

Strategic partnership between the
Economic Commission for Latin America
and **the Caribbean (ECLAC)** and the **Federal**
Ministry of Economic Cooperation
and **Development (BMZ)** of **Germany**



**Highlighted cases from
the period 2006–2018**



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**Highlighted cases from
the period 2006–2018**



This document was prepared under the direction of Raúl García-Buchaca, Deputy Executive Secretary for Management and Programme Analysis of the Economic Commission for Latin America and the Caribbean (ECLAC). The work was coordinated by Gerardo Mendoza and Amaya Pérez, of the Programme Planning and Operations Division of ECLAC, and Manfred Haebig and Daniel Fischer, of Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).

This document was prepared by Marina Gomáriz Serrano, on the basis of inputs developed by Claudia de Barros Marcondes, both consultants with the Project Management Unit of the Programme Planning and Operations Division of ECLAC, in the framework of the activities of the cooperation programme between ECLAC and the Federal Ministry of Economic Cooperation and Development (BMZ) of Germany, with GIZ as the executing agency.

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Foreword

Over recent decades, the Economic Commission for Latin America and the Caribbean (ECLAC) and the Federal Ministry for Economic Cooperation and Development (BMZ) of Germany have forged a strategic alliance founded on shared values and a common interest: furthering the sustainable and inclusive development of Latin America and the Caribbean.

Both institutions have built an affinity and a partnership based on generating and exchanging knowledge to address economic, societal and environmental challenges using a comprehensive approach. ECLAC and BMZ have synergistically complementary capacities. ECLAC provides a platform for political dialogue in Latin America and the Caribbean, generates knowledge and recommends public policies to countries relating to economic, social and environmental issues. The German cooperation agency, for its part, not only supports ECLAC in this task, but also capitalizes on its extensive network and experience at both the regional and global levels to provide feedback with ECLAC knowledge and recommendations in its bilateral and regional projects.

This document highlights some of the achievements that have resulted from this fruitful partnership over the past decade. It presents a selection of successful cases that show how Latin America and the Caribbean have benefited from the knowledge generated and experiences gained through this close cooperation, which both organizations consider an example to be followed for the twenty-first century.

ECLAC and BMZ/Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) will continue their productive cooperation, supporting the countries of Latin America and the Caribbean and promoting policies and practices to address the challenges posed by sustainable development. Moving forward, the two institutions have confirmed their interest in and commitment to continuing to promote the implementation of Agenda 2030 for Sustainable Development in the region, which will increasingly be the cornerstone of all development efforts. They have therefore agreed on a new phase of the programme (2018-2020) aimed at strengthening the national capacities of several countries in the region to move towards an effective and wider implementation of the 2030 Agenda, promoting environmentally friendly, socially acceptable, inclusive and progressive structural change. Through this work, the programme will boast more and more success stories in the near future.

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Latin America and the Caribbean (ECLAC)

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and Development (BMZ) of Germany

Introduction

This document presents the results of an effort to monitor and evaluate the collaborative initiatives undertaken by the Economic Commission for Latin America and the Caribbean (ECLAC) and the Federal Ministry for Economic Cooperation and Development (BMZ) along with the German Agency for International Cooperation (GIZ). The goal of this process was to identify the 10 successful experiences, from all cooperation projects conducted by ECLAC and BMZ/GIZ over the last few years, which have had the greatest impact on the target country or region involved.

The process had two phases:

Phase 1 Conducted by Claudia de Barros Marcondes	Desk study and evaluation of all the cooperation initiatives carried out by ECLAC-BMZ/GIZ in the last 8 years. Selection of 10 success stories. Compilation of documentation for those 10 case studies.
Phase 2 Conducted by Marina Gomáriz Serrano	Review of the documentation related to the 10 case studies. Analysis of the 10 case studies. Identification of key information on each case for the inclusion in the Spanish and English versions of this document, along with the corresponding infographics.

The selected case studies are the following:

1. Energy Efficiency Indicators Database.
2. Uruguay: National Care System.
3. El Salvador: Universal Social Protection System.
4. Costa Rica: National Childcare and Child Development Network (REDCUDI).
5. Guatemala: Value Chains Strengthening Process.
6. El Salvador: Value Chains Strengthening Process.
7. Ecuador: National Strategy for Changing the Production Matrix.
8. Mexico: Tax Incentives for Research and Technological Development.
9. Dominican Republic: Formulation of Intended Nationally Determined Contributions (INDCs).
10. Ecuador: Environmental Expenditures Classifier.

Energy Efficiency Indicators Database

Description

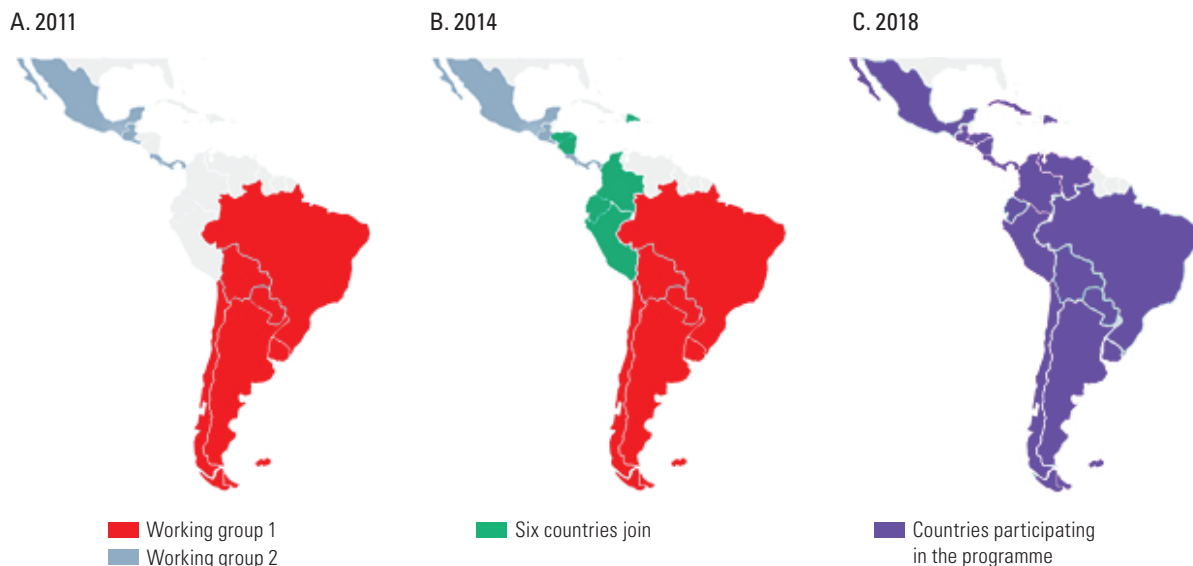
The ECLAC-BMZ/GIZ cooperation programme has been carried out in 19 countries (Argentina, Bolivarian Republic of Venezuela, Brazil, Colombia, Costa Rica, Chile, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay). Its aim is to provide information on energy efficiency in the region based on seven general and sectoral indicators that can provide useful inputs for policy formulation, the evaluation and monitoring of programmes on energy efficiency, and comparisons of the situations at the regional and international levels. The budget allocated for this programme was 870,000 euros.

Timeline

2009	Starting in 2009, ECLAC launched several publications, including a diagnostic baseline study and proposals for the development of indicators for use in comparing the results of different actions and goals. ¹
2010	ECLAC set up forums for dialogue among countries of the region concerning strategies for boosting energy efficiency.
2011	The programme was launched with a regional workshop designed to raise awareness, engage the countries and sensitize them to the importance of using energy efficiency indicators. The work was carried forward by two task forces: one formed by the countries of South America (Argentina, Brazil, Chile, Paraguay, Plurinational State of Bolivia and Uruguay) and one that grouped together the countries of Mesoamerica (Costa Rica, El Salvador, Guatemala, Mexico and Panama).
2013	Each group held coordination meetings and worked to harmonize their data and provide useful suggestions concerning the contents of the national reports.
2014	11 countries gathered data and shared the information and lessons learned. Other countries joined the exercise: Colombia, Dominican Republic, Ecuador, Honduras, Nicaragua and Peru. Monitoring reports on energy efficiency in Argentina and Chile were published.
2015	The online database was launched, and monitoring reports on energy efficiency in Brazil, Nicaragua and Uruguay were published.
2016	Another 4 countries joined (Barbados, Guyana, Saint Lucia, and Trinidad and Tobago). Monitoring reports on energy efficiency in Ecuador, El Salvador and Paraguay were published.
2018	The Bolivarian Republic of Venezuela and Cuba joined, bringing the total number of countries participating in the programme to 19. The monitoring report on energy efficiency in Mexico was published.

¹ See Economic Commission for Latin America and the Caribbean (ECLAC), "Situation and perspectives on energy efficiency in Latin America and the Caribbean", *Project Documents* (LC/W.280), Santiago, 2009.

Map 1



Source: Prepared by the author.

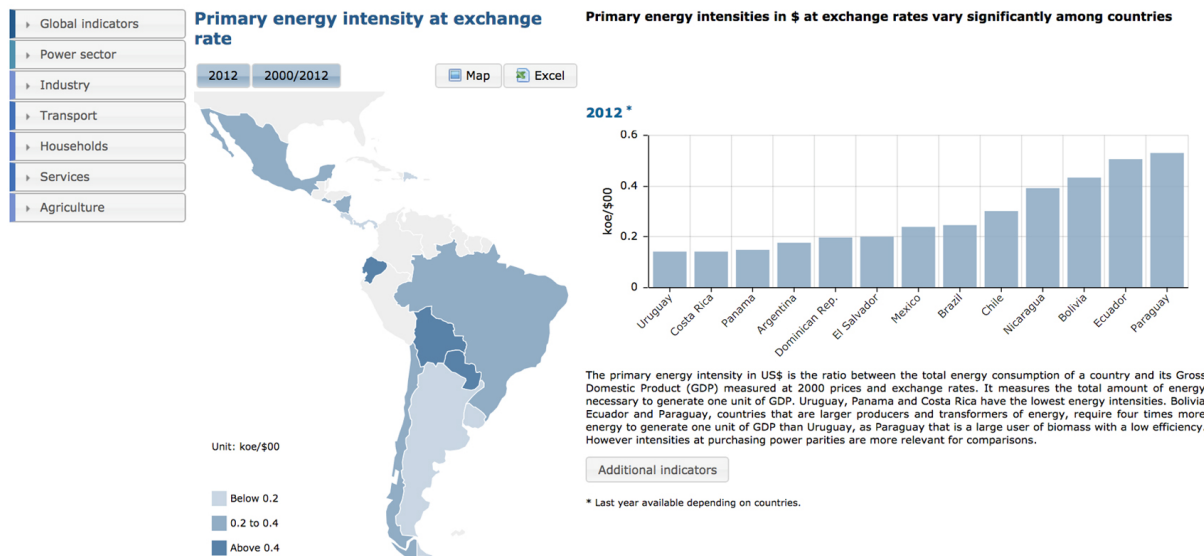
Contribution and impact

- Although the original plan was to work with just 4 countries, after 3 years of implementation, all the Latin American countries except Cuba have been incorporated into the programme, bringing the total number (of participating countries) to 19.
- The programme provides key, up-to-date online information on 7 general and sectoral energy efficiency indicators (global indicators and indicators on the power sector, industry, transport, households, services and agriculture). These indicators have been prepared by government officials in each country.
- As part of the programme, an interactive database has been developed that makes it possible to map the main indicators ("DataMapper"), together with an online database on 13 countries (Argentina, Brazil, Chile, Dominican Republic, Ecuador, El Salvador, Mexico, Nicaragua, Paraguay and the Plurinational State of Bolivia) for the period 2000–2012.
- ECLAC prepared 11 publications on this subject,² and its work has led to improvements in the quality of these statistics and indicators.
- The data compiled made it possible to produce regional statistics which were then used for such purposes as the preparation of the regional report for the World Bank Global Tracking Framework 2017.³
- The publications produced by ECLAC served as important points of reference for the region.
- As part of this programme, the participating countries produced national energy efficiency monitoring reports. In total, 9 national reports were produced.

² Some of these publications are: L. Horta, "Indicadores de políticas públicas en materia de eficiencia energética en América Latina y el Caribe", *Project Documents* (LC/W.322), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2010 (Spanish only), and B. Ruchansky and others, "Eficacia institucional de los programas nacionales de eficiencia energética: los casos del Brasil, Chile, México y el Uruguay", *Natural Resources and Infrastructure series*, No. 152 (LC/L.3338), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2011. (Spanish only).

³ See World Bank, *Global Tracking Framework: Progress toward Sustainable Energy 2017*, Washington, D.C., 2017.

Image 1



Source: Economic Commission for Latin America and the Caribbean (ECLAC), Energy Efficiency Indicators Database [online] <http://www.biee-cepal.enerdata.eu/>.

- During the programme, targeted training sessions were provided for staff of national energy ministries, and training materials were adapted to the Latin American context. A study tour was also arranged for representatives from Argentina, Brazil, Chile, Mexico and Uruguay, who visited France, Germany and the Netherlands.⁴
- Technical assistance was provided by ECLAC-BMZ/GIZ for the preparation of the national reports. A detailed Excel template and a handbook that explained the definitions and data sources used in the template were supplied.

Image 2

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	Energy intensity of transport to GDP at purchasing power parities (koe/\$00p)														
2															
3		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2000 - 2012 (%/year) *
4	Argentina	0,04	0,04	0,04	0,04	0,04	0,04	0,03	0,03	0,03	0,03	0,03	n.a.	n.a.	-2,1
5	Bolivia	n.a.	n.a.	n.a.	n.a.	0,04	0,04	0,03	0,03	0,03	0,03	0,03	0,03	n.a.	-0,8
6	Brazil	0,03	0,03	0,03	0,03	0,03	0,03	0,02	0,02	0,02	0,02	0,02	0,03	0,03	0,6
7	Chile	0,05	0,05	0,05	0,04	0,04	0,05	0,04	0,05	0,05	0,04	0,04	0,04	n.a.	-1,8
8	Dominican Rep.	0,05	0,04	0,04	0,04	0,05	0,04	0,04	0,03	0,03	0,03	0,03	0,03	n.a.	-4,7
9	Paraguay	0,04	0,04	0,05	0,05	0,05	0,04	0,04	0,04	0,04	0,05	0,05	0,05	n.a.	1,2
10	Uruguay	0,02	0,02	0,02	0,02	0,02	0,02	0,02	0,02	0,02	0,02	0,02	0,02	0,02	-0,9
11	Costa Rica	0,04	0,04	0,04	0,04	0,04	0,04	0,04	0,04	0,04	0,04	0,04	0,04	0,04	-1,0
12	El Salvador	0,03	0,03	0,03	0,03	0,03	0,03	0,03	0,03	0,03	0,03	0,03	0,03	0,03	-0,2
13	Nicaragua	0,03	0,03	0,03	0,03	0,03	0,03	0,03	0,03	0,03	0,03	0,03	0,03	0,03	-0,8
14	Mexico	0,04	0,04	0,04	0,04	0,04	0,04	0,04	0,04	0,04	0,04	0,04	0,04	0,04	0,8
15	Panama	0,03	0,03	0,03	0,03	0,03	0,03	0,03	0,03	0,03	0,03	0,03	0,03	0,03	0,5
16	Ecuador	0,05	0,05	0,05	0,05	0,05	0,05	0,05	0,05	0,05	0,05	0,05	0,05	0,05	0,7

Source: Economic Commission for Latin America and the Caribbean (ECLAC), Energy Efficiency Indicators Database [online] <http://www.biee-cepal.enerdata.eu/>.
n.a.: Not available.

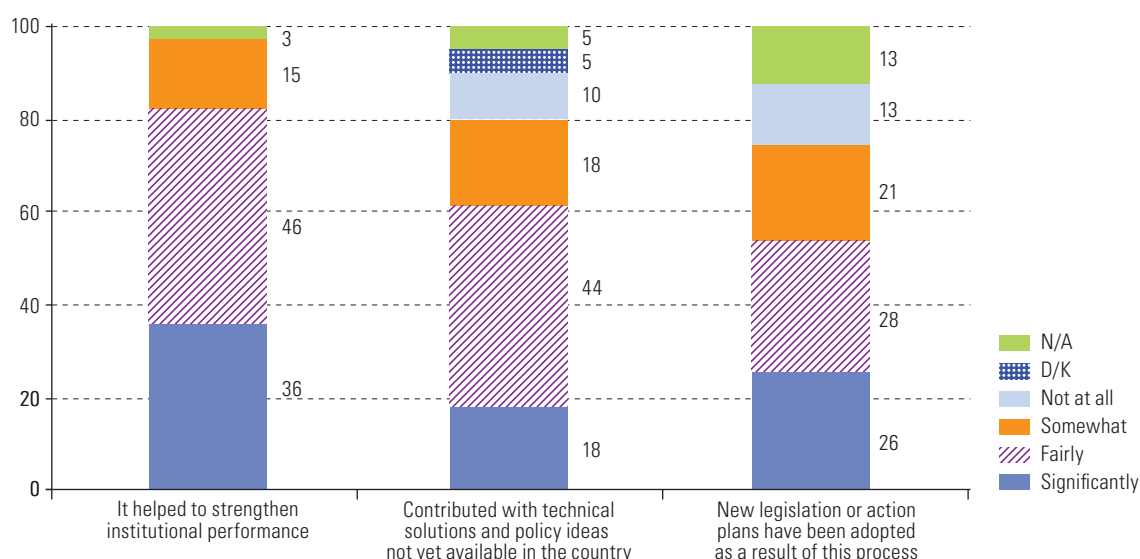
* The most recent year for which data were available varies from country to country.

⁴ See Commission for Latin America and the Caribbean (ECLAC), "Monitoring energy efficiency in Latin America", *Project Documents* (LC/W.709), Santiago, 2016.

- The programme helped countries develop and implement national policies, programmes and projects on renewable energy and energy efficiency. In the case of most of the participating countries, a baseline study was prepared together with specific action plans.
- Survey results indicate that these initiatives have helped to strengthen institutional action, facilitate technical advances and contribute to policy development and the adoption of new legislation.
- Several governments and private-sector organizations became interested in using the information generated by the programme to monitor energy consumption and to guide decisions concerning climate change mitigation policies.

Figure 1

Participants' views on energy efficiency and renewable energy cooperation programme outputs



Source: Economic Commission for Latin America and the Caribbean (ECLAC), "Survey of beneficiaries", Energy Efficiency Indicators Database, 2015, unpublished [online] <http://www.biee-cepal.enerdata.eu/>.

Table 1

Examples of how the ECLAC-BMZ/GIZ programme has benefited these countries

Ecuador	<ul style="list-style-type: none"> • Trends in various sectors that were identified during the programme were key inputs for the preparation of the National Energy Agenda^a and the National Plan for Energy Efficiency.^b • The government requested technical assistance from ECLAC.
Colombia	<ul style="list-style-type: none"> • The government used the programme methodology as a basis for its climate change mitigation efforts. • The government requested technical assistance from ECLAC.
Chile	<ul style="list-style-type: none"> • The government adopted the programme methodology and collected data on energy consumption in 4 of the largest port terminals in the country. • The programme provided a better understanding of energy consumption which has helped the institutions in charge of energy management and supply to improve their demand forecasting capabilities.

Source: Prepared by the author.

^a See Ministry of Strategic Sectors, *Agenda Nacional de Energía 2016-2040*, Quito, 2016 (Spanish only).

^b See Ministry of Electricity and Renewable Energy/Inter-American Development Bank (IABD), *Plan Nacional de Eficiencia Energética 2016-2035*, Quito, 2017.

- As a consequence of their implementation of the programme, many countries created energy efficiency divisions or departments within their Ministry of Energy.
- The ECLAC-BMZ/GIZ programme has helped to foster a dialogue on best practices and innovative solutions and has promoted South-South cooperation. This has been reflected in numerous initiatives, such as the Political Dialogues III and IV that took place in Panama in 2012 and in Mexico in 2013, the regional conference “PPPs in renewable energy in Latin America and the Caribbean” (Buenos Aires, 2014) and regional meetings of the programme held in Colombia in 2014.
- The success of the programme comes within the specific context of the mounting demand for energy in Latin America and the Caribbean and the need to implement sustainable solutions, which has become an international priority.

Uruguay: National Care System

Description

The Social Development Division and the Division for Gender Affairs of ECLAC provided the Ministry of Social Development of Uruguay with studies and technical assistance for the design of the National Care System, which is a central element of the country's social protection system. The System's objectives include providing greater benefits for the poorest segments of the population (including children, dependents and caregivers) and facilitating access to the labour market, especially for women. This initiative was part of a programme entitled "Social Covenant for a More Inclusive Social Protection System" and was implemented between 2012 and 2014 by ECLAC-BMZ/GIZ with a total budget of about 420,000 euros.

Timeline

2010	<p>Since 2010 all of the ECLAC position papers presented to the member States during its session have been focused on equality.¹</p> <p>An inter-agency working group for the System was established by Presidential Resolution 863/010. (The executive branch is in charge of coordinating the programme design.)</p>
2011	<p>The work of ECLAC-BMZ/GIZ started with the preparation of a series of research papers and the organization of a number of seminars between 2011 and 2015.</p>
2014	<p>Two national seminars were held:</p> <ul style="list-style-type: none"> - In April, the presentation of an ECLAC study on the construction of a care system in Uruguay and the search for a consensus for more equal protection² provided an opportunity for discussions among specialists, government representatives and civil society organizations. The event played a pivotal role in fostering an analysis of the issue and in promoting its inclusion on the social and political agenda in Uruguay. - In December, the Ministry of Social Development organized a seminar with the support of ECLAC-BMZ/GIZ to launch proposals for a national system of care. This event played an essential role in encouraging the new Administration to keep working on the issue. <p>In addition, in late 2014 the National Secretariat of Care was established, along with a number of inter-agency commissions in various government departments. The documents provided by ECLAC are being used by these bodies.</p>

¹ These publications include the following: Economic Commission for Latin America and the Caribbean (ECLAC), *Time for Equality: Closing Gaps; Opening Trails* (LC/G.2432(SES.33/3)), Santiago, 2010; Economic Commission for Latin America and the Caribbean (ECLAC), *Structural Change for Equality: An Integrated Approach to Development* (LC/G.2524(SES.34/3)), Santiago, 2012; Economic Commission for Latin America and the Caribbean (ECLAC), *Compacts for Equality: Towards a Sustainable Future* (LC/G.2586(SES.35/3)), Santiago, 2014; Economic Commission for Latin America and the Caribbean (ECLAC), *Horizons 2030: Equality at the Centre of Sustainable Development* (LC/G.2660/Rev.1), Santiago, 2016, and Economic Commission for Latin America and the Caribbean (ECLAC), *The Inefficiency of Inequality* (LC/SES.37/4), Santiago, 2018.

² See R. Aguirre and F. Ferrari, "La construcción del sistema de cuidados en el Uruguay: en busca de consensos para una protección social más igualitaria", *Social Policy series*, No. 192 (LC/L.3805), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2014 (Spanish only).

2015	The Ministry of Social Development launched the National Plan of Care 2016-2020. Parliament passed the National Care System Act. ³
2017	The National System of Care entered into operation.

Contribution and impact

- ECLAC-BMZ/GIZ provided governments with methodological tools for strengthening social compacts, conducting studies on successful reforms, preparing research papers and drawing up reform proposals.
- In the specific case of Uruguay, the cooperation activities of BMZ/GIZ focused on problems related to care. The programme intervention focused on the preparation of a national plan of care for 2016–2020.⁴
- ECLAC provided technical assistance and technical documents, backed up by thorough research, that facilitated the development of social compacts.
- Information exchanges between Latin America and Europe, the systematization of experiences with the establishment of compacts and the building of consensus have contributed to efforts to fashion inclusive social protection systems. A series of three international seminars and three webinars were organized, along with two other events that took place in Uruguay in 2014.
- The programme opened up spaces for dialogue at the inter-institutional level that paved the way for long-term public commitments.
- ECLAC also made targeted contributions dealing with foundational concepts and principles for the formulation of the National System of Care:
 - One of the central ideas has to do with the existence of a close link between the issue of care and gender, as, traditionally, the tasks of caring for the family and the home have been assigned to women. Accordingly, the System has been designed to take into consideration the needs of caregivers, along with those of dependants. The following diagram illustrates the types of interventions that have been proposed for both sides of the equation.
 - The proposal⁵ for the National Plan of Care 2016-2020 included principles formulated and promoted by ECLAC.
- The work of BMZ/GIZ played a key role in facilitating the entire process. Two years after the passage of the new law, the National System of Care is a reality.
- The National System of Care is expected to improve the quality of life for children, dependants and caregivers (see table 1).
- The System is also intended to contribute to gender equity by helping to increase women's participation in the labour market, advance cultural shifts towards a society where responsibilities are shared equally by men and women and open up greater opportunities for reconciling work and family responsibilities.
- ECLAC-BMZ/GIZ considers the programme in Uruguay to be an example for the region and has showcased it by organizing study tours for representatives of Chile, El Salvador and Paraguay to Uruguay.

³ See General Assembly of Uruguay, "Ley núm. 19.353: Sistema Nacional Integrado de Cuidados (SNIC)", *Diario Oficial*, No. 29.351, Montevideo, 8 December 2015 (Spanish only).

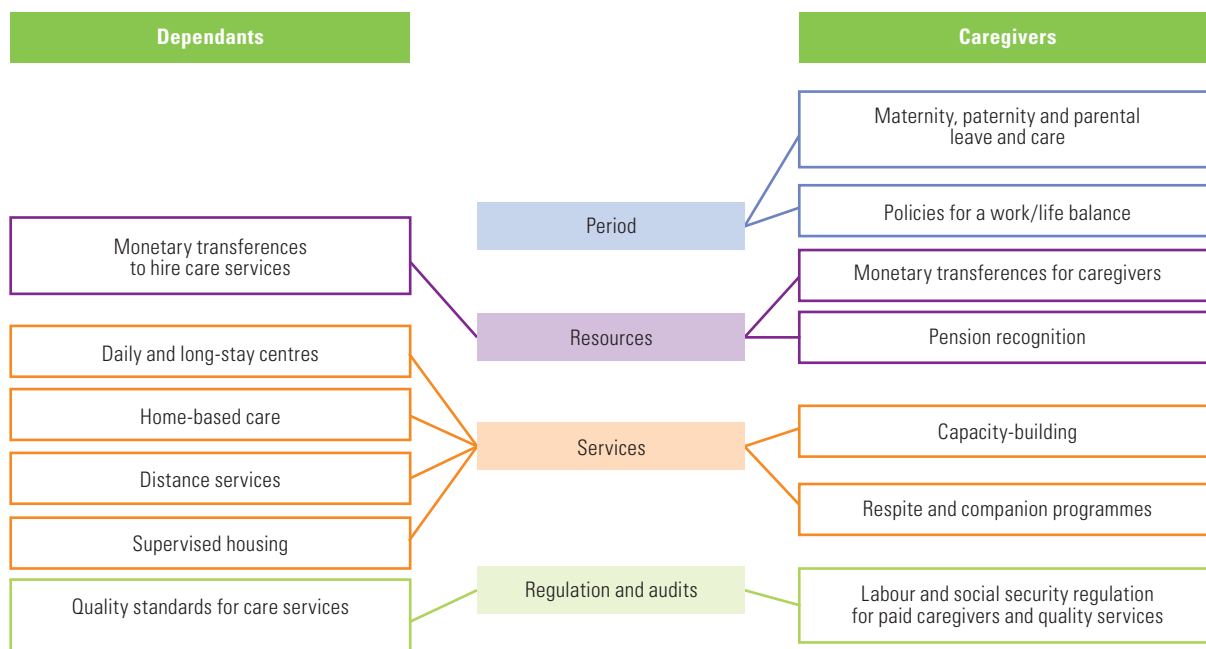
⁴ See National Board of Care, *Plan Nacional de Cuidados 2016-2020*, 2015 (Spanish only).

⁵ See National Directorate of Social Policies, *Cuidados como sistema: propuesta para un modelo solidario y corresponsable de cuidados en Uruguay*, Montevideo, 2014 (Spanish only).

- The workshops and dialogues have made an important contribution towards building consensus (which is lacking in most of the countries in the region) about the need for more inclusive social protection systems. The ECLAC-BMZ/GIZ programme has promoted change and has paved the way for a commitment (along with the corresponding resources) to a specific plan for progressing towards a truly equitable form of social protection in Uruguay.

Diagram 1

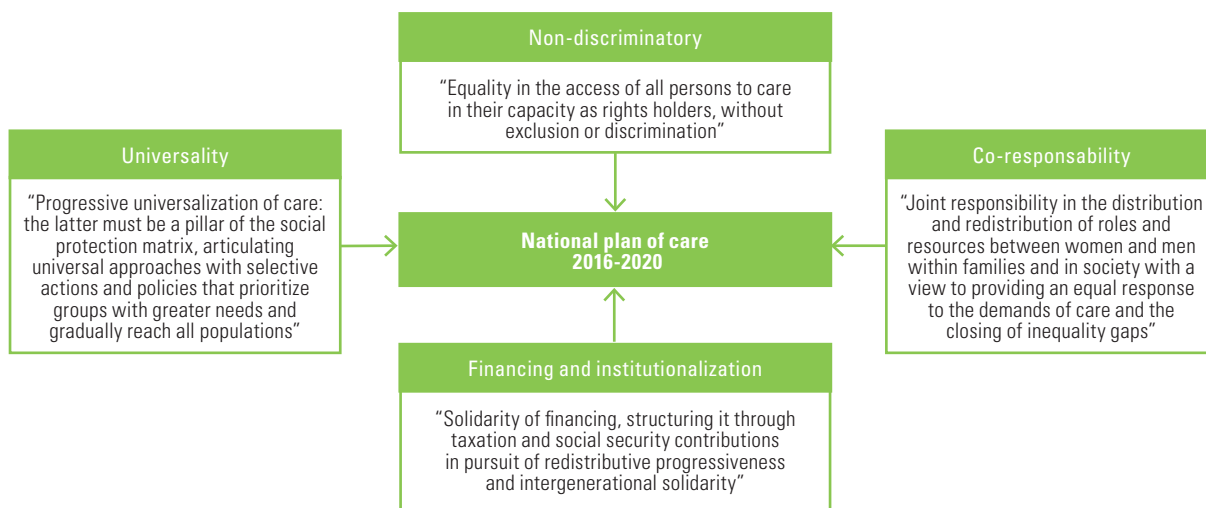
Components of an integrated care policy



Source: M. Rico y C. Robles, “Políticas de cuidado en América Latina: forjando la igualdad”, *Gender Affairs series*, No. 140, (LC/L.4226), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2016.

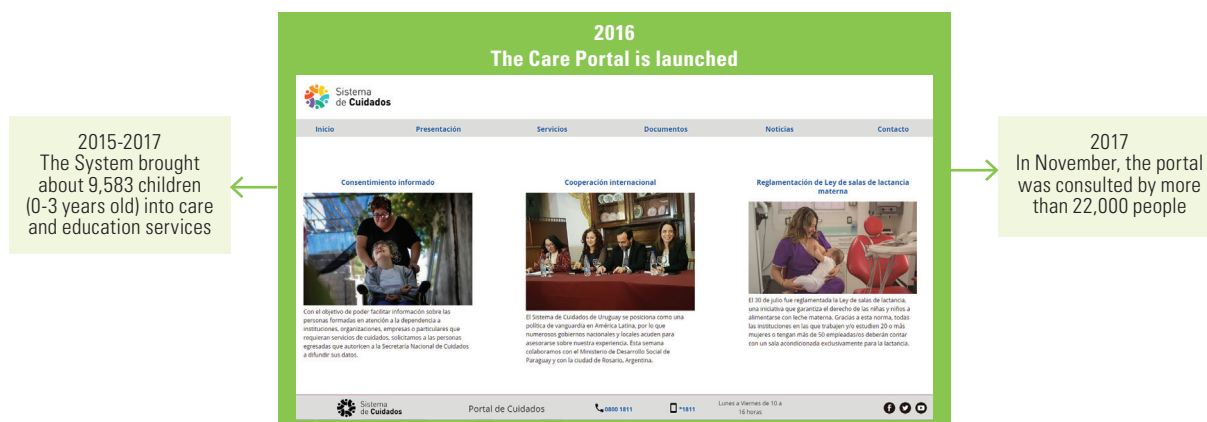
Diagram 2

Uruguay: principles of the National Plan of Care 2016-2020 pre-established by ECLAC



Source: Ministry of Social Development, Sistema de Cuidados [online] <http://www.sistemadecuidados.gub.uy/>.

Diagram 3
National System of Care



Source: Ministry of Social Development, "Cuidados rinde cuentas: informe diciembre 2017", Montevideo, 2017 [online] http://www.inda.gub.uy/innovaportal/file/99779/1/cuidados-rinde-cuentas_diciembre-2017.pdf. (Spanish only).

Table 1
Beneficiaries of the National System of Care and overview of incremental services for early childhood and dependent population

The System is designed to help children , especially those who are from lower-income families, to improve their cognitive development, language skills and scholastic achievement.	Benefits		
	Early childhood		
	0 years	1-2 years	3 years
	Parental leave	Socio-educational assistants	
	Timely experiences	INAU centres	ANEP gardens
Houses with community care	Socio-educational inclusion scholarships		
	Centres in trade unions and companies		
Dependants	Remote assistance		
Caregivers	Day centres		
	Support for long-term care		
	Long-term care centres		
	Personal assistants		

Source: National Board of Care, *Plan Nacional de Cuidados 2016-2020*, Montevideo, 2015.

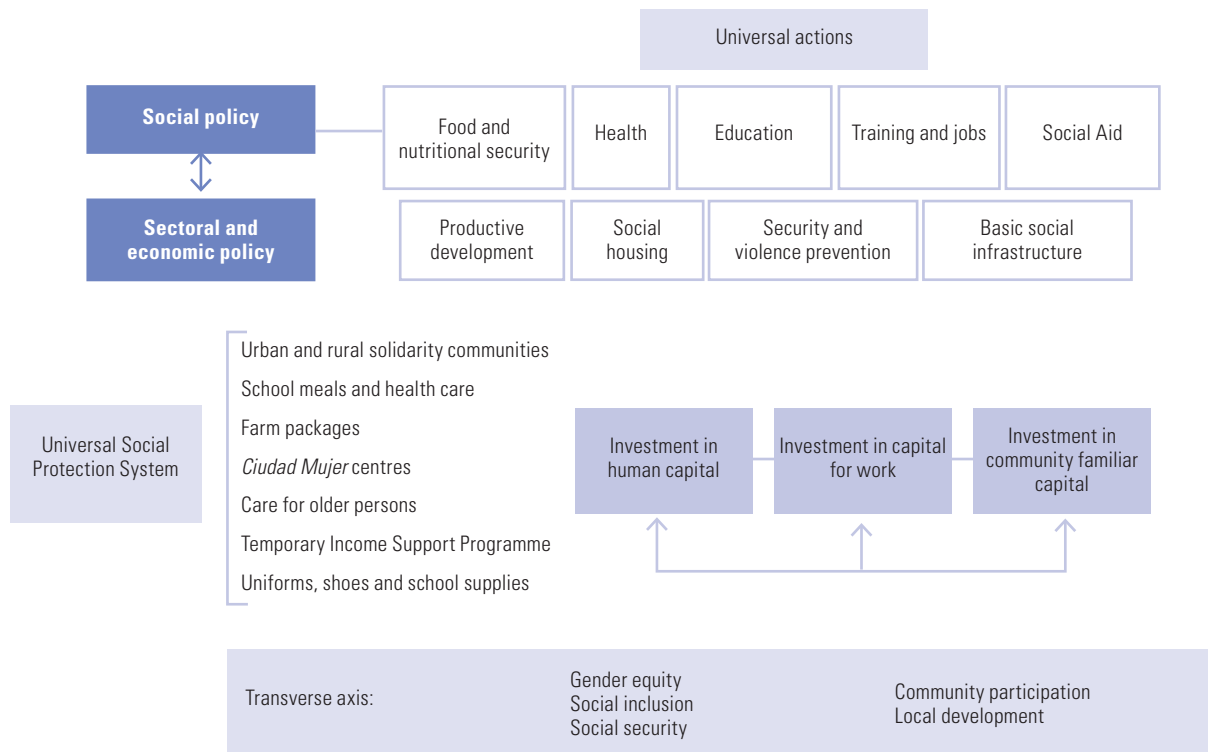
El Salvador: Universal Social Protection System

Description

In 2012–2014, ECLAC and BMZ/GIZ helped the Government of El Salvador to develop its Universal Social Protection System. The law authorizing the creation of that system guarantees access for all citizens to health care, education, an adequate diet, food security, basic services, community infrastructure, income generation opportunities and social protection. The system is designed to promote social equality between men and women. It integrates development, protection and social inclusion, recognizes citizen participation as a central element and uses innovative approaches for measuring poverty at multidimensional levels.

Diagram 1

Social policy and Universal Social Protection System

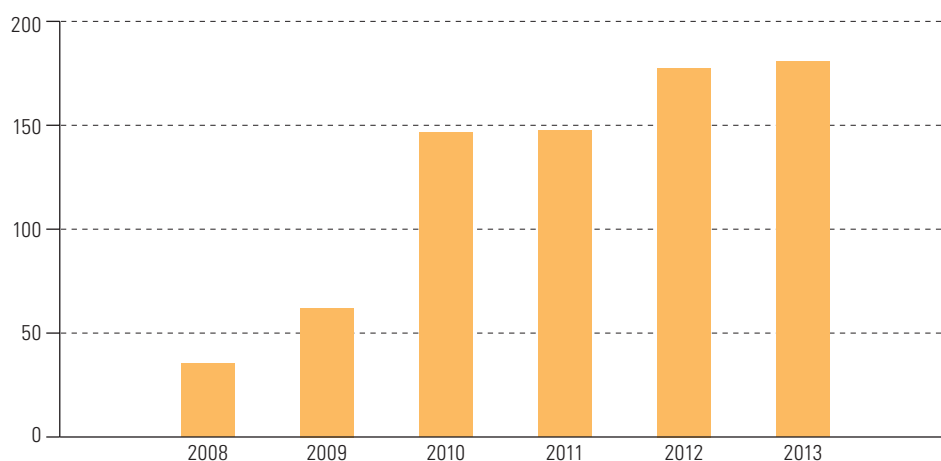


Source: Technical Secretariat of the Office of the President, “SPSU: Sistema de Protección Social Universal, resumen ejecutivo”, San Salvador, 2013 [online] <https://es.slideshare.net/Pacses/sistema-de-proteccion-social-universal-resumen-ejecutivo>.

Timeline

2009	The social reform policy formulation process begins and the Economic and Social Council is created.
2010	The government selects the Universal Social Protection System as one of the 5 pillars of its development strategy for 2010-2014.
2010-2011	ECLAC provides technical assistance to a number of governments in the region in the formation of social protection compacts and programmes.
2013	The System is launched. Discussions are held prior to its presentation to the National Assembly.
2014	The Development and Social Protection Act is passed.
2014 and onward	Preparation of studies and coordination among the various ministries begins.

Figure 1
El Salvador: investment in social protection
(Millions of dollars)



Source: Technical Secretariat of the Office of the President, "SPSU: Sistema de Protección Social Universal, resumen ejecutivo", San Salvador, 2013 [online] <https://es.slideshare.net/Pacses/sistema-de-proteccion-social-universal-resumen-ejecutivo>.

Contribution and impact

- ECLAC and BMZ/GIZ provided the government with technical assistance at all stages in the development of the Universal Social Protection System.
- With the support of ECLAC and BMZ/GIZ, the government developed the Universal Social Protection System and its associated legislation. This effort encompassed activities for strengthening the exchange of experiences and cooperation among countries in the region with a view to establishing inclusive social protection systems.¹

¹ See M. Hopenhayn and others (eds.), "Pactos sociales para una protección social más inclusiva: experiencias, obstáculos y posibilidades en América Latina y Europa", *Seminars and Conferences series*, No. 71 (LC/L.3820), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2014 (Spanish only).

Conceptualization and design (2010-2012)

Thanks to the experience gained by an ECLAC staff member in the implementation of a similar system in Mexico, ECLAC was able to provide specialized technical and practical assistance.

ECLAC worked on the design of the system and provided assistance with information resources (access to databases and studies) and with the revision of various documents. ECLAC staff also conducted technical missions during the project. Study tours to Brazil were organized to help Salvadoran officials to design the system for registering programme participants, and ECLAC provided recommendations for the design of conditional cash transfer programmes.

ECLAC also assisted with the restructuring of the Solidarity Communities Programme and with a gap analysis of El Salvador's social services.

BMZ/GIZ and ECLAC helped to shed light on different approaches, and the government ultimately adopted one that places human rights at the very centre of its social policy in line with principles outlined and developed by ECLAC. This gave rise to a paradigm shift in government social services, as some government officials had advocated an entirely different approach.

Diagram 2

Universal Social Protection System

Other improvements in the Universal Social Protection System in 2012	Other improvements in the Universal Social Protection System in 2013
Temporary Income Support Programme	School packages
Basic pension	Provision of glasses of milk
Solidarity communities	School meals
Expansion of ISSS coverage	<i>Ciudad Mujer</i> centres
Incorporation of domestic workers	Housing for all

Source: Government of El Salvador, *Plan Quinquenal de Desarrollo 2010-2014*, Santa Tecla, 2010 [online] <http://2009-2014.secretariatecnica.gob.sv/novedades/publicaciones/plan-quinquenal-de-desarrollo/2009-2014.html>.

Note: For more information, please see page 15 of the Spanish version.

Drafting of development and social protection act (2013)**Review**

ECLAC-BMZ/GIZ helped to draft this legislation during 2013 and 2014. Three events funded by the ECLAC-BMZ/GIZ cooperation programme were organized to promote debate and consensus-building and to generate support for the idea of raising the level of social investment.

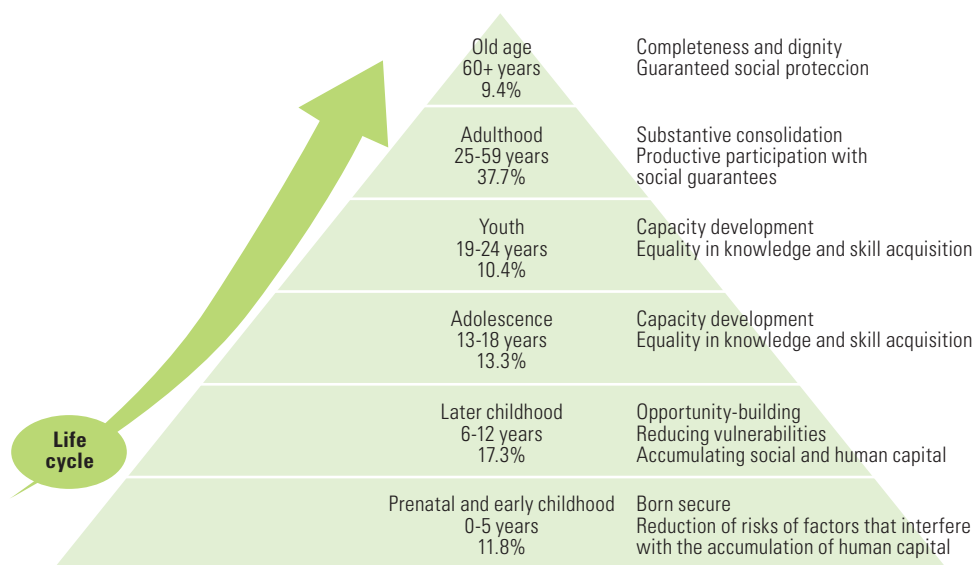
The advisory services provided by ECLAC contributed to the development of tools for evaluating and monitoring social programmes, linking up other components of the social protection network and reformulating specific programmes.

ECLAC is helping to review the System, which is also overseen and monitored by two Secretariats of the Government of El Salvador.

- Thanks to its acknowledged expertise in this field, ECLAC was able to facilitate the entire system implementation process.
- The system is designed to address the needs and factors of vulnerability of men and women, both as individuals and as members of a community, at the different stages of life (prenatal period, early and later childhood, adolescence, youth, adulthood and old age).
- Neutral spaces for dialogue that were provided by the cooperation programme (seminars, workshops, working groups and exchanges of experiences) played an important role in fostering consensus and establishing of long-term public commitments.

- Technical documents² provided by the cooperation programme facilitated the development of compacts based on in-depth research.
- Proposals for the Universal Social Protection System were appropriately systematized to support the implementation and sustainability of social protection systems.
- The Universal Social Protection System and its rights-based approach represent a huge step forward for El Salvador, as the recognition of human rights has historically been slow to develop in the country, despite the guarantees of those rights set forth in the Constitution.

Diagram 3



Source: Technical Secretariat of the Office of the President, “El Sistema de Protección Social Universal en El Salvador y Ley de Desarrollo Social”, San Salvador, 2013 [online] <https://dds.cepal.org/proteccionsocial/pacto-social/2013-11-foro-El-Salvador/SPSU-y-leyDS.pdf>.

² These ECLAC documents include: S. Cecchini and R. Martínez, *Inclusive social protection in latin america: a comprehensive, rights-based approach*, ECLAC Books, No. 111 (LC/G.2488-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2011; D. Miranda, “Hacia un sistema de protección social universal en El Salvador: seguimiento de un proceso de construcción de consensos”, *Social Policy series*, No. 206 (LC/L.3867), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2014 (Spanish only); J. Martínez, “Social protection systems in Latin America and the Caribbean: El Salvador”, *Project Documents* (LC/W.521), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2013, and C. Maldonado and A. Palma, “Building consensus and establishing compacts in social policy: notes for an analytical framework”, *Social Policy series*, No. 179 (LC/L.3660), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2014.

Costa Rica: National Childcare and Child Development Network

Description

As part of the Programme for a Social Compact for a More Inclusive Social Protection System, ECLAC-BMZ/GIZ provided the Government of Costa Rica with technical assistance in the conceptual design of the National Childcare and Child Development Network (known by its Spanish-language acronym, REDCUDI), drew the government's attention to other countries' experiences with social protection schemes and helped organize an international seminar. As a result, in 2014 the National Congress unanimously approved a law authorizing the establishment of the Network. This programme, which plays a crucial role in closing social, economic and cognitive gaps, has a budget of 420,000 euros.

Table 1
REDCUDI

Public-access childcare and child development system
Solidarity financing scheme (public and private resources)
Aimed at improving the situation of 15,000 children under 7 years of age. The programme offers them food, education services, love, care and the attention they deserve.

Timeline

1990s	The Government of Costa Rica started to formulate public care policies.
2006	Since 2006, numerous studies ¹ have been produced. The issue of inequality, as one of the key challenges for Latin America and the Caribbean, has been a particular focus of research.
2010	<p>Since the creation of the Network, which began with the signature of Executive Decree No. 36020, this has become a priority for the Government.²</p> <p>With the National Development Plan 2011–2014, the government established that basic needs such as housing, education, health, nutrition, childcare and development services must be met. The Government also began to focus on strengthening the quality of programmes and services in these areas, with the goal of enhancing opportunities for mothers to access the labour market, and on improving care services for children whose mothers work. The Plan introduced the idea of developing an institutional network of care for children and older persons and is expected to be the precursor for a universal system based on a solidary financing scheme (see the diagrams on the following page).</p>

¹ Some of these publications are the following: Economic Commission for Latin America and the Caribbean (ECLAC), *Time for Equality: Closing Gaps; Opening Trails* (LC/G.2432(SES.33/3)), Santiago, 2010; Economic Commission for Latin America and the Caribbean (ECLAC), *Structural Change for Equality: An Integrated Approach to Development* (LC/G.2524(SES.34/3)), Santiago, 2012. and Economic Commission for Latin America and the Caribbean (ECLAC), *Compacts for Equality: Towards a Sustainable Future* (LC/G.2586(SES.35/3)), Santiago, 2014.

² See J. Guzmán (coord.), "Red Nacional de Cuido y Desarrollo Infantil en Costa Rica: el proceso de construcción 2010-2014", *Social Policy series*, No. 203, Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2014.

2012	Government officials contacted ECLAC and requested its support for the organization of the International Seminar on Early Childhood and Childcare and Child Development Systems in Latin America and Europe.
2013	The ECLAC-BMZ/GIZ programme and the government organized an international seminar. ³
2014	The law authorizing the establishment of the National Childcare and Child Development Network was passed. ⁴

Diagram 1

The María Teresa Obregón Zamora National Plan 2011-2014 established that care services are one among the country's social welfare priorities and refers to the need to develop an assistance network for children and older persons

Social welfare	Care for children and older persons
Strengthening universal social policies	As part of its social policy and in recognition of the urgency of assisting the most vulnerable sectors of the population (...), the Government is developing an institutional assistance network for children and older persons. (...)
Access to housing	The development of a national childcare and child development network is planned in order to assist an additional 15,000 children (an increase of 75% over the scale of current coverage). A proposal is under consideration for the use of this network as a universal system based on a scheme of solidarity financing, under the coordination of IMAS, PANI and the Ministry of Health and under the direction of CEN-CINAI.
Improved employability for members of the labour force	
Integrated care and reduction of extreme poverty	
Integrated care for children and older persons	

Source: Government of Costa Rica. *Plan Nacional de Desarrollo 2011-2014 "María Teresa Obregón Zamora"*, San José, 2010.

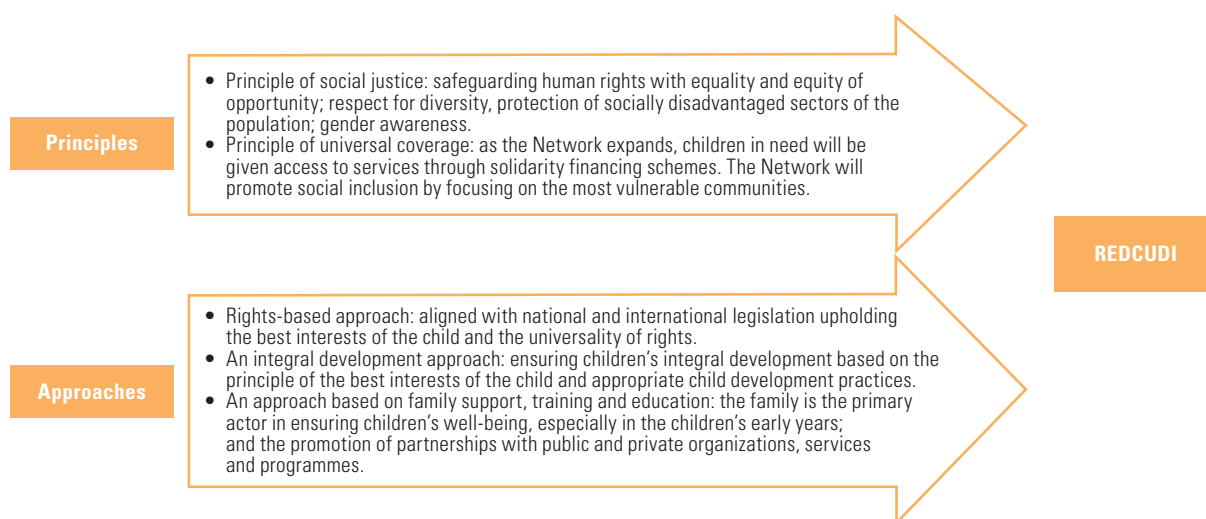
Contribution and impact

- The cooperation programme provided a number of governments in the region with technical assistance for the establishment of compacts (in such areas as health) and social protection programmes.
- The BMZ/GIZ helped the government with the preparations for the International Seminar on Early Childhood and Childcare and Child Development Systems in Latin America and Europe, which was attended by between 150 and 200 people and played a key role in raising awareness about these issues and about the new law as seen within the context of other international experiences. The seminar included a series of group discussions and individual meetings between ECLAC and other international experts, politicians and the legislative commission that had been in charge of drafting the new law. Thanks to these opportunities for integration and open dialogue, a highly participatory process was achieved.
- The Seminar provided ECLAC-BMZ/GIZ with an opportunity to inform government officials about the experiences of other Latin American and European countries and about new research findings. These interchanges contributed to the Network's development and helped to orient government decisions regarding the design of the system. The approach that it took and many of the Network's basic principles are aligned with principles espoused by ECLAC:

³ International Seminar on "Early Childhood and Child Care and Development Systems in Latin America and Europe", San Jose, 19-21 November 2013 [online] <https://www.cepal.org/es/eventos/seminario-internacional-primera-infancia-y-sistemas-de-cuido-y-desarrollo-infantil-en> (Spanish only).

⁴ See Legislative Assembly of the Republic of Costa Rica, "Ley núm. 9220: Red Nacional de Cuido y Desarrollo Infantil", *La Gaceta Diario Oficial*, No. 78, San José, 24 April 2014 (Spanish only).

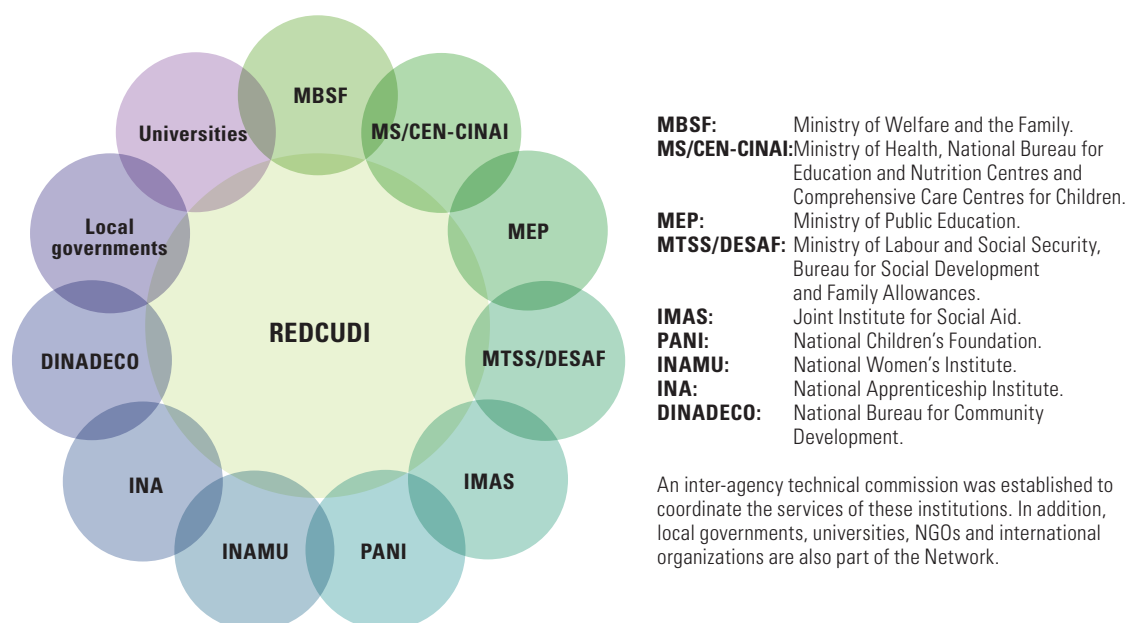
Diagram 2



Source: Prepared by the author on the basis of information from the Ministry of Welfare and the Family, the National Childcare and Child Development Network and the 2012–2014 National Action Plan, San José, Costa Rica.

- The Network is a success story because its designers did not start from scratch but instead worked and coordinated their efforts with a wide range of public and private entities at the national and local levels, as illustrated by the following figure:

Diagram 3



Source: Government of Costa Rica, "Red Nacional de Cuido", document prepared for the International Seminar on Early Childhood and Childcare and Child Development Systems in Latin America and Europe, San José, Economic Commission for Latin America and the Caribbean (ECLAC), 19-21 November 2013 [online] https://dds.cepal.org/proteccionsocial/pacto-social/2013-11-seminario-Costa-Rica/Viceministra-Isabