institutions have acted upon the technical approaches and recommendations offered by the Division.

The Division has strengthened policymaking capacity in the countries of the region by providing analyses and technical cooperation to government, legislative, academic, civil society and business institutions in relation to the formulation of public policies oriented towards sustainable development. Of the total number of countries assisted, 26 (including Argentina, Colombia, Ecuador, Mexico, Panama, Paraguay, Peru and the Plurinational State of Bolivia) have used the Commission's recommendations for the formulation and implementation of public policies regarding water resources, mining or energy.

Among the most noteworthy technical cooperation services provided by ECLAC in these areas was the support received by the Peruvian National Superintendency of Sanitation Services (SUNASS) for an analysis of a new water

law, water utilities regulation, sustainable tariff-setting, watershed conservation and institutional mechanisms for the promotion of private-sector participation in the provision of drinking water supply and sanitation services.

To supplement this technical cooperation, ECLAC organized a seminar on international investment protection agreements, sustainability of infrastructure investments and regulatory and contractual measures (Lima, Peru, January 2009), which was attended by government and sectoral representatives, including national infrastructure regulators from the energy and mineral industry and the public transport and telecommunications sectors. Participants rated the seminar content as very useful, in particular for the improvement of concession contracts.

"ECLAC technical cooperation provided us with guidelines for adequate formulation [of the water law], bearing in mind the need to protect the public interest and [taking into consideration] international experiences and the state of the art in this field."

José Salazar Barrantes, President of the Board of Directors of the National Superintendency of Sanitation Services (SUNASS) of Peru, 16 January 2009.

SUNASS has acknowledged that this event has strengthened its capacity to formulate regulatory and contractual policies in two areas considered crucial to the development of the drinking water supply and sanitation sector in Peru, namely: the implications of international trade and investment agreements for the State and its capacity to protect public interests in the provision of public utility services, including drinking water supply and sanitation, and business strategies of international investors in these services.

Under the same line of work, in response to a request from the Ecuadorian Government, ECLAC organized a special technical mission to support the Ministry of Mining in drawing up a list of the most significant comments made with regard to the amendments introduced by the National Constituent Assembly in the country's new mining policy. The Minister requested previous documentation prepared by ECLAC concerning the National Mining Development Plan, which became one of the most substantive elements for the new mining policy. The Division also coordinated a general forum tasked with reviewing and analysing a draft of the new mining law in Colombia.

The Division has been active in strengthening regional capacity in relation to the management of mining conflicts. It presented its experiences in this area during the Assembly of the Latin American Mining Organization (OLAMI), held in Colombia, at which the Commission's recommendations were considered key elements for developing better relations between mining entities and local communities.

As a result, ECLAC received a request from the authorities of Cajamarca Department in Peru to provide technical cooperation for the resolution of conflicts between mining companies and small mountain communities. The Division also worked with Argentina and Peru in increasing understanding and encouraging discussion of the roots, causes and effects of conflicts between mining companies and communities, particularly among regional authorities.

Through the provision of technical cooperation, the Division supported mining authorities, associations and local NGOs in Colombia, Costa Rica and Honduras in areas such as taxation, legislation and operative procedures for resolving conflicts and enhancing relations between national authorities and the mining sector.

The Division has developed a methodology that has been recommended to the countries of the region for the formulation of policies relating to the production and use of biofuels. The methodology comprises social, environmental, and economic elements, with particular emphasis on the need to ensure food security. This methodology was disseminated to high-ranking authorities during the biennium through national workshops in Argentina, Chile, Ecuador, Jamaica, Paraguay, Peru, and Saint Kitts and Nevis.

Other areas in which the provision of technical cooperation has proved valuable to member countries include road safety, ports and concession models. Services in these areas were provided to 17 countries in the region.²⁰ Cooperation relating to transport facilitation

programmes for land-locked countries (e.g. Paraguay and the Plurinational State of Bolivia) and their main transit countries was also provided.

The experience accumulated during this biennium has confirmed that reform in the areas covered by the subprogramme is a highly complex process, which needs to be closely supported through up-to-date analysis and proposals. The Commission's counterparts in these fields are rapidly evolving and diversifying, both at the national and regional levels and globally, and its institutional messages and the means by which they are disseminated must be adjusted accordingly. There is also a need for prompt identification and analysis of new and emerging issues and for the formulation of appropriate policy responses.

The worldwide economic crisis of 2008-2009, together with the global risks associated with climate change and external shocks such as the rise in oil and food prices, call for increasing intervention by the State in the design of public policies and the incorporation of new issues such as climate change mitigation and adaptation into the international political agenda.

Information is a critical requirement for effective regulation, and manipulation of accounting data in public utilities is therefore a serious concern. Regulatory accounting provides essential information to regulatory agencies for the performance of their duties with respect to reasonable rates, consumer protection and promotion of efficiency. ECLAC has collaborated with the Association of Water and Sanitation Regulatory Entities of the Americas (ADERASA) in developing common policy guidelines for regulatory accounting. It has also published a study on regulatory accounting, financial sustainability and aggregated management in water supply and sanitation services, which systematizes relevant national experiences in the development and implementation of regulatory instruments.

²⁰ Bahamas, Barbados, Belize, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Guyana, Honduras, Jamaica, Mexico, Nicaragua, Panama, Saint Lucia, Suriname and Trinidad and Tobago.

The countries of Latin America and the Caribbean are grappling with the challenges of resuming economic growth, reducing poverty and improving income distribution in the context of the additional restrictions imposed by the financial and economic crisis and the global effects of climate change. These

challenges demand that the economics of natural resources, the infrastructure of services and related emerging regulatory issues become the focus of analyses aimed at inducing needed structural changes and increasing awareness about environmental and social sustainability.

During the 2008-2009 biennium, the Division continued its work in the area of systematization and dissemination of statistics and supported at least 15 countries of the region²¹ in strengthening their national statistical systems and capacities in the areas of national accounts, development of suitable indicators for measuring progress towards the Millennium Development Goals, household surveys and the production of environmental statistics.

Technical cooperation provided by the Division facilitated the estimation of national account data in 17 countries during the biennium, and five countries have implemented the 1993 System of National Accounts (SNA) recommendations.

Efforts aimed at improving the quantity and quality of Millennium Development Goal indicators have resulted in a larger number of countries having made considerable progress in the collection of information and in the production of data on those indicators. By the end of the biennium, 28 countries had data available for calculating most Millennium Development Goal indicators, up from 18 at the end of 2007. The Division's activities have also fostered better coordination among national agencies involved in the production of such statistics.

A set of indicators for measuring social cohesion in the region was identified, including qualitative indicators on public perceptions on different issues. The behaviour of such indicators vis-à-vis the trends shown by objective indicators in the same subject area was also analysed. Another major area of work for the Division has been the provision of support to countries to improve the quality and availability of household surveys. Initial steps were also taken during the biennium to increase support in this area for Caribbean countries, some of which have regular survey programmes.

The areas mentioned above are consistent with the priorities agreed by the Statistical Conference of the Americas of the Economic Commission for Latin America and the Caribbean. Secretariat services for this subsidiary body of ECLAC are provided largely by the Statistics and Economic Projections Division. During the biennium, those services helped to improve the work of the Conference and its working groups. Two groups were created and/or began to operate during the biennium, and the Division also facilitated their work.

Another important achievement during the biennium was the improved accessibility of data collected by ECLAC as a whole. It is now possible to access all ECLAC databases through CEPALSTAT, a new statistical information portal on the website of the Commission. Both the number of visits to the website and the number of downloads of the *Statistical Yearbook for Latin America and the Caribbean*, an ECLAC flagship publication produced by the Division, have increased significantly.

²¹ Argentina, Bolivarian Republic of Venezuela, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Nicaragua, Panama, Paraguay, Plurinational State of Bolivia and Uruguay.

The countries of the region need to bring quality and transparency criteria for their national statistics into line with international best practices in order to raise official statistics to international levels of excellence and encourage their use among economic agents, social actors and decision-makers. Those goals were included in the Strategic plan 2005-2015 for regional statistical development, adopted at the third meeting of the Statistical Conference of the Americas of ECLAC (Santiago, Chile, June 2005).

Although the quality and completeness of the region's statistical output have improved significantly with respect to its economic, environmental, demographic and social dimensions, continued effort is needed in order to put countries in a better position to cope with future challenges. Their statistical systems must be prepared to adopt new international standards for national accounts and economic statistics and to continue strengthening their capacity to monitor the indicators associated with internationally agreed development goals, particularly those contained in the United Nations Millennium Declaration. These, together with the 2010 round of population and housing censuses, are the main challenges confronting the region's statistical systems.

At the same time, given the ongoing development of integration processes in the region, it is vital to make progress in harmonizing statistical data. This challenge guided the work of the Division in the 2008-2009 biennium.

CEPALSTAT received an average of 17,463 monthly visits, exceeding the target set for the biennium by more than 15%.

During the biennium, efforts were directed towards updating and improving CEPALSTAT, as the entry-point to all of the Division's databases, in order to enhance and facilitate the use of economic and social indicators by the countries of the region and by ECLAC internally.



This annual publication, which contains social, economic and environmental data from the countries of Latin America and the Caribbean, is one of the leading sources of statistical information on the region. It is intended to meet the needs of users who require statistical data in order to analyse the region's economic and social situation.

The latest edition of the *Yearbook* provides three main sets of data. The first covers demographic and social indicators and reflects the special efforts made during the biennium to mainstream the gender perspective in statistical information. The second section presents basic economic, trade and balance-of-payments statistics and national accounts data, while the third provides information on the environment and natural resources.

An internal evaluation of CEPALSTAT showed that users are satisfied with the quality of the data available, with 79% of respondents rating its contents as useful for their work.

The Division's flagship publication *Statistical Yearbook for Latin America and the Caribbean* has been downloaded 866,460 times per year since its release, a number that is approximately 50% above the target of 600,000 yearly downloads set for the biennium, which indicates an increase in the use of ECLAC statistical data. Additionally, the Division's website exceeded its target of 15,000 monthly visits by almost 2,500, which also indicates increased interest among users and stakeholders in the data disseminated through this source.

In order to achieve these results, the Division has focused on two types of activity: on the one hand, compilation, production and dissemination of comparable social, environmental and economic indicators, and, on the other, development of quantitative methodologies for producing new indicators and using existing ones to analyse and formulate public policies in the region.

The quality of CEPALSTAT was enhanced by reducing duplication of statistical series contained in various

databases and by including new series. The databases of external trade statistics underwent major changes.

The Division also participated in the preparation of the macroeconomic projections and the statistical appendix for the 2008-2009 edition of the Commission's flagship publication *Economic Survey of Latin America and the Caribbean* and the 2008 edition of *Preliminary Overview of the Economies of Latin America and the Caribbean*. In addition, it produced the 2007 and 2008 editions of *Statistical Yearbook for Latin America and the Caribbean*.

The formulation of common relevant indicators for measuring social cohesion and related issues in the region and the promotion of technical discussion among countries were the objectives of a project implemented with support from the European Union. As part of this work, the publication "Social cohesion in Latin America: a review of concepts, frames of reference and indicators" was issued and its preliminary results discussed in an expert group meeting with a view to identifying a set of indicators for measuring social cohesion in the region, including both quantitative indicators and some qualitative ones aimed at ascertaining public perceptions on various issues.

ECLAC promoted discussion on the mechanism through which the region might join in global efforts to support countries in the improvement of basic economic statistics and in the adoption of national accounts standards (the "Luxembourg Recommendations" on national accounts). A brief document containing general considerations was discussed within the framework of the Working Group on National Accounts of the Statistical Conference of the Americas and at meetings of the Conference's Executive Committee. It was agreed that this document, and the one prepared by the Coordinator of the Working Group, would be considered as a potential platform for a plan of action to be endorsed by the Conference.

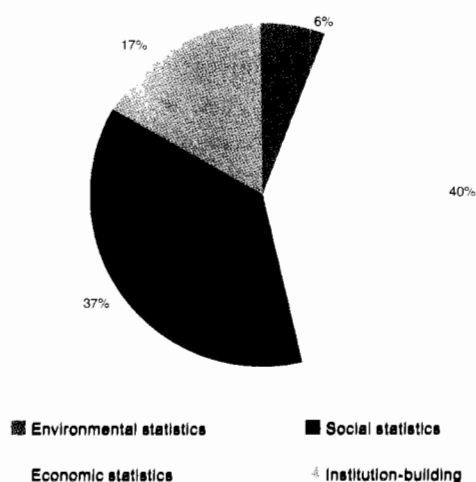
With the support of UNEP and the Latin American and Caribbean Initiative for Sustainable Development (ILAC), environmental indicators are being developed and adapted to take account of the region's statistical development. A similar process of harmonization was carried out for regional manufacturing business trend surveys.

In recent years, ECLAC has undertaken various activities with a view to developing a conceptual framework and selecting appropriate indicators for measuring social cohesion in Latin American and Caribbean countries. In 2009, a project carried out for that purpose yielded progress towards the development of concepts and tools and their incorporation into the countries' policy agendas.

It has been reassuring to note that the concepts and methodology and some of the indicators proposed by ECLAC have already been adopted in some places – Mar del Plata province in Argentina and the state of Morelos in Mexico, for example. They also are being used as a framework for evaluating social security and justice institutions in the Dominican Republic.

Although the notion of social cohesion is still new in the region, these preliminary results show the usefulness and future potential of the Commission's work on this topic.

Figure 11
Technical cooperation missions (176)



- 17 countries in the region have made satisfactory progress in implementing SNA 1993 in accordance with international recommendations.
- 28 countries have made progress towards the collection of data and the production of reports on Millennium Development Goal indicators.

ECLAC has played an important role in the dissemination of international recommendations on statistics through the provision of technical cooperation services and the organization of and participation in meetings. During the period, at least five countries have implemented the 1993 System of National Accounts recommendations, adapting them to their own requirements and producing new estimates.

The main direct beneficiaries of ECLAC technical cooperation missions were senior technical staff from national statistics offices in ECLAC member States whose responsibilities include the collection, processing and analysis of economic statistics and data on social indicators such as employment and poverty. Other beneficiaries included central bank officials working on quarterly and yearly national accounts. In the area of social indicators, nine countries²² have used ECLAC methodological recommendations to strengthen the design of national household surveys, either by improving their technical characteristics or by enhancing the formulation of indicators and incorporating new ones aimed at measuring emerging social issues affecting households. Eight countries²³ have used ECLAC recommendations to enhance their processing and analysis in the areas of poverty and employment by using new tools and methodologies. In the area of economic statistics, four countries²⁴ used the methodological recommendations developed by ECLAC to modernize their statistics system by changing the base year of national accounts. Uruguay also used ECLAC

recommendations to improve its assessment of quarterly national accounts, and Guatemala used methodological recommendations to implement its quarterly national accounts system.

Technical cooperation by ECLAC in Cuba made it possible to support the national statistical office in preparatory activities relating to national accounts and economic statistics, including the preparation of a detailed project for updating the base year of the system of national accounts and facilitating Cuba's participation in the next round of the International Price Comparison Program.

The Division supported the efforts of various countries with respect to analysis of environmental statistics and water accounts with the aim of building their capacity in that regard. Harmonization of consumer price indices and estimation of purchasing power parity for the subregion comprising the countries of Central America, Panama and the Dominican Republic was another area of work for the Division. As a result, databases of comparable and representative prices for the main components of GDP are now available for this subregion.

Additionally, the Division supported the regular consumer price index programmes in six countries²⁵ through technical cooperation.

Another important role for ECLAC was the dissemination of international recommendations, such as those concerning the System of National Accounts (SNA) 2008, developed by an inter-secretariat working group under the leadership of the United Nations Statistics Division; the International Merchandise Trade Statistics, produced by an inter-agency task force lead by the World Trade Organization (WTO); and the Statistics of International Trade in Services, produced by an inter-agency task force led by OECD. This was done not only through technical cooperation and advisory services, but also through the organization of and participation in several meetings. Two regional seminars on national accounts were held, one in Santiago (October 2008) and the other in Montevideo (October 2009). In this

²² Argentina, Bolivarian Republic of Venezuela, Chile, Colombia, Costa Rica, El Salvador, Nicaragua, Panama and Plurinational State of Bolivia.

²³ Colombia, Costa Rica, El Salvador, Mexico, Panama, Paraguay, Plurinational State of Bolivia and Uruguay.

²⁴ Ecuador, El Salvador, Plurinational State of Bolivia and Uruguay.

²⁵ Chile, Dominican Republic, Honduras, Nicaragua, Panama and Plurinational State of Bolivia.

same line of work, in July 2008 ECLAC, together with the Central Bank of Chile, hosted a workshop on the application of statistical methods to national accounts, at which practices in the analysis and management of time series were examined. In the field of international trade statistics, ECLAC has held two regional workshops in conjunction with the United Nations Statistics Division in order to discuss implementation and methodological aspects of the international recommendations on merchandise and services trade statistics. A number of meetings on satellite accounts, including one on tourism (jointly with the World Tourism Organization and the Institute of Tourism Studies of Spain) and two on health, were also organized.

ECLAC and WTO have jointly continued to produce indicators relating to tourism, not only for the countries of the region but also at the global level, as a complement to the work on tourism satellite accounts.

Regarding training, the Division organized a course in cooperation with the IMF, targeted at national accounts compilers from most countries of Latin America (Brasilia, Brazil, September 2008). It also collaborated with the IMF in organizing a workshop on quarterly national accounts (Guatemala City, Guatemala, August 2009). These events have all helped to enhance technical capacity in countries of the region.

The Division's efforts aimed at improving the capacity of countries to monitor progress towards the Millennium Development Goals have focused in two main areas. The first is the provision of support for the development of household surveys as an important source of information for monitoring progress towards the Goals. The second is reduction of discrepancies between national and international sources of information for monitoring progress towards the attainment of the Goals.

By December 2009, at least 28 countries had made satisfactory progress towards the collection of data and the production of reports on Millennium Development Goal indicators —eight more than the target of 20. This reflects the progress made in strengthening national capacity to monitor the achievement of the Millennium Development Goals and the increased use of the Commission's expertise in this area.

ECLAC has been progressively developing a strategy and an agenda for harmonization of statistics, with the support

of the Statistical Conference of the Americas and in close coordination with countries and with other international agencies. The strategy includes an analysis of the causes of discrepancies between the data published in national reports on the Millennium Development goals and the data disseminated by the official United Nations website for the Millennium Development Goal indicators.

This work has provided countries with a better understanding of the difficulties encountered and has served as a mechanism for promoting a process of analysis of discrepancies at the national level, which has led to the production of more and better indicators, with enhanced comparability at the international level. This process has also improved coordination between the national agencies involved in production and analysis of indicators for the Millennium Development Goals.

To support this effort, ECLAC restructured and updated its Millennium Development Goal monitoring website (www.cepal.org/mdg), resulting in an enhanced, more comprehensive and statistically richer site containing resources, data, metadata, meeting documents, presentations and other materials.

[We want to express our] appreciation for the valuable support ECLAC has been providing to the National Institute of Statistics (INE) of Guatemala in recent years, which has strengthened the capability of INE's staff and improved the statistics produced by INE in the framework of the Integrated System of Household Surveys.

Letter sent to the Chief of the ECLAC Statistics and Economic Projections Division by the technical coordinator of the Income and Expenditure Survey of Guatemala.

While the quality and completeness of the region's statistical output have improved significantly, it is important to continue supporting countries in their efforts to compile, strengthen and harmonize statistical information and enhance the decision-making processes underlying the design, monitoring and assessment of development policies in the region.

The Division will continue to disseminate internationally accepted standards and best practices in the various statistical areas covered by its programme of work.

The work done in the area of national accounts and international price comparisons underscored the importance of the Division's strategic role in assisting countries in their efforts to improve basic economic statistics. In particular, efforts should be directed towards activities aimed at the production of quarterly estimates of national accounts.

The Division's continued support to the countries of the region in the area of household surveys proved fruitful, as

it helped to sustain national programmes and the timely production of relevant social indicators. Harmonization of the poverty measurement methods employed by different countries is a line of work to be prioritized.

An internal self-evaluation showed that the quality of CEPALSTAT is being enhanced by reducing duplication of statistical series. The challenge for the next biennium will be to increase the portal's usefulness as a data dissemination tool and its suitability as a showcase for the services provided by the Division and to enhance efficiency in data compilation, production and dissemination.



Wagner Barreto
Chief of the ECLAC subregional
headquarters in Mexico

REPORT OF THE SUBREGIONAL ACTIVITIES IN MEXICO AND CENTRAL AMERICA

The 2008-2009 biennium was particularly complex for the economies of the northern region of Central America and the Caribbean, which in 2008 suffered the impact of soaring commodities prices and a devastating hurricane season. Then, just as the economic and social effects of the rise in food and fuel prices were receding at year's end, the worldwide economic and financial crisis erupted. It quickly became the main concern for public policymakers in 2009, owing especially to its recessive impact, which in turn was the result of the heavy dependence of the subregion's economies on the United States economy. These shocks revealed, once again, the structural vulnerabilities that characterize the subregion: its status as a net importer of foodstuffs and oil, the high percentage of the population living in poverty, persistent inequality, and its vulnerability to the effects of climate change and natural disasters.

Within its programme of work for the biennium, the ECLAC subregional headquarters in Mexico redirected its activities to respond to these external shocks and structural vulnerabilities. Governments in the subregion requested technical cooperation services from ECLAC on matters relating to possible responses for coping with the external shocks. Reports, technical cooperation, expert meetings, projects and training activities were reoriented to the new scenario and tools and timely inputs were provided for policy analysis, design and implementation.

The shocks and crises that have affected the subregion in the last two years have provided a renewed sense of urgency and opportunity for the work of ECLAC in the region. In 2008, the subregional headquarters evaluated the impact of international food and oil price hikes on inflation and poverty in Central America. This past year, it analysed the global crisis, its transmission channels and its economic and social effects and provided emergency policy technical cooperation for the subregion. Institutional capacities for assessing the impact of external shocks on social welfare and for formulating macroeconomic policy in times of crisis were strengthened. In addition, the economic, social and sectoral statistics made available by the office (with hyperlinks in several ministry websites) were widely consulted and cited by experts and the media.

In 2009, the subregional headquarters constructed scenarios and assessed the economic impacts of climate change for the region, including estimates of its possible costs, and discussed policy options with key stakeholders in the Central American region. It also assessed environmental externalities in oil refineries, provided technical cooperation on the addition biofuels to gasoline mixtures and worked to advance electric interconnection in Meso-America, which today is a reality. The office also led efforts by other United Nations and multilateral agencies in evaluating the socio-economic and environmental impacts of major disasters in the region and provided training for national staff in the ECLAC assessment methodology.

In addition, the subregional headquarters conducted in-depth country analyses and provided technical cooperation to Cuba, the Dominican Republic, Haiti, El Salvador and Nicaragua in various strategic areas. These interventions have enabled decision-makers to devise short-term responses to the crisis and shocks within longer-term developmental perspectives.

The subregional headquarters is well placed to advance the region's integration agenda. Working with specialized integration institutions and ministries, it routinely provides technical cooperation on issues pertaining to energy, agriculture, trade, finance and social policies.



THE CONTEXT IN THE SUBREGION

In 2008, the subregion's economic and social development suffered a slowdown in its rate of economic expansion, coupled with weakening terms of trade and high inflation resulting from rising international agriculture and oil prices. This situation made it more difficult to maintain the impetus towards poverty reduction.

During 2009, economic and social conditions deteriorated even more, with the international financial crisis strongly affecting outputs, employment and social well-being. The subregion's close inter-dependance with the United States economy meant that countries of the subregion were sharply impacted by the recession that had already struck developed economies. As a consequence, public policies had to be redirected towards dealing with the impact of the crisis, especially on social welfare. Structural factors such as a low tax burden made it difficult to apply effective countercyclical policies; several countries recorded negative growth rates and an increase in unemployment in 2009. The situation was especially acute in the case of Mexico, given its very strong links with the United States economy. In this context, the subregional headquarters received, with greater frequency and urgency, requests from the Governments of the region for technical cooperation on social and economic policy matters relating to the subregion's response to the effects of these external shocks.

The short- to medium-term outlook is marked by uncertainty regarding the speed and magnitude of the pace of the recovery and the likely occurrence of episodic downturns towards a "new normality", characterized by slow growth in world trade and economic activity, and the resulting impact on the economies of the subregion.

MAJOR ACHIEVEMENTS IN 2008-2009

Ten member countries have strengthened their understanding and analytical knowledge with regard to the subregional development agenda and policy options on poverty reduction, trade, integration and sustainable development.

Research, analysis and dissemination

The subregional headquarters cooperated with beneficiaries from the countries it serves —Costa Rica, Cuba, Dominican Republic, El Salvador, Guatemala,

Haiti, Honduras, Mexico, Nicaragua and Panama—in strengthening their understanding and analytical knowledge with regard to the development agenda and policy options in areas relating to poverty reduction, economic development, trade, integration and sustainable development.

This assistance was directed towards a variety of economic and social stakeholders in the various countries, including policymakers, public officials, non-governmental organizations and civil society associations, and academics, researchers and selected experts. By the end of 2009 some 730 beneficiaries from the countries of the subregion had received services in the areas of poverty reduction and economic development, against a target of 680 beneficiaries, and 850 beneficiaries received services relating to trade, integration and sustainable development, against a target of 500. Participant surveys following training activities on poverty reduction and economic development showed that 96% respondents found the services and outputs of the subregional headquarters "useful" or "very useful", while 83% of those participating in training activities relating to trade and integration and sustainable development rated those courses as useful for increasing their technical capacities in this area. This indicates an enhancement of the capacity of technical staff from the beneficiary countries to generate policy options and proposals in the various subject areas covered.

Implementation of the strategy for electronic distribution of information and publications via the website of the subregional headquarters resulted in an increase in downloads, which rose from 78,935 in 2006-2007 to 113,784 in 2008-2009, reflecting increased access to and interest in the publications produced by ECLAC.

The subregional headquarters prepared a document entitled "Confronting the crisis. The Central American Isthmus and the Dominican Republic: economic evolution in 2008 and prospects for 2009", which contains an extensive presentation on the causes of the crisis, the channels through which it was transmitted and its economic and social effects, together with a set of policy recommendations. This document was presented in April 2009 in El Salvador to an audience of 300 people from the public and private sectors, academia, and UNDP and other United Nations agencies, with comments provided by the President of the Central Reserve Bank of El Salvador, the Secretary

General of the Central American Secretariat for Economic Integration (SIECA) and the chief economic advisor of the then President-elect of El Salvador. Additionally, the presence and participation of ECLAC has been explicitly requested in at least three countries in the context of discussions on the new development agenda for Central America, which is illustrative of the Commission's work in supporting member States in linking short-term analyses and challenges to long-term perspectives and strategies.

Twice a year the office publishes a detailed analysis, with comprehensive statistical information, on the economic evolution and outlook for each of the ten countries in the subregion.

In the energy field, the studies produced on the externalities and costs of electricity-generating plants using fossil fuels and of refinery complexes in Mexico, which the subregional headquarters produced for the Secretariat of the Environment and Natural Resources of Mexico, provided the technical basis for the establishment of the national standard for reduction of carbon dioxide emissions. Studies by ECLAC on bioethanol provided the technical basis for a Costa Rican project to introduce biofuels into the country's gasoline supply. A pilot stage was carried out in 2008 in the northern region of Costa Rica. In 2009 RECOPE (Refinadora Costarricense de Petróleo), the State-owned oil refinery, embarked upon the final stage of developing a bioethanol-gasoline mixture, which is expected to be available nationwide in 2010.

In response to a request from member countries of the former Puebla-Panama Plan (PPP), now the Meso-America Project, ECLAC conducted a study of export competitiveness, using software developed by ECLAC-Module for the Analysis of Growth of International Commerce (MagicPlus) and Trade Competitive Analysis of Nations (TradeCAN) —which was presented to the Executive Committee of Puebla-Panama Plan. Countries were pleased to receive this study and have subsequently requested the services of ECLAC in respect of other competitiveness-related topics. Training courses on the use of the above-mentioned tools and other competitiveness approaches were given in the Dominican Republic, Haiti, Mexico and Trinidad and Tobago.

In May 2009 the state electricity institutions of Guatemala and Mexico carried out the first tests of their electric power interconnection lines, an infrastructure investment that will enable the exchange of electricity between Mexico and the Central American countries. The project initiated commercial operations in October 2009 and will enable a first phase of an electricity market encompassing eight countries (Belize, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua and Panama). In terms of the number of countries involved, this initiative is surpassed only by one other in the world: the European Union electricity market. Another important step in this direction was the launching by the Presidents of Colombia and Panama in March 2009 of an interconnection project between their two countries.

ECLAC also collaborated with the World Intellectual Property Organization (WIPO) and the Autonomous Metropolitan University of Mexico on the topics of innovation and appropriation in Mexican manufacturing. The results were published with WIPO in 2009 in a book entitled *Knowledge generation and protection, Intellectual Property, Innovation and Economic Development*, a Springer-ECLAC co-publication produced with funding from CIDA.

With regard to environmental issues, the subregional headquarters conducted a feasibility study on the economics of climate change in Central America and prepared a project proposal for a comprehensive study on the subject with the support and participation of the ministries of environment of the countries of the Central American Isthmus and their interministerial integration body, the Central American Commission on Environment and Development (CACED), with funding from the Department for International Development of the Government of the United Kingdom (DFID). The project document was reviewed and approved by the ministries. The Presidents of the subregion, at their Summit on Climate Change and Environment (San Pedro Sula, Honduras,

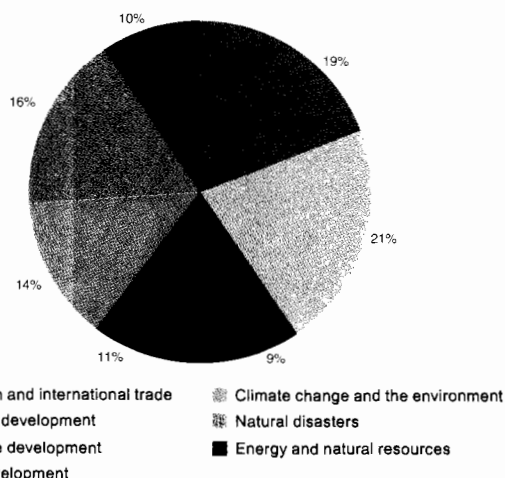
May 2008), recognized the work of ECLAC and gave their ministries of environment and finance and the Central American integration bodies a mandate to support the study. The project got under way in early 2009.

ECLAC has been working with the ministries of environment and finance of the seven Central American countries, the Central American Integration System (SICA) and its secretariat (SIECA) to develop scenarios of the future impact of climate change, the estimated costs and policy options for adapting and reducing vulnerability, and possible co-benefits of mitigation in terms of the transition to more sustainable low-carbon economies. The ministers of environment requested and received an interim report as input for their negotiations during the United Nations Climate Change Conference (COP 15, Copenhagen, Denmark, December 2009) and for the formulation of regional and national strategies. The subregional headquarters has produced preliminary estimates of the impacts of extreme events on water resources, agriculture and biodiversity.

The quality of the Commission’s database of agriculture statistics —Agricultural Information System (SIAGRO)— has been recognized by the Central American Council for Agriculture (CAC), which is now using SIAGRO as its official source of data and has a direct link from its website to the database.

Technical cooperation and support for policymaking

Figure 13
Technical cooperation missions (228)



ECLAC continued to respond to requests from Governments for the evaluation of the socio-economic and environmental impacts of extreme climatic events in the subregion, such as the floods that affected Tabasco, Mexico; tropical storm Noel in Haiti; hurricane Felix in Nicaragua and hurricane Ida in El Salvador. Following hurricanes Fay, Gustav, Hanna and Ike, which struck Haiti in 2008, ECLAC coordinated with UNDP in conducting a socio-economic and environmental damage assessment in response to a request from the Government of Haiti. In 2009 ECLAC and PAHO collaborated with the Mexican authorities in producing a report assessing the impact of the influenza A (H1N1) pandemic that began in Mexico in April 2009. These reports provide an independent evaluation of damages and an assessment of financial needs for reconstruction, which are critical inputs for countries’ appeals to the international community.

The subregional headquarters conducted training courses on the ECLAC methodology for assessing the effects of natural disasters in five countries (Chile, the Dominican Republic, El Salvador, Haiti and Mexico). Participants included technical and operational staff from civil protection bodies, staff of sectoral ministries (social development, agriculture, industry, communications, health), ECLAC staff, and staff from other United Nations agencies such as UNDP, UNICEF, PAHO, FAO and ILO. National staff, in particular, strengthened their knowledge of the methodology.

With support from the United Nations Development Account, the subregional headquarters also provided technical cooperation to strengthen institutional capacity for the design, follow-up and evaluation of macroeconomic policies in the central banks of the five Central American countries, the Dominican Republic and the Executive Secretariat of the Central American Monetary Council (SE-CMCA).

The Development Account project played a fundamental role in enabling government officials and technical staff from the central banks and SE-CMCA to improve their policymaking and analytical capacities by augmenting their macroeconomic and model-building skills for gauging the likely impact on domestic economies of external shocks and the ensuing policy responses. In addition, the project helped to strengthen macroeconomic databases and to foster dialogue and discussion among institutions in the region on policy matters, thus strengthening regional integration. The central banks are using these

tools to formulate and revise monetary programmes and macroeconomic projections; simulate possible effects of changes in external variables on economic growth and inflation; and systematically exchange information with financial organizations such as the IMF, the IDB and the World Bank.

“The most important accomplishments expected from the project were: (a) enhancing capacities in econometric modelling among members of the six central banks and SE-CMCA; (b) strengthening subregional and regional capacity in macroeconomic policy formulation; and (c) strengthening dialogue between researchers and decision-makers within the participating national institutions. As documented in the [official evaluation] report, those objectives had clearly been met at the end of the project. Furthermore, the project was quite efficient and had a high impact rate. Finally, regarding the sustainability of the project, there is strong evidence that it is assured for the near future, since the monetary models developed during the project are now being used, with minor changes, in all the central banks in the region. Thus, judging by its effectiveness, efficiency, impact and sustainability, the project was a sound success. Two factors made this outcome even more remarkable: the fact that it was a truly regional project in which, with the help of SE-CMCA, all workshops and seminars were given without distinction to all the participants; and, secondly, the fact that the models produced by the project dealt mostly with monetary policy, an important area of expertise with which UN agencies are not typically associated (although, hopefully, they might be from now on).”

Excerpt from the external evaluation report on the Development Account project “Building capacity in macroeconomic policy analysis in Central America and the Caribbean”.

ECLAC is carrying out a wide-ranging cooperation programme at the request of the Government of El Salvador with the aim of strengthening the country’s institutional capacities and contributing to medium- and long-term development. Technical cooperation provided the new Government with short- and medium-term macroeconomic projections for use in its negotiations with the International Monetary Fund. These projections have also been used by the new Government’s “Anti-crisis Commission”, which has prepared a comprehensive programme of action for combating the effects of the crisis. The subregional

headquarters has provided technical cooperation to that commission as well. The Government has also requested cooperation to strengthen the country’s statistical system, establish a system of national planning, prepare a national development plan, develop an industrial policy and enhance competitiveness, innovation and technical progress. ECLAC signed a comprehensive agreement on cooperation with the Government of El Salvador in the above-mentioned areas in September 2009.

In 2008, ECLAC and the Government of Cuba agreed on a methodology for estimating the Cuban GDP. This was the result of joint effort and coordination by the subregional headquarters, the Statistics and Economic Projections Division and the Economic Development Division of ECLAC, and the Cuban authorities. ECLAC and several Cuban institutions coordinated an analysis of Cuba’s environmental and economic situation and prospects. The study —conducted by the Ministry of Economic Affairs and Planning, the Ministry of Science, Technology and Environment, and the National Economic Research Institute— assesses the current situation and explores environmental policy options. It is expected that the study (released in early 2010) will contribute to the country’s long-term environmental strategy and provide useful lessons for other countries in the region.

At the request of the Government of the Dominican Republic, the subregional headquarters conducted, in the framework of a cooperation agreement to strengthen institutional capacities and contribute to medium- and long-term development, a long-term perspective study on the country’s development. The results of the study, “The Dominican Republic in 2030: towards a cohesive nation”, were presented during the thirty-second session of ECLAC (Santo Domingo, Dominican Republic, June 2008). This document is serving as input for national discussions aimed at drawing up the first national development plan in the Dominican Republic.

ECLAC also collaborated with Haiti in the areas of institutional strengthening, training in and analysis of international competitiveness, migration, remittances and food security, and on evaluations of the impact of natural disasters. ECLAC is currently preparing a country report on the cost of hunger, as part of a regional effort with the World Food Programme. In 2009 ECLAC also assessed,

at the request of the Minister of Finance, the impact of implementing the CARICOM Common External Tariff. A more intensive cooperation programme is expected to be undertaken in 2010 to strengthen the work of ECLAC in Haiti.

Under a Development Account project entitled "Implications of macroeconomic policy, external shocks, and social protection systems for poverty, inequality, and social vulnerability in Latin America and the Caribbean", carried out in coordination with the Development Policy and Analysis Division of the Department of Economic and Social Affairs of the United Nations, three regional workshops were conducted, one in Ecuador (19 participants), the second in Costa Rica (19) and the third in Nicaragua (14), in which country teams and participants from research institutes and relevant government ministries received training in the theory and practice of developing social accounting matrices (SAMs) and reviewed some basic concepts of computable general equilibrium (CGE) modelling and simulation of economic shocks on economies and social protection systems.

Thanks to the knowledge gained from these workshops, country teams are now using rigorous economic models to analyse and inform policy decisions in their countries. The project's value to countries is evident from the fact that the Governments of Colombia and Mexico opted to finance, from their own funds, the participation of their national personnel in project activities, although they were not among the five countries originally targeted by the project (Costa Rica, Ecuador, Guatemala, Nicaragua and the Plurinational State of Bolivia).

ECLAC has also provided technical cooperation to the Government of Nicaragua to help it draw up a national plan to foster science, technology, and innovation. The project's main results thus far include production of a first draft of the national plan on science, technology and innovation, which was presented in December 2009 to the National Council of Science and Technology; a workshop on technology transfer, attended by representatives of the Government, private enterprise and universities; and three studies on the current status of the Nicaraguan system of innovation.

As a consequence of a study prepared by ECLAC, it became evident that there was a need to improve the

trade services statistics of ProMéxico, the Mexican federal Government institution responsible for promoting Mexico's participation in the international economy. To that end, a working group on measurement of trade services was created. Work was done to revise the available data and identify their limitations, and a pilot plan was developed to improve the statistics. In the light of this experience, Costa Rica has launched a similar initiative with the goal of putting in place new methodologies for measuring service activities such as construction (architecture and engineering services), health tourism, education and audiovisual production.

As part of its technical cooperation with the countries of the subregion through the Meso-America Project, ECLAC personnel have attended 12 meetings of the Project's Executive Committee and provided technical cooperation on topics such as the environment, competitiveness and telecommunications.

The subregional headquarters continued providing technical cooperation to the Central American Working Group on Competition Policy through its participation in the third Central American Competition Forum (Roatán, Honduras, May 2009). At that meeting, Central American participants recognized the Commission's support for agencies that promote competition in the region through its comparative competition policy analysis and regional sectoral studies. The President of the Honduran Commission for the Defense and Promotion of Competition acknowledged and praised the crucial role of ECLAC. Competition authorities noted that competition is particularly important at a time of economic crisis in markets on which vulnerable sectors of society depend, and expressed interest in continued support from ECLAC on this topic.

The conclusions of an expert meeting organized by ECLAC in 2009 to discuss regulation and competition in the airline industry in Central America gave rise to a recommendation by the competition authority of El Salvador that the Civil Aviation Authority eliminate its public hearings requirement. This requirement was identified at the expert meeting as a barrier to competition in the air transport market. If this recommendation is implemented, it will facilitate the participation of new economic agents in this important industry.

The crisis has brought to light, once again, the structural problems in the region. Growth will resume, but only modestly in 2010, and in most countries per capita incomes will not reach pre-crisis levels. Given the unresolved problems from the past and the new challenges facing the subregion for the future, there is a need to start a policy dialogue on ways to promote the structural transformation of domestic economies and foster inclusive growth patterns in the subregion; to increase understanding of the dynamics of poverty and inequality; and to advise Governments on ways to protect the poor and make labour markets work for them, especially among women and young people, and on ways to improve the effectiveness and transparency of public expenditures on social issues. It is also crucial to expand the subregional market in order to enable firms to grow and innovate. Efforts to integrate the region have moved well beyond

establishing a free-trade area and are now directed towards creating a customs union. The subregional office will continue to support national innovation systems that seek to add domestic value to local products by establishing the infrastructure, institutions and human resources needed to sustain a comparative advantage that goes well beyond cheap labor or raw materials and natural resources. It will also continue working to enhance regional energy markets, support the region's energy integration efforts and address issues relating to rural and agricultural development, with due attention to climate change and food security concerns.

It is essential to maintain close ties with economic and social policymakers in the countries of the subregion in order to be able to discuss possible scenarios for the evolution of the socio-economic situation. The exchange of knowledge and experiences between units within the subregional headquarters during 2008-2009 was positive and helped in the design of more integrated scenarios.



Neil Pierre
*Chief of the Subregional
Headquarters for the Caribbean*

SUBPROGRAMME 12

SUBREGIONAL ACTIVITIES IN THE CARIBBEAN

During the 2008-2009 biennium, the ECLAC subregional headquarters for the Caribbean strengthened its contribution to policymaking in the subregion through the delivery of substantive research outputs, technical cooperation, and training and capacity-building support. The revalidation of its role as a regional development think tank was reaffirmed through a development policy seminar conducted with high profile academicians from the region and a request to institute economic modelling activities as a regular feature of the work of ECLAC in the Caribbean.

During this period, studies were prepared on public-private partnerships and on the escalation in world food and oil prices and the resulting impact on Caribbean economies. The food crisis study provided an analysis of the main effects of world food-price inflation on Caribbean countries and drew attention to the urgency of addressing food security concerns. The study informed the Hemispheric Ministerial Agreement Jamaica 2009 for Agriculture and Rural Life in the Americas, within the context of the Summit of the Americas Process, adopted at the IICA Fifth Ministerial Meeting on Agriculture and Rural Life in the Americas (Montego Bay, Jamaica, October 2009).

Work on analysing the economics of climate change in the Caribbean began in late 2008. Initial research focused on determining the current situation with respect to available data and information and policies and other instruments relating to climate change impacts. National consultations were held, with active participation in all cases. At the consultation held in the Netherlands Antilles, the country's Prime Minister took an active part, declaring herself a "climate change champion". Measurements of the economic impacts of greenhouse gas emissions and the costs of abatement and non-action were carried out for several sectors on a preliminary basis, with further analyses to be continued in the forthcoming biennium.

At the Fifth Summit of the Americas in April 2009, substantive presentations by the subregional headquarters during the side events —on gender mainstreaming, social exclusion, the impact of the global financial and economic crisis and progress towards the achievement of the Millennium Development Goals— helped to inform the policy debate. At the Commonwealth Heads of Government Meeting in November 2009, the subregional headquarters made a presentation on improving the investment climate as a means of enabling growth. It also contributed to the discussions on climate change impacts through the preparation of a policy brief entitled "The economics of climate change", which was included in the documents folders of participating Heads of State and Government. A high-level regional seminar on the Caribbean Forum of African, Caribbean and Pacific State-European Union (CARIFORUM-EU) Economic Partnership Agreement helped to forge a close partnership among Governments and regional institutions of the Caribbean, as well as some key partners in the area of trade and development, resulting in a request for ECLAC to lead the development of a monitoring and evaluation framework to govern the implementation of the Agreement.

Governments have made adjustments in development planning as a direct result of ECLAC recommendations arising from disaster impact assessments, which were conducted in Belize, Cayman Islands, Dominica, Haiti, Saint Lucia and Turks and Caicos Islands, and related training in the use of the ECLAC Damage and Loss Assessment Methodology was offered at an advanced level in Jamaica. The subregional headquarters sought to foster a coordinated approach to the implementation of Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States in the subregion by serving as the secretariat for the Regional Coordination Mechanism, which meets under the aegis of the Caribbean Development and Cooperation Committee. The Technical Advisory Committee of the Regional Coordination Mechanism was convened during the biennium to prepare a joint regional implementation plan, and to set up an Internet-based coordination network of national focal points and a consolidated database of national reports and other information materials.

THE CONTEXT IN THE SUBREGION

At the beginning of the biennium, the downward trend in economic activity that had begun in late 2007 became more acute, with worsening external conditions precipitated by the global financial crisis and economic recession, as detailed in the publication *ECLAC Economic Survey of the Caribbean 2008-2009*. As an example, the growth rate for the more developed countries in the English-speaking Caribbean fell by 50%, from 3.3% in 2007 to 1.7% in 2008. Together with the resulting fall in export volumes and prices, the decline in remittances from the diaspora and the deterioration in consumer and producer expectations, those economic factors all underscored the vulnerability of Caribbean small island developing States to the vagaries of the international economic system.

As the economic crisis deepened, the downward trend continued into 2009. The impact on the subregion from the multiple types of hazards to which it was exposed was further compounded by the severity of the various catastrophic events. The vulnerability of the Caribbean countries to the social and economic impacts of climate change placed additional strain on their finite resources and social structures. Against that background, the subregional headquarters provided a full range of analytical, capacity-building, technical cooperation and technical cooperation services to the subregion.

MAJOR ACHIEVEMENTS IN 2008-2009

- 623 participants rated the meetings and forums organized by the subregional headquarters as “useful” for their work.
- 243 citations of ECLAC publications and data were captured in policy documents, academic literature and the mass media.

Research, analysis and dissemination

The subregional headquarters assisted government officials and public and private institutions from 24 Caribbean countries in areas relating to sustainable development and integration. Priority was given to increasing the knowledge of policymakers, researchers and the general public, so as to support advocacy for greater levels of evidenced-based development policymaking. The subregional headquarters also coordinated its activities and worked

in close collaboration with regional institutions such as CARICOM, the Caribbean Development Bank (CDB), the Association of Caribbean States (ACS) and other international development partners.

During the biennium, efforts were made to increase access for policymakers in the subregion to the work of the subregional office and to provide them with an opportunity to increase their knowledge on global matters relating to sustainable development and integration in the Caribbean. Part of this exercise included the provision of technical support to regional and subregional institutions in imparting this knowledge. An estimated 623 policymakers and experts from member countries and partner institutions attended the 22 meetings convened during the biennium, which helped to inform their decision-making and enhance their capacity for policymaking. These meetings included the Caribbean Subregional Expert Meeting to assess the implementation of the Programme of Action of the International Conference on Population and Development 15 years after its adoption (ICPD at 15); the Caribbean Development and Cooperation Committee (CDCC) and the Monitoring Committee of the CDCC; the Technical Advisory Committee of the Regional Coordination Mechanism; Steering Committee meetings on strengthening the capacity of national statistical offices in the Caribbean countries to achieve the Millennium Development Goals and other internationally agreed development goals; and the High-level Advisory Committee of the project Review of the Economics of Climate Change in the Caribbean.

An additional 569 (263 women) participated in another 22 seminars and workshops organized to increase awareness of the work of ECLAC and to highlight, in particular, the work carried out in the areas of climate change, statistics, informal sector measurement, information technology and population issues. Surveys of participants in the seminars and workshops organized by the subregional headquarters revealed that, on average, 77% of respondents found the events to be useful for strengthening their capacity and knowledge on issues relating to sustainable economic and social development and integration, and they called for further sharing of information on priority areas.

A seminar on Caribbean development thinking, which took place in October 2009, and a workshop on boosting SME development and competitiveness were among several training events that proved helpful to participants. The

workshops spanned the period June 2008 to December 2009 and included a training workshop on assessing the socio-economic impact of disasters using the ECLAC methodology (Kingston, Jamaica, June 2008). It was attended by 53 participants, 85% of whom gave it a good rating. Other workshops in 2008 included one on national consultations with key stakeholders on the project Review of the Economics of Climate Change, offered in both Montserrat and Saint Lucia in October 2008, with a total attendance of 50 persons, and a training workshop on socio-economic impact of disasters using the ECLAC methodology, which took place in Jamaica in October 2009. Public awareness workshops associated with the implementation of the climate change project were offered in several countries (Bahamas, Jamaica, Saint Kitts and Nevis, Saint Lucia and Trinidad and Tobago) between November 2008 and March 2009.

During the biennium, expert meetings were convened in the areas of youth issues, crime and violence, gender and sustainable development, including climate change and the Mauritius Strategy. There was also an increase in interest in the work of the Caribbean Knowledge Management Centre, which is promoting synergies in the area of information and communication technologies.

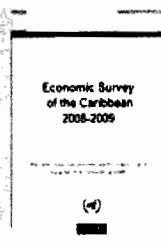
The outcome of the subregional headquarters' work towards building a coordinated approach to the implementation of the Programme of Action for the Sustainable Development of Small Island Developing States and the Mauritius Strategy for the further Implementation of the Programme of Action (MSI) also guided preparations for the upcoming review of the MSI in 2010 by the Commission on Sustainable Development and the General Assembly. Specifically, two meetings of the Technical Advisory Committee of the Regional Coordinating Mechanism for the Implementation of the Mauritius Strategy were convened, one in April 2008 and one in September 2009, during which the CARICOM matrix "Towards regional implementation of the MSI" and the St. George's Declaration of Principles for Environmental Sustainability in the OECS (Organisation of Eastern Caribbean States) were reviewed. In addition, the subregional headquarters completed a study which provides an update on progress made towards implementation of the Mauritius Strategy in the subregion.

The subregional headquarters assisted government officials and public and private institutions from 20 Caribbean countries in areas relating to sustainable development and migration.

The subregional headquarters also continued to highlight developments in the world economy with respect to international trade, tourism, remittance flows, foreign direct investment and external financing, all of which strongly influence the small open economies of the subregion, and to advocate prudent fiscal and policy responses. In that regard, the annual *Economic Survey of the Caribbean* provided policymakers with an in-depth discussion of the subregion's economic performance and put forward recommendations for policy and fiscal change.

Leading publications such as *Economic Survey of the Caribbean* and the food policy papers were successfully launched and enjoyed wide media coverage, including by major international networks such as the British Broadcasting Corporation (BBC). Those publications and many other ECLAC publications were also frequently cited in policy documents, academic literature and the mass media in the Caribbean Basin, with at least 243 references recorded during the biennium.

Economic Survey of the Caribbean



This yearly publication provides an overview of the economic performance of CARICOM countries. The 2008 edition includes an economic overview of the subregion in 2008 and the outlook for 2009. The report provides a regional comparative analysis of the main macroeconomic variables, namely, GDP growth, inflation, fiscal and external accounts, as well as fiscal, monetary and other policies, particularly those specifically devised to cope with the ongoing global economic crisis. The report also presents information on economic growth and small- and medium-sized enterprise development from an analytical and empirical perspective, together with country briefs for the seven most developed countries in the Caribbean — Bahamas, Barbados, Belize, Guyana, Jamaica, Suriname and Trinidad and Tobago — and a subregional assessment of the eight member countries of the Eastern Caribbean Currency Union. This publication was downloaded from the website of the subregional headquarters more than 10,000 times, which is illustrative of the interest it captured in the subregion.

The subregional headquarters continues to build capacities and inform stakeholders through various public awareness activities. In its efforts to draw public attention to the issue of violence against women and the need to uphold the right of women to live a life free of violence, it participated in several public awareness activities to bring attention to gender-based violence. During 2009, activities in Trinidad and Tobago included addresses and public lectures to the Rotary Club and the University of the West Indies, and national radio discussions in commemoration of the International Day for the Elimination of Violence Against Women.

The consequences of climate change are challenging the ability of Caribbean countries to achieve several of the Millennium Development Goals, including those aimed at poverty reduction, human development and environmental sustainability. The High-level Advisory Committee on the Economics of Climate Change convened meetings in Barbados and Trinidad and Tobago to sensitize Governments and regional stakeholders to the need to develop and implement policies to mitigate and adapt to climate change and to seek guidance on the required follow-up work. The subregional headquarters executed the first phase of a technical cooperation project that reviewed the economics of climate change and provided empirical evidence that climate change is likely to entail serious economic, social and environmental consequences for the Caribbean.

In the area of tourism, which is one of the subregion's economic mainstays, ministers of tourism were informed that the prevalence of HIV/AIDS continues to hamper growth in the sector, as do increased energy costs from rising oil prices. The level of tourist arrivals from some countries, including Canada, has proved especially sensitive to product prices. This information was conveyed through an econometric study of the determinants of tourism competitiveness in the Caribbean which was presented to a meeting of tourism ministers organized by the Association of Caribbean States (Barranquilla, Colombia, April 2009). Those findings underscored the critical role that tourism has played in the economic development of Caribbean small island developing States and provided input for the development of appropriate mitigation strategies. Regional policymakers were also provided with an analysis of Caribbean tourist destinations, which emphasized the importance of maintaining competitiveness throughout the tourism life cycle, particularly by upgrading tourism products.

In October 2009, the Subprogramme presented its study on the escalation in world food prices and the resulting impact on Caribbean economies to the Fifth Ministerial Meeting on Agriculture and Rural Life in the Americas. The study conveyed information on the policy shifts required to mitigate the impact of higher food prices on food security. The subregional headquarters also contributed to economic policymaking in the subregion through other studies conducted in 2008 on public-private partnerships and the sub-prime mortgage crisis in the United States.

The role of ECLAC as a leading "think tank" for development policy analysis in the Caribbean was reaffirmed at a high-level seminar on development policy in the Caribbean, held in October 2009 in Trinidad and Tobago. That event brought together 36 high-profile experts, policymakers and academics of the subregion to explore the evolution of development thinking in the Caribbean. The deliberations focused on the contribution of ECLAC to regional development, and explored the implications of several persistent challenges to development, including poverty and inequality, climate change and the empowerment of women, in the light of the global economic crisis.

In addition, the introduction of the Working Paper series has attracted the attention of researchers, who continue to access these publications. Dissemination of publications has been enhanced through launch ceremonies for selected titles with the participation of a wide cross-section of users. Further evidence of the contribution of the subregional headquarters' research to policymaking is the inclusion of research and policy papers among the resources and reference materials on the websites of several central banks, regional organizations and Government ministries in ECLAC member countries. As an example, the Commission's Data Collection Protocol on Domestic Violence is being used by governments of the subregion, as an instrument to facilitate the collection of reliable data, to obtain profiles of victims and perpetrators of violence, to understand the frequency and incidence of domestic violence, to develop intervention programmes and to monitor the effectiveness of violence prevention and intervention activities. Countries using the data collection protocol include Antigua and Barbuda, Barbados, Belize, Dominica, Saint Lucia and Trinidad and Tobago.

The fourteenth meeting of the Monitoring Committee of the CDCC brought together representatives of nine countries, several organizations of the United Nations

system and other regional partner organizations. Headway was made towards revitalizing the work of CDCC to serve as a more effective link between the needs of Caribbean countries and the services provided by ECLAC. Progress was reported on the implementation of recommendations for improving the work of CDCC and contributions were made to an external evaluation on the role of ECLAC in the Caribbean, the results of which will be discussed at the forthcoming session of CDCC.

Several regional events were convened or hosted by the subregional headquarters, which highlighted its role as a substantive contributor to policy dialogue and formulation. Ministers of health and education from Latin America and the Caribbean gathered in Montego Bay, Jamaica, at a regional high-level meeting to review progress and obstacles in combating HIV/AIDS as a continuing regional development challenge. That meeting reviewed the findings of a substantive background document, the preparation of which was spearheaded by the subregional headquarters, together with other contributions and analyses, and adopted a summary declaration. This declaration was subsequently presented by the Government of Jamaica to the Annual Ministerial Review of the United Nations Economic and Social Council in July 2009. The ministerial declaration of the 2009 high-level segment of ECOSOC captured the main outcomes of the regional meeting. With the Government of Trinidad and Tobago, the subregional headquarters hosted the forty-third meeting of the Presiding Officers of the Regional Conference on Women in Latin America and the Caribbean and the Caribbean Subregional Expert Meeting to assess the implementation of the Programme of Action of the International Conference on Population and Development. Both of these events attracted significant representation from Governments and resulted in their active engagement in analysing and identifying ways of moving forward with these issues.

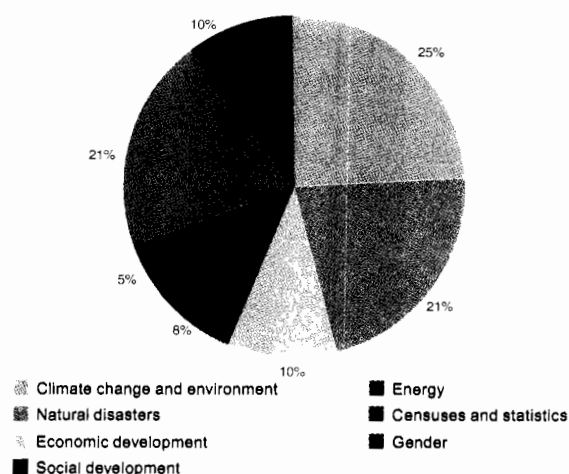
Technical cooperation and support for policymaking

462 participants in training activities assessed the training received as “useful” or “very useful” for their work.

The subregional headquarters helped to enhance the capacities of public officials and technical staff in the Caribbean during the biennium, particularly in the areas of the economics of climate change and statistics, the latter in

Figure 14

Technical cooperation missions (138)



preparation for the 2010 censuses. In all, some 569 persons (263 women) benefited from training and consultations carried out in 2008-2009.

In the area of sustainable development, a number of governments have continued to turn to ECLAC for disaster damage evaluations, as a result of which four country reports were completed during the reporting period. These reports have contributed to policy decisions and the development of disaster mitigation strategies. In addition to the evaluations, the subregional headquarters conducted three workshops that provided training to 94 technical staff in order to strengthen their capacity to conduct their own preliminary damage assessments of natural disasters using the ECLAC disaster impact assessment methodology. The assessments have been a success, as evidenced by Jamaica’s successful negotiation of grant funding from the World Bank Group for damages caused by hurricane Gustav.

Government authorities from five countries of the subregion (Belize, Cayman Islands, Haiti, Trinidad and Tobago and Turks and Caicos Islands) have increased their technical and policy capacities to reach sustainable development goals thanks to ECLAC technical cooperation missions. These missions assessed the socio-economic impact of natural disasters, supported the formulation of recovery plans and designed risk management strategies. Moreover, three intergovernmental institutions (Caribbean Disaster Emergency Management Agency (CDEMA), CDB, OECS) and one United Nations agency (UNDP) have benefited from ECLAC services, which have enabled

them to enhance their own capacities to participate in disaster impact assessment missions and to support the formulation of recovery strategies. In Belize, such strategies have included the refurbishment of community centres and the expansion of planning regulations for the construction of schools to include the concepts of “set back” and “step-up”. In the Cayman Islands, expanded planning regulations were adopted, and school roofs were strapped down.

Statistical data are now more accessible for analysis and have facilitated more evidenced-based policies for development programmes. Progress was made during the biennium in disseminating techniques for data gathering and analysis and in strengthening regional capacity to collect, analyse and produce data on the informal sector, on the Millennium Development Goals and on household surveys. In addition to building capacity, the subregional headquarters carried out several technical cooperation projects, including one on the informal sector and informal employment and one on the Caribbean household surveys, which contributed to consensus-building among national statistical offices on common data collection protocols, definitions and classifications for various types of statistics. As a result of the training activities funded by these projects, in which at least 28 participants from national statistical offices received training, appropriate changes are to be made to the upcoming round of population censuses in order to ensure that data on the informal sector and its contribution to GDP are captured.

As part of the technical cooperation projects carried out by the subregional headquarters in preparation for the 2010 censuses, 46 statistical officers, from 10 Caribbean countries received training on the use of the REDATAM software.

In response to requests from member States, the subregional headquarters has worked towards the establishment of a Caribbean Information Society, by strengthening capacity among information providers and users in the subregion. Thirty individuals participated in a training course on information society measurement, which was aimed at providing national statistical offices with tools for conducting information and communication technology surveys of households and businesses in the subregion.

In response to requests from member States, 245 technical support missions were undertaken in various areas, including

ageing, census management and statistics, disaster and risk assessment, gender and sustainable development.

Support was provided to the Government of Belize in standardizing its approach to poverty measurement in order to allow for comparisons over time. Belize is now in the process of establishing a poverty level indicator based on time series of poverty data from a recent country poverty assessment. The subregional headquarters is also actively engaged in supporting the Government of Trinidad and Tobago in its testing of the establishment of a central registry to collect data on domestic violence.

390 individuals from Caribbean countries (Aruba, Bahamas, Barbados, Dominican Republic, Guyana, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia and Trinidad and Tobago) participated in public awareness workshops and national consultations on climate change.

The linkages between gender equality, poverty, and achieving the Millennium Development Goals, and the status of monitoring of the Goals and other international agreed development goals and reporting in the subregion, were explored in discussions among regional experts and Government representatives at a meeting held in Trinidad and Tobago in February 2009. As a consequence, the capacity of the Caribbean national statistical offices to generate reliable social and economic statistics was strengthened.

National machineries for the advancement of women have begun to implement strategies to facilitate ongoing monitoring of factors that are important for improving gender equality and mainstreaming gender in national policies. This was a direct result of support provided by the subregional headquarters to member States (Antigua and Barbuda, Guyana, Jamaica, Saint Kitts and Nevis) through a technical cooperation project designed to establish a Gender Equality Observatory for Latin America and the Caribbean, with funding from AECID. This important project will continue to provide support to Caribbean countries in the upcoming biennium.

The subregional headquarters provided technical support to the CARICOM Secretariat during the biennium for the development of a web portal for the CARICOM Steering Committee on Information Technology, of which ECLAC is a key participant.

LESSONS LEARNED AND OUTLOOK FOR THE NEXT BIENNIUM

The world economy that eventually emerges in the aftermath of the economic crisis is likely to be very different from the one that had prevailed up to that point. In particular, average world economic growth is expected to be slower than in the years during the period 2002-2007. This scenario will most likely be accompanied, in the short run, by reduced tolerance for international migration as governments seek to protect internal labour markets, an important source of remittance receipts for many poor households, which will in turn place increased demand on the limited resources available for poverty reduction in the Caribbean. Meanwhile, economic growth based on natural resource exports and services (mainly tourism and offshore financial services) will likely remain weak. In this difficult scenario, the fundamental challenge for Caribbean policymakers will be to devise and implement a path towards economic restructuring with a view to creating a diversified and growing economy, with emphasis on enhancing equity and protecting the environment. The small size of local markets will make it necessary for Caribbean countries to redouble their integration efforts, both within and outside the Caribbean Community, while simultaneously striving to meet targets for addressing the impacts of changing climate.

The work of the subregional headquarters in the next biennium will therefore be directed towards tackling these issues through the provision of technical cooperation and support to member and associate member Governments of the subregion, including coordination and support in the follow up to the Mauritius Strategy. The subregional headquarters has recognized the need to engage CDCC more actively as a forum for refining its work programme so as to ensure that it is able to respond to the immediate needs of member States in a timely manner.

The Economics of Climate Change



The subregional headquarters has initiated a review of the economics of climate change in the Caribbean with the aim of providing stakeholders with quantitative information to equip them to deal with the potential impacts of this phenomenon.

This report focuses on several economic issues relevant to climate change, examines the economic principles of uncertainty and the precautionary approach, and also addresses the key drivers behind climate change. It makes recommendations for the Caribbean to address climate change at both national and regional levels through the promotion of energy efficiency, creation of incentives for the implementation of alternative energy technologies, maintenance of stakeholder interest and efforts to address climate change, and research into varieties of plants and animals that can adapt to changing climate conditions. The publication was included in the documents folder of the 53 world leaders from former British colonial territories who met in November 2009 in Port of Spain for the Commonwealth Heads of Government Meeting. Much of their discussion at that meeting focused on the issue of climate change. The Secretary-General of the United Nations attended that gathering.

The Caribbean office will also work closely with ECLAC headquarters in Santiago to further enhance the relevance and effectiveness of its work through the implementation of the recommendations emanating from the evaluation of the Commission's work in the subregion, particularly with respect to improving coordination and collaboration and further enhancing internal management and information dissemination arrangements.



NATIONAL OFFICES

The ECLAC national offices were established to enhance the identification and analysis of the region's development-related problems and to support some Governments more closely. The Commission maintains national offices in Bogota, Brasilia, Buenos Aires and Montevideo and a liaison office in Washington, D.C.

ECLAC OFFICE IN BOGOTA

The ECLAC office in Bogota conducts research and provides technical cooperation on a variety of economic, social and environmental issues. In addition to its activities with the Government and authorities of Colombia and other countries, the office serves as a liaison between ECLAC and the United Nations centre in Panama, which houses several agencies and regional programmes of the Organization.

In 2008-2009, three key areas of cooperation were consolidated: statistical methodology and indicators;

Towards universal access to health care in Colombia

Together with other agencies of the United Nations system in Colombia and other health sector organizations, ECLAC has supported Colombia's Ministry of Social Protection in plotting a course towards universal access to health care, with a single plan of benefits for all. A study comparing explicitly guaranteed services provided under the health systems of Colombia and Mexico was conducted and presented at the seventh Congress of Gestarsalud, a Colombian health insurance management association, held in Cartagena in October 2009, the theme of which was "Health as a right in Colombia and the world". More than 300 participants took part in this event.

social rights, protection and cohesion; and economic development.

With regard to statistical methodology and indicators, through a cooperative agreement with the National Administrative Department of Statistics (DANE) of Colombia, the office carried out an expert mission on poverty statistics. The first stage culminated in the production of a report that splices labour market, income, poverty, homelessness and income distribution data series for the period 2002 to 2008.²⁴

As concerns social rights, protection and cohesion, work was carried out in the areas of health, vulnerable populations, social spending and pensions. In relation to the issue of vulnerable populations, four studies were conducted on employment, social policy, income generation for displaced populations and microcredit. These studies were presented at a seminar on policies for improving economic and social conditions and opportunities for vulnerable groups in Colombia, which brought together some one hundred authors, experts, academics and United Nations officials. The seminar content was rated as "good" or "very good" by over 95% of participants and the topics covered were considered "useful" or "very useful" for the institutions represented. The study findings have been published and are being applied in the design and amendment of existing policies.

On the topic of economic development, the departmental competitiveness ranking has been updated periodically and

²⁴ These series are available on the website of the National Planning Department [online]: <http://www.dnp.gov.co/PortalWeb/LinkClick.aspx?fileticket=Js%2fTXb8J%2fLA%3d&tabid=36>. The information has been widely disseminated by the media.

In 2008-2009, three key areas of cooperation were consolidated: statistical methodology and indicators; social rights, protection and cohesion; and economic development.

has become a tool of reflection for the public and private organizations included in the National Competitiveness System. Five presentations on the results of this exercise were made at various national and local forums convened by the Colombian authorities. In addition, in conjunction with the National Planning Department, the Ministry of Commerce, Industry and Tourism and the Private Council on Competitiveness, the ECLAC office hosted a workshop for key players in the area of competitiveness and an international expert seminar on international experiences with public-private partnerships, which looked at how to strengthen public-private partnerships in Colombia and the rest of Latin America and how to overcome the crisis through strategic planning for the future. These events were attended by approximately 180 representatives of the entities that make up the Colombian and international competitiveness systems.

At the request of the agencies of the United Nations system in Colombia, the office coordinated the production of a report on progress towards the main Millennium Development Goal targets in 2008 and conducted a thorough review of the quality of the indicators, identifying specific areas requiring greater cooperation. The office participated in four seminars organized to promote the Millennium Development Goals and monitor the indicators.

ECLAC OFFICE IN BRASILIA

The ECLAC office in Brasilia has continued its research and capacity-building programmes through an ongoing partnership with Brazil's Institute of Applied Economic Research (IPEA). The office supported IPEA in the preparation of a publication on recent development experiences in various countries, which has been presented and discussed at seminars in several Brazilian cities. The papers prepared by ECLAC for this book and at least five other on development issues are available on the ECLAC website.

In 2008 the office collaborated with the Brazilian Agency for Industrial Development (ABDI) and IPEA on a project

on productive complementarities stemming from regional integration, in which the experiences of Asia and Western Europe were analysed and lessons were drawn for the MERCOSUR countries. The outputs of this project —also available on the Commission's website— have been presented and discussed with more than 230 participants, including government officials, journalists, academics and experts, at various meetings and conferences.

The ECLAC office in Brasilia has continued to promote debate among high-level government officials, academics and selected public servants and experts on the international role of Brazil through workshops on issues such as relations between Brazil and other Latin American countries, proposals for the development of the Amazon Region and issues dealt with by the Group of Twenty (G-20).

Under a bilateral agreement with the Brazilian Centre for Strategic Management and Studies (CGEE), ECLAC staff are coordinating a comprehensive study on development experiences, comparing country-specific investment and economic growth patterns and the investment and growth processes of 14 countries, including some of the largest Asian economies (China, India, Indonesia, Republic of Korea, Philippines, Thailand); the seven largest countries in Latin America (Argentina, the Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Mexico and Peru); and the Russian Federation. Thus far, a database has been created, and the 14 country studies are in progress.

The office has also continued to promote collaboration with other United Nations agencies in Brazil through, for example, the annual dissemination of the UNCTAD publication *Trade and Development Report* and the launching of an interagency empirical research initiative on employment, human development and decent work, undertaken together with ILO and UNDP. A joint ECLAC/UNDP/ILO report on employment and human development in Brazil was disseminated by the press and at a number of seminars. It was also widely distributed to Brazilian authorities and experts and made available on the websites of the three agencies.

The ECLAC office in Brasilia has continued to promote debate among high-level government officials, academics and selected public servants and experts on the international role of Brazil.

Contributing to training in the development area in Brazil

In 2008 and 2009 the ECLAC Office in Brasilia contributed to capacity-building among technical professionals—as it has done for the past 15 years—through the organization of special ECLAC sessions at the yearly national meeting of ANPEC, Brazil's association of graduate programmes in economics, and has disseminated the work of ECLAC through a publications stand established for that purpose.

At the request of the Ministry for Foreign Affairs, the office also organized and coordinated a series of courses on development theory and specific country experiences, aimed at enhancing the capacities of government officials in the areas of growth theory, development theory, economic thinking within ECLAC, theory of trade and development, recent trends in international trade, regional integration, theory of international finance and development, the recent crisis and the debate about a "new Bretton Woods", effects of the crisis on the Brazilian economy, the Brazilian external sector, the labour market, the State and development, and development thinking and planning. Approximately 300 government officials received training.

ECLAC OFFICE IN BUENOS AIRES

In the framework of its ongoing analysis and research on the economy of Argentina, the ECLAC office in Buenos Aires is carrying out a set of activities ranging from collaboration with the national Government and provincial governments to linkage with the various activities of the ECLAC secretariat and with the rest of the United Nations system in the country.

During 2008-2009, agribusiness activities showed strong productive dynamism, while simultaneously undergoing a substantive shift in organizational, technical and productive paradigm. Special attention was therefore paid to developments in that sector and its potential for strengthening the growth of Argentina's economy. The office's activities included development and technical cooperation for the implementation of strategic plans, which focus on promotion of public-private partnerships for key activities such as those related to the production of beef, dairy products and farm machinery. Capacity maps (of public and private companies) were developed in the

Support for the Global Compact Local Network in Argentina

ECLAC has provided continuous support for the Argentine network of the United Nations Global Compact and for the network's governing body. With 377 members, the Argentine network is one of the 10 largest local networks in the world. The network has provided training and awareness-raising through the organization of two expert lectures on the Global Compact and various workshops, which were attended by more than 200 representatives of private companies, non-governmental organizations, chambers of commerce and business associations. In addition, the database of local members and the website of the local network (www.pactoglobal.org.ar) were kept up to date and five newsletters were produced and sent to over 2,000 recipients.

area of biotechnology in the provinces of Santa Fe (with the Ministry of Production) and Cordoba (with the Economic Development Agency of the city of Cordoba). In addition, the office assisted the Ministry of Science and Technology and the Secretariat of Industry, Trade and SMEs in the development and formulation of implementing regulations under legislation on biotechnology and future sectoral funds to promote innovation in biotechnology, and compiled a set of theoretical papers on the mode of operation of the new productive, technological and organizational models underlying the recent growth in agribusiness. As a result of these activities, the office has come to be seen as a leader in this area.

In conjunction with UNDP, the ECLAC office in Buenos Aires has prepared a comprehensive analysis of development processes in Argentina, which was published in the document "La Argentina ante la nueva internacionalización de la producción —crisis y oportunidades". The two institutions are carrying out a project that explores the main channels through which the financial crisis was transmitted to Argentina at the macroeconomic level and in terms of trade and productive investment in the agricultural and industrial sectors. The project is also looking at policy proposals for dealing with the situation in the short-term while at the same time laying the foundation for sustainable and equitable development in the medium and long terms. To that end, various discussion and monitoring activities

It has also engaged in an intensive process of interaction with the academic and business communities, which have provided funding for analytical studies and development of proposed lines of action under 15 technical cooperation and assistance agreements.

have been carried out. Three workshops were organized in order to discuss findings and proposals with selected experts, policymakers, public officials and business leaders. Officials from the Central Bank, the Ministry of Economy, the Ministry of Production and the Ministry of Foreign Affairs participated actively in these workshops.

Lastly, work has continued on the systematic study of the evolution of the Argentine economy. In addition to monitoring macroeconomic factors, the office has placed special emphasis on analysis of the dynamics of structural change and the development of competitive capacities. It has also engaged in an intensive process of interaction with the academic and business communities, which have provided funding for analytical studies and development of proposed lines of action under 15 technical cooperation and assistance agreements. The office has published 24 papers and books on these subjects and disseminated them widely through its website, which registered a total of 1,700,000 downloads during the biennium. The staff of the office have played a central role in 45 colloquiums, symposiums, seminars and conferences, which have been among the most notable activities undertaken in the country, as a result of which the staff have become recognized as authorities in their field.

ECLAC OFFICE IN MONTEVIDEO

Under the technical cooperation agreement between ECLAC and the Government of Uruguay (Ministry of Economy and Finance), the ECLAC office in Montevideo conducted a series of studies that served as input for discussion and policymaking in Uruguay. One of the foremost studies, entitled "Duty-free zones in Uruguay: economic activity, foreign trade and platform for the export of services", has been used by the Government to identify and promote new opportunities for offshoring. A summary was published by the Economic Observatory of the MERCOSUR Economic Research Network and the national network of the Uruguayan Council on Foreign Relations (CURI).

The office also carried out studies on gender issues and the care economy, which have been used by the Ministry of Economy and Finance and the National Institute of Women within the Ministry of Social Development as input for discussion by the National Coordinating Council on Public Policy for Gender Equality on gender and social reforms in Uruguay. Other studies looked at methods for measuring the output gap in Uruguay, which gave rise to a new line of research in this area within the Central Bank of Uruguay, and at installed capacity utilization and investment prospects in Uruguayan industry. The latter study led to the development and implementation of a periodic survey by the National Institute of Statistics, the findings of which are an important source of information for monitoring industrial economic activity, both for the Ministry of Economy and Finance and the Central Bank of Uruguay and for other domestic users in the public and private sectors.

Collective bargaining: review of the literature and experience in Uruguay, 2005-2006

This study, conducted by the ECLAC office in Uruguay, entailed over 130 interviews of stakeholders directly involved in collective wage negotiations in 2005-2006. The findings were used by the Ministry of Labour and Social Security and the Ministry of Economy and Finance to design negotiating guidelines for the third round of Wage Council negotiations in 2008. The study findings were also used for the formulation and discussion of the Act Establishing the Collective Bargaining System (Act No. 18,566) in September 2009.

The office also supported activities carried out by the various divisions of ECLAC in Uruguay in areas such as the economics of climate change, technical cooperation with the Central Bank of Uruguay in the area of national accounts, evaluation of production policies, employment and household budget surveys as a source for measuring poverty. In addition, it provided support for the

The office also carried out studies on gender issues and the care economy, which have been used as input for discussion by the National Coordinating Council on Public Policy for Gender Equality on gender and social reforms in Uruguay.

establishment of the Enterprise Monitoring Centre in Uruguay, which included institutional strengthening of a national team comprising the Office of Planning and Budget (OPP) and the Social Security Bank (Banco de Previsión Social - BPS), thereby providing the impetus for a major effort aimed at generating information on business demographics and labour dynamics, which is essential for the design of active production policies.

ECLAC OFFICE IN WASHINGTON

The ECLAC Washington Office serves as a liaison with the Government of the United States of America and with international organizations based in Washington, D.C., including the International Monetary Fund (IMF), the World Bank Group (IBRD), IDB, OAS and PAHO. The office participates in the OAS-IDB-ECLAC Tripartite Committee, the follow-up mechanism to the First Summit of the Americas (Miami, United States of America, 1994). Another key role is providing support for the negotiations on the Free Trade Area of the Americas (FTAA). In addition, the office monitors the evolution and development of the economy of the United States and its trade relations with Latin America and the Caribbean.

The ECLAC office in Washington, D.C., has continued to deepen and broaden its analysis and monitoring of the evolution of economic relations between the Latin America and Caribbean countries and the United States and Canada, with a particular focus on goods and services flows and market access. The office has continued to produce the *United States-Latin America and the Caribbean Trade Developments* report. With financing from the Canadian International Development Agency, it participated in the ECLAC Programme to Strengthen Trade-related Capacities in the Americas, conducting six technical cooperation activities that benefited more than 200 individuals from some 20 countries of the region. Over 97% of the participants rated the workshops as "excellent" or "very good" in strengthening their analytical capacity. The creation of the Observatory of the United States Imports Customs Control, from which some 125,000 refusal records have been collected and analysed, has offered new insights into the application of technical standards and enabled the office to make a significant contribution to the analysis of market access for Latin American and Caribbean products. The office also continued to provide valuable and timely information via internal distribution of the publications

The office organized and/or participated in over 170 conferences, seminars and other events and distributed over 1,000 documents and publications on issues relating to trade and sustainable economic and social development.

United States Economic Outlook and Washington Economic Watch and general dissemination of the report *Capital flows to Latin America*.

The office has also helped to raise awareness among stakeholders in Washington and throughout the United States and Canada about ECLAC and about the economies of Latin American and the Caribbean. Over the biennium, the office organized and/or participated in over 170 conferences, seminars and other events and distributed over 1,000 documents and publications on issues relating to trade and sustainable economic and social development. The monthly *CEPAL News*, now in its twenty-fourth year of publication, was distributed in electronic format to over 2200 readers. This outreach extends beyond governmental audiences. Important liaison work has also

Increasing the awareness of key issues facing the region during this time of crisis by policy stakeholders in the United States and Canada

During the biennium, the Office has continuously monitored and provided timely analysis of the evolution of the global economic and financial crisis, with particular emphasis on its impact on the countries of the region. Through the dissemination of its main publications, increased documents downloads from the website and the organization of events and seminars, the Office has succeeded to increase the awareness of policy stakeholders in the US and Canada on key issues facing the region during this time of crisis. The research undertaken by the Office and its inclusion in a number of ECLAC flagship documents has been instrumental in this effort, particularly regarding the *Preliminary Overview of the Economies of Latin America and the Caribbean* and the *Latin America and the Caribbean in the World Economy* and in the institutional document *The reactions of the Governments of the Americas to the international crisis* and through standalone publications such as *The global financial crisis: what happened and what's next and Latin America: the missing financial crisis*.

been undertaken through the participation of ECLAC in discussions with think-tanks, academic institutions, non-governmental organizations and the private sector. In the area of institutional liaison work, the office has maintained and strengthened contacts with relevant departments within the OAS, the IDB, the World Bank, the IMF, and other

United Nations agencies and programmes with offices in Washington, D.C. Additionally, the office, through its active role in the Joint Summit Working Group and the Summit Implementation Review Group, was a central player in the coordination of technical input during the negotiations leading up to Fifth Summit of the Americas.



TECHNICAL COOPERATION

The Commission's technical cooperation programme is of strategic importance for ECLAC and its member countries. From a substantive point of view, it represents an indispensable complement to the research work of ECLAC and makes it possible to analyse development issues in greater depth and take the lead in addressing emerging issues on which countries require ad hoc analysis with a regional focus or an immediate response to a pressing need in the areas of policymaking or technical cooperation services. Thus, through its technical cooperation programme, ECLAC significantly strengthens its support for policymaking and its impact on the development agendas of the countries of the region. From an operational standpoint, ECLAC is able to respond dynamically and flexibly to the many requests for assistance from Governments and authorities in the region through a wide range of technical cooperation services, which are described below.

The technical cooperation programme is carried out with substantive and financial support from various donors, including member countries and others interested in collaborating bilaterally with ECLAC, as well as United Nations agencies and other multilateral organizations, private foundations, academic institutions, non-State institutions and NGOs.

Technical cooperation activities include the implementation of multi-thematic projects and programmes that are formulated in response to the priorities of member countries and donors. The cooperation projects and programmes enable ECLAC to design broader comparative research activities, in collaboration with the beneficiary countries, and provide further technical cooperation to member countries. They also make it possible for countries of the region and donor countries and agencies to benefit —through

seminars, workshops and training courses, creation of databases, and the formation of networks of specialists—from the capacity of ECLAC to mobilize support.

Therein lies one of the strengths of ECLAC: it combines research, technical cooperation and training through courses and workshops, highlighting the results of interventions in recipient countries and among donor countries and agencies. In general, the projects implemented by ECLAC are regional in scope or benefit more than one country. This makes it possible to build on similar previous initiatives in other countries, disseminate best practices and approach problems and solutions from a supranational and comparative perspective.

ECLAC favours a multi-year multisectoral approach to the implementation of its cooperation, and encourages the implementation of programmes encompassing various of its subprogrammes and divisions, with a duration that may extend beyond one biennium. Accordingly, in its relationship with donors, ECLAC promotes cooperation programmes of this nature rather than isolated projects. During 2008-2009, cooperation programmes were carried out with the development cooperating agencies of Germany (GTZ), Spain (AECID) and Sweden (SIDA). Cooperation funded by the Governments of France and Italy was also of a multisectoral nature. This method of work enables the Commission to address development issues from a multidimensional and multi-year perspective and to establish strategic cooperation partnerships in the medium and long terms.

The results of the Commission's technical cooperation activities are disseminated through its serial publications, books and co-publications with commercial publishing

houses. Information on cooperation activities and results is also disseminated via the Commission's website (<http://www.eclac.org>) and several subsites devoted specifically to technical cooperation projects (<http://www.eclac.org/cooperation>).

Expenditures on the Commission's technical cooperation programme in 2008-2009 amounted to approximately US\$ 34.5 million, 18% higher than in the previous biennium and the highest in recent history, in nominal terms, which reflects its growing importance in the activities carried out by the Commission. The main sources of funding are shown below, followed by some examples of the impact of the funds in the region during 2008-2009.

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Table 1
Sources of funding for technical cooperation activities in the 2006-2007 and 2008-2009 bienniums
(Millions of dollars and percentages of total spending)

Source of funds	Amount (millions of US\$)		Percentage	
	2006-2007	2008-2009	2006-2007	2008-2009
United Nations system	11.0	13.3	38	39
Other multilateral organizations	5.9	4.3	20	12
Bilateral donors	12.5	16.9	43	49
Governments of Latin America and the Caribbean	4.7	5.2	16	15
Governments of other countries	5.5	10.0	19	29
Non-governmental organizations	2.3	1.7	8	5
Total expenditure	29.3	34.5	100	100

Source: Economic Commission for Latin America and the Caribbean (ECLAC).

UNITED NATIONS SYSTEM

Approximately 40% of the expenditures relating to the ECLAC technical cooperation programme in 2008-2009 were financed with resources from the United Nations system itself. This funding consisted mainly of allocations from the General Assembly through the regular programme of technical cooperation and the United Nations Development Account. The regular programme funds allocated to ECLAC technical cooperation totalled

approximately US\$ 5.6 million for the biennium, which provided funding for a group of regional advisers and experts whose primary function is to provide technical cooperation to countries in the region in various areas related to the programme of work of ECLAC. The funds also financed some small high-priority projects to address urgent needs of countries.²⁵

The Development Account is a fund that has grown in magnitude in recent bienniums. In 2008-2009, funding for the execution of activities from this source reached US\$ 2.5 million, double the amount in the previous biennium.

The funds allocated were devoted primarily to achieving the Millennium Development Goals and strengthening the capacity of countries to design economic and social policies.

Another important source of funding from the United Nations system is the agreement between the Latin American and Caribbean Demographic Center (CELADE) - Population Division of ECLAC and UNFPA to implement jointly some of the funds for the Regional Programme on Population and Development in Latin America and the Caribbean. In 2008-2009, this funding, together with other contributions received by UNFPA, totalled US\$ 1.7 million and was used to carry out annual work plans in the various areas of action of subprogramme 6.²⁶

Specific agreements with other agencies, funds and programmes of the United Nations, including UNDP, UNIFEM, UNICEF, FAO, PAHO and WHO, accounted for an additional US\$ 1 million in expenditures during the 2008-2009 biennium.

²⁵ These projects address issues such as linkages with the global economy, regional integration and cooperation, production and innovation, macroeconomic policies and growth, equity and social cohesion, population and development, sustainable development and human settlements, natural resources and infrastructure, statistics and economic projections, subregional activities in Mexico and Central and subregional activities in the Caribbean.

²⁶ More information can be found in the section on Subprogramme 6: Population and development, which is executed by CELADE-Population Division of ECLAC.

Areas addressed by projects carried out by ECLAC with funding from the Development Account

1. Implications of macroeconomic policy, external shocks and social protection systems for poverty, inequality and social vulnerability in Latin America and the Caribbean.
2. Strengthening the capacity of national statistical offices in small island developing States in the Caribbean to fulfil the Millennium Development Goals and other internationally agreed development goals.
3. Strengthening the capacity of Latin America and Caribbean countries to achieve the Millennium Development Goals by sharing information about successful initiatives through a regional network.
4. Strengthening national capacities to design and implement sustainable energy policies for the production and use of biofuels in Latin America and the Caribbean.
5. Understanding potential economic impacts of climate change in Latin America and the Caribbean.
6. Strengthening national capacities to deal with international migration: maximizing development benefits and minimizing negative impact.
7. Enhancing capacities to eradicate violence against women through networking of local knowledge communities.
8. Strengthening capacities of local governments in Latin America to address critical issues arising from internationally agreed development goals.

OTHER MULTILATERAL SOURCES

Other multilateral sources of resources from outside the United Nations system include the European Union, the Ibero-American Secretariat, the World Bank and the Inter-American Development Bank. The multilateral technical cooperation package for 2008-2009 amounted to US\$ 4.3 million, representing 12.5% of the total budget.

Among this group of sources, significant support was provided by the European Union (see table 2), for example for the proposed Information Society in Latin America (@LIS) and the complementary financing provided for studies of the economic impact of climate change in preparation of the fifteenth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 15), held in Copenhagen. The European Commission

Alliance for the Information Society, phase 2 (@LIS2) - Inclusive political dialogue and exchange of experiences



This project, funded by the European Union, aims mainly to support the development of a sustainable, competitive, innovative and inclusive information society, as part of efforts to reduce poverty, inequity and social exclusion, in line with the Millennium Development Goals. Its principal results include the creation of an analytical and methodological framework for the study and dissemination of replicable experiences and the publication of a document analysing experiences. Those experiences formed the basis for technical assistance provided to eight countries in the region to enhance policies on information dissemination and assessment of new technologies in society. In Paraguay, for example, the project is supporting the Government in designing a national plan for innovation and new technologies.

has emerged as the Commission's principal source of extrabudgetary resources. Most of these funds are used to finance activities to support political dialogue between the European Union and Latin America and the Caribbean.

In 2008-2009, ECLAC continued to cooperate closely with the Ibero-American Secretariat, in particular through support for the preparatory process leading up to the Ibero-American Summits of Heads of State and Government. At both the San Salvador Summit in 2008 and the Estoril (Portugal) Summit in 2009, SEGIB and member countries received documentation prepared by ECLAC, including "Espacios iberoamericanos: la economía del conocimiento" "Youth and Social Cohesion in Ibero-America: a model in the making" and "Innovar para crecer: desafíos y oportunidades para el desarrollo sostenible e inclusivo en Iberoamérica".

BILATERAL SOURCES

Contributions from bilateral sources include funding provided by countries within and outside the region. Contributions from countries of the region added up to US\$ 5.2 million, or 15.1% of the total for the biennium. ECLAC carries out a varied programme of technical cooperation with Argentina, channelled mainly through the ECLAC office in Buenos Aires, and has agreements with no fewer

than nine Government agencies and four non-governmental organizations in that country. The ECLAC office in Brasilia supports, in particular, the Institute for Applied Economic Research (IPEA), while in Chile, Colombia, Mexico and Uruguay the Commission provides cooperation to various government agencies and academic institutions. Other countries, such as the Dominican Republic, have requested and funded major technical cooperation projects with ECLAC. The distinguishing feature of this source of financing is that the recipient countries, as "self-benefiting donor countries", are themselves covering the costs of cooperation by ECLAC. The specific results achieved through contributions made via these mechanisms are reflected in the section of this report devoted to national offices.

Technical cooperation financed by bilateral trust funds from Governments outside the region amounted to US\$ 10 million, or 29.1% of the total during the period. This is the source that has shown the greatest growth in absolute terms in comparison with the last biennium. The largest contributors are GTZ, which maintains with ECLAC a multi-year multisectoral programme covering a wide range of priority issues, and AECID, which has significantly increased its cooperation with Latin America and the Caribbean through ECLAC. Canada's IDRC is supporting major projects on the information society and other areas.

In many cases, contributions from donor countries from outside the region translate into triangular cooperation, in the sense that projects financed by third countries use experts from Latin America and the Caribbean to carry out cooperation activities with countries here in the region.

The private sector (foundations, universities, private partnerships) provided US\$ 1.7 million for such activities, which represented 4.9% of expenditures for the biennium (see table 2). The largest donor is the W.K. Kellogg Foundation, which contributed US\$ 1.2 million, or 3.5% of total expenditures, primarily through the project Experiences in Social Innovation in Latin America and the Caribbean, launched in 2004, which seeks to identify, analyse, recognize and disseminate innovative experiences in areas relating to community health, basic education, youth programmes, income generation, rural and agricultural development, food security and nutrition, social responsibility and volunteerism. Telefónica Foundation cooperates with ECLAC with respect to the information society. In addition, several associations and sectoral

Table 2
Cooperation expenditures financed by bilateral sources, 2006-2007 and 2008-2009

Source of financing	Millions of dollars		Percentages	
	2006-2007	2008-2009	2006-2007	2008-2009
Governments of Latin America and the Caribbean	4.7	5.2	16.0	15.1
Governments of other countries	5.5	10.0	18.9	29.1
Canada	1.2	1.7	4.1	4.9
Denmark	0.0	0.5	0.0	1.4
France	0.2	0.1	0.7	0.3
Germany	2.6	2.3	8.9	6.7
Italy	0.6	0.6	2.0	1.7
Japan	0.05	0.03	0.2	0.1
Republic of Korea	0.1	0.3	0.3	0.9
Spain	0.3	1.9	1.0	5.5
Sweden	0.4	1.2	1.4	3.5
United Kingdom	0.04	1.3	0.1	3.8
United States	0.04	0.1	0.1	0.3
Non-governmental organizations	2.3	1.7	8.2	4.9
Kellogg Foundation	1.6	1.2	5.5	3.5
Telefónica Foundation		0.1	0.0	0.3
Others	0.8	0.4	2.7	1.2
Total from bilateral sources	12.5	16.9	43.1	49.1
Total extrabudgetary expenditure	29.3	34.5	100	100

Source: Economic Commission for Latin America and the Caribbean (ECLAC).

groups have sought technical cooperation services from ECLAC on specific issues. One example is the Argentine Beef Promotion Board; another is the Latin American Iron and Steel Institute, with which ECLAC has entered into an agreement for an analysis of metal consumption projections in the medium and long terms. The Commission's long-standing collaboration with universities and research institutes in the region and elsewhere accounted, in aggregate, for 1.2% of total spending in 2008-2009.

It is possible that the global crisis of 2008-2009 will affect the mobilization of extrabudgetary resources in the future, particularly in the 2012-2013 biennium. Several bilateral donors have announced withdrawals and cuts, motivated both by the need to make national fiscal adjustments and by policy changes with regard to priority-setting for their development cooperation programmes. The countries of

Details of cooperation programmes/projects with GTZ (US\$ 2.6 million)



- Component 1– Fiscal policies towards greater equity: building a fiscal covenant
- Component 2 – Sustainable development, integrated management of natural resources and management of climate change
- Component 3 – Improvement in access to global markets
- Component 4 – Social policy and access to financial services

Results

1. On the basis of an assessment of the situation and main challenges with respect to direct taxation in the region set out in three concept papers produced in 2007, case studies were conducted in seven countries: Argentina, Chile, Ecuador, El Salvador, Guatemala, Mexico and Peru.
2. Four countries (Chile, Jamaica, Montserrat and Peru) have benefited from technical cooperation services under the project and have adopted its recommendations on energy efficiency and renewable energy. Five additional countries (Colombia, Costa Rica, Guyana, Paraguay and Uruguay) are slated to receive technical cooperation services in 2010.
3. A common methodology was established for estimating the extent of tax evasion in the countries of Latin America, which will enable regional governments to formulate common policies in this area.

Details of cooperation programmes/projects with IDRC (US\$ 2 million)



1. Intergenerational transfers, ageing and social protection in Latin America and the Caribbean
2. Observatory for the Information Society in Latin America and the Caribbean (OSILAC) - Phase III
3. Research and development cooperation and appropriability in Latin American innovation strategies: empirical evidence and policy implications from national innovation surveys
4. Strengthening of the national science, technology and innovation system in Nicaragua: towards the development of a national science and technology policy

Results

1. As a result of the work done, 20 countries in the region are currently collecting, through their national household surveys, information on activities and locations in which individuals use the Internet, which represents major progress considering that in 2001 only 2 countries had statistics on individual Internet usage, the principal point of reference for monitoring the development and evolution of the information society.
2. ECLAC has supported the Office of the Vice President of Nicaragua and the Nicaraguan Science and Technology Council in developing the National Plan of Science, Technology and Innovation. This plan will constitute the principal basis for the formulation of a State policy in this area.

Latin America and the Caribbean are considered middle-income countries, which contributes in part to this change in priority. ECLAC, however, is in a relatively favourable situation because more than 50% of its extrabudgetary resources come from multilateral sources and, increasingly, the

United Nations system itself, while another 15% come from countries of the region. The strategy for mobilizing additional resources should be aimed at strengthening coordination and coherence within the United Nations system with regard to cooperation at the regional level, and multilateral



1. Macroeconomic policies for growth and poverty reduction: the role of countercyclical instruments
2. Financial policies for development: access to banking services and microcredit, employment policies and labour market
3. Trade and poverty: complementary policies
4. Development of gender indicators
5. Perceptions of equity
6. Training courses and internships
7. Spanish internship programme at ECLAC (staff on non-reimbursable loan)

Results

1. Case studies conducted in Costa Rica, Panama and Uruguay on policies aimed at promoting youth employment and microenterprises as a means of improving the quality of employment have enabled the Governments of those countries to progress in identifying labour reforms, on the basis of dialogue with unions and the private sector and with support from the ILO.
2. ECLAC supported harmonization and systematization at the regional level of methodologies for collecting gender indicator data, which will enable countries, for the first time, to measure progress with respect to gender equality in society and thus to follow through on their international commitments, such as the Platform for Action of the Fourth World Conference on Women, held in Beijing in 1995.

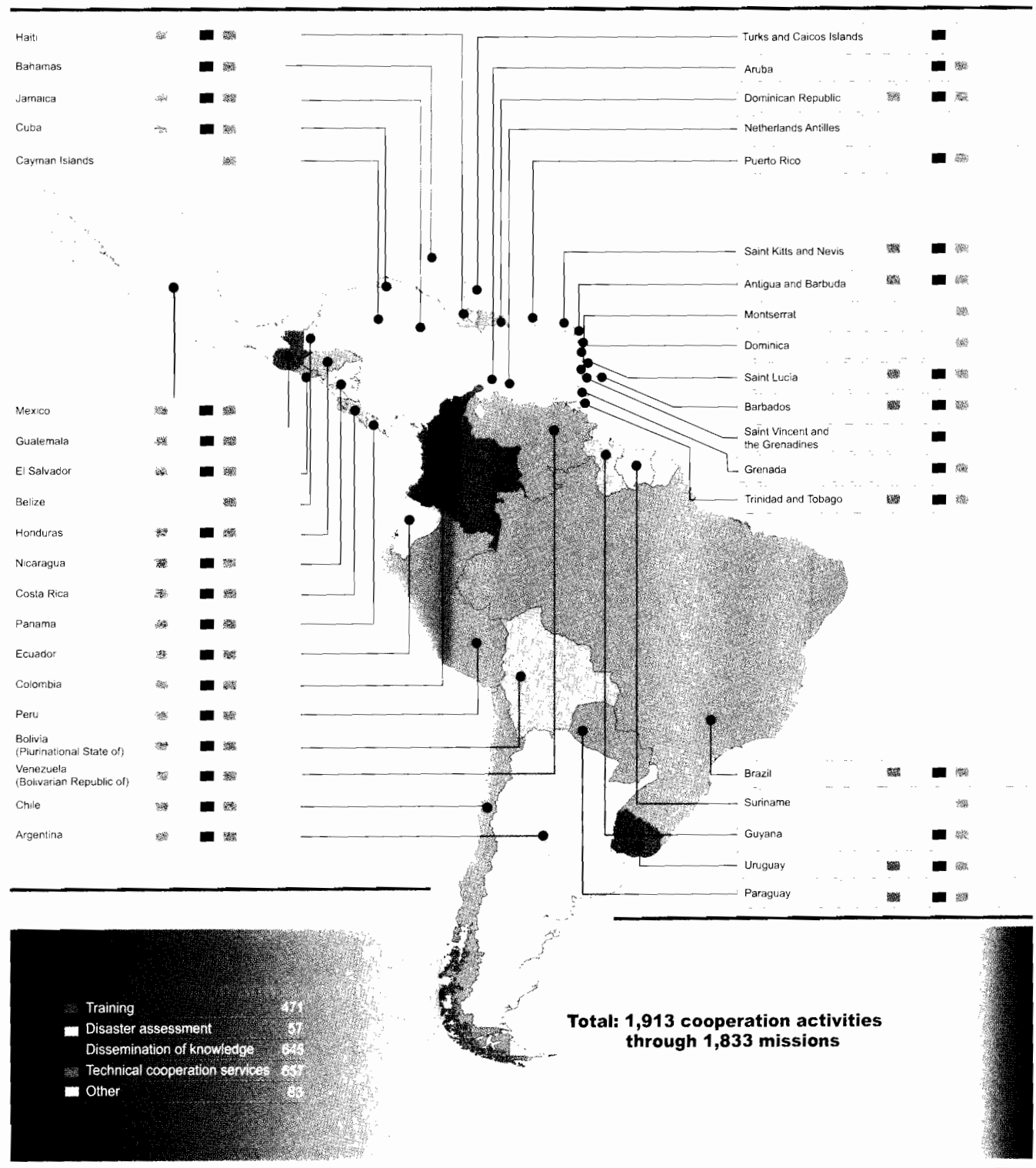
channels be emphasized, especially in order to support political dialogue. As regards bilateral sources, ECLAC should continue to seek a balance between contributions from countries in the region and countries outside the region and should take a closer look at non-traditional sources, such as private foundations and partnerships, universities and academic institutions. As the economy recovers from the

crisis, it will be important to explore the possibilities for once again mobilizing resources from non-governmental sources, both inside and outside the region.

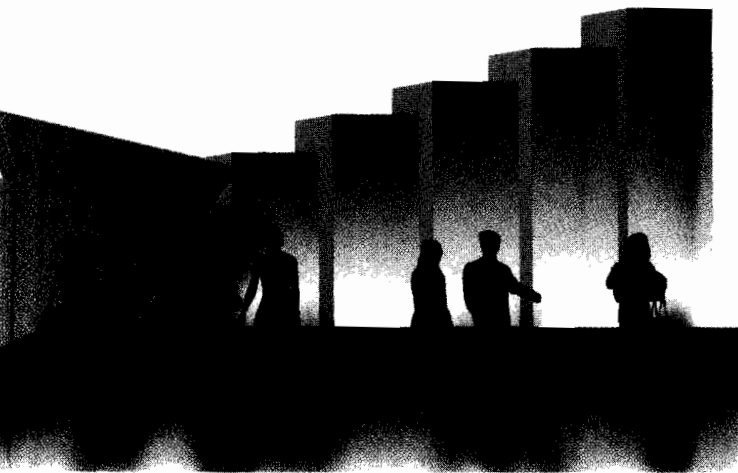
Details of technical cooperation missions conducted by ECLAC are presented in the sections on each subprogramme in this report.

Map 2

ECLAC technical cooperation missions in 2008-2009 by type of mission



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



IMPROVING RESULTS-BASED MANAGEMENT

IMPROVEMENTS IN THE PLANNING OF PROGRAMMES AND PROJECTS

The 2008-2009 biennium saw a renewed push for the improvement of managerial skills aimed at strengthening the culture of results-based management at ECLAC. Continuous monitoring mechanisms, performance analysis and accountability are fundamental elements of this approach to management. Several initiatives helped to strengthen these elements at a strategic level and to enhance coordination between divisions, notably improvements in strategic planning processes and programme management, better coordination of flagship publications and enhanced resource management.

Under this line of work, the Office of the Executive Secretary held two rounds of strategic planning with the substantive divisions, subregional headquarters and national offices in order to review achievements and progress in 2008-2009, discuss substantive priorities for 2010-2011 and 2012-2013, and review strategies and modalities of work and strategic partnerships with contributors and other strategic partners with a view to identifying areas of coordination and monitoring.

As a result of the strategic planning rounds, together with other bilateral working meetings between the Commission's Programme Planning and Operations Division and other divisions, subregional headquarters and national offices, the Division prepared two ECLAC strategic planning documents for the future: (a) Strategic framework and substantive priorities of ECLAC for the biennium 2012-2013, which will be submitted to Headquarters and to the General Assembly in 2010, and

The 2008-2009 biennium saw a renewed push for the improvement of managerial skills aimed at strengthening the culture of results-based management at ECLAC.

(b) Draft programme of work of the ECLAC system for the 2012-2013 biennium. These two documents set out the new proposed strategic priorities proposed by the organization and the activities to be undertaken. The formulation of expected results, targets and indicators was improved in the course of several meetings in order to make them more relevant to the programmes of work of the various divisions and to provide tools to enable the divisions to manage their activities more effectively.

In formulating strategic priorities for 2010-2011 and 2012-2013, the Programme Planning and Operations Division sought to identify possible synergies between the regular programme of work and cooperation programmes and projects financed with extrabudgetary resources.

STRATEGIC PARTNERSHIPS WITH INTERNATIONAL COOPERATION INSTITUTIONS

The Programme Planning and Operations Division continued to coordinate the strengthening of strategic partnerships between ECLAC and various international cooperation institutions, both bilaterally with Governments and cooperation agencies and multilaterally with United Nations funds and programmes and other international agencies. In order to maximize the impact of technical cooperation and increase its efficiency, multi-year, multi-thematic cooperation programmes were encouraged. Such programmes provide a more reliable medium-term planning horizon, which in turn makes it possible to plan future work on the basis of pending and emerging issues

and challenges on the regional development agenda. For more details on this cooperation strategy, visit the ECLAC website <http://www.eclac.org/cooperacion>.

STRENGTHENING CAPACITY FOR MONITORING AND EVALUATION OF PROJECTS AND PROGRAMMES

As part of its commitment, in addition to pursuing continued improvement during the biennium, ECLAC made significant efforts to strengthen ongoing monitoring of performance indicators and results achieved in implementing its programme of work. These efforts were complemented by a strong effort to enhance evaluation functions.

The Programme Planning and Operations Division formulated and strengthened an evaluation policy that is clear and consistent with United Nations standards in this area. Evaluations have been used strategically as a tool for improving processes and effectiveness in the implementation of activities, but also as a mechanism for improving accountability and transparency. To that end, strategic evaluations of subprogrammes and subregional, regional and intraregional projects were conducted.

Evaluation of the role of ECLAC in the Caribbean occurred in response to a strategic need to rethink the organization's positioning in the subregion and reshape the strategy to be applied with a view to providing services and products of greater relevance and impact for this group of countries. Beyond the history and institutional legacy of ECLAC, the evaluation revealed that the Commission should develop a visibility and communication strategy in order to highlight its work in the region and enable it to respond more directly to the priorities of the Caribbean. The findings, conclusions and recommendations were presented to the Caribbean Development and Cooperation Committee (CDCC) and steps are being taken to implement them.

Another evaluation looked at the project Inclusion of the European "Nordic Model" in the Debate concerning Reform of Social Protection Schemes in Latin America and the

Caribbean, which was carried out with support from SIDA. In general, the evaluation demonstrated the high relevance and impact on social protection systems of the Commission's technical cooperation with countries in the region. That cooperation has influenced public policymaking and the implementation of related programmes. Also worthy of note is the progress made in information management, documentation and implementation of this type of project, all of which will help to improve the implementation of future projects.

In the same vein, ECLAC spearheaded the evaluation of the project Interregional Partnership for Promoting Trade as an Engine for Growth through Knowledge Management and Information and Communications Technologies, carried out under the fourth tranche of the United Nations Development Account and

implemented by the five regional commissions under the leadership of ECLAC. This first interregional evaluation in the framework of the Development Account

yielded significant strategic findings for improving coordination and implementation processes for Development Account projects and internal coordination mechanisms within the regional commissions.

Evaluations have been used strategically as a tool for improving processes and effectiveness in the implementation of activities, but also as a mechanism for improving accountability and transparency.

SUPPORT FOR INTERNAL EVALUATIONS BY DIVISIONS

Finally, internal evaluation capacity was improved through support for division focal points to enhance their ability to carry out internal reviews of specific processes and outputs. Implementation of outputs and the achievement of planned results for the biennium were evaluated and monitored on a continuous and mandatory basis for all subprogrammes and, for the first time, also for components carried out by national offices of ECLAC. In addition, four internal evaluations were conducted in the areas of natural resources and infrastructure, statistics, sustainable development and human settlements, and ILPES, which will help to improve processes and the quality of outputs.

ABBREVIATIONS

ABAC	Asia-Pacific Economic Cooperation Business Advisory Council
ADC	Andean Development Corporation
AECID	Spanish International Cooperation Agency for Development
APEC	Asia-Pacific Economic Cooperation
ARPEL	Mutual Assistance of the Latin American Oil Companies
BMZ	Federal Ministry for Economic Cooperation and Development – Germany
CARICOM	Caribbean Community
CELADE	Latin American and Caribbean Demographic Centre – Population Division of ECLAC
CIDA	Canadian International Development Agency
COP 15	Fifteenth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (United Nations Climate Change Conference)
DESA	United Nations Department of Economic and Social Affairs
ECA	Economic Commission for Africa
ECLAC	Economic Commission for Latin America and the Caribbean
FAO	Food and Agriculture Organization of the United Nations
FDI	Foreign Direct Investment
FTAA	Free Trade Area of the Americas
FTAs	Free Trade Agreements
GTAP	Global Trade Analysis Project
GTZ	German Agency for Technical Cooperation
IDB	Inter-American Development Bank
ICTs	Information and communications technologies
IDB	Inter-American Development Bank
IDRC	International Development Research Centre
IFPRI	International Food Policy Research Institute

IICA	Inter-American Institute for Cooperation on Agriculture
IIRSA	Initiative for the Integration of the Regional Infrastructure of South America
ILO	International Labour Organization
IMF	International Monetary Fund
LAIA	Latin American Integration Association
MDGs	Millennium Development Goals
OAS	Organization of American States
OECD	Organisation for Economic Co-operation and Development
OHCHR	Office of the United Nations High Commissioner for Human Rights
OLADE	Latin American Energy Organization
PAHO	Pan American Health Organization
Prolider	Leadership Programme for Governance and Development
RCM	Regional Coordination Mechanism
RISALC	Latin American and Caribbean Network of Social Institutions
SEGIB	Ibero-American Secretariat
SERNAM	National Women's Service (Chile)
SMEs	Small and medium-sized enterprises
SIDA	Swedish International Development Cooperation Agency
SIDS	Small Island Developing States
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
WFP	World Food Programme
WTO	World Trade Organization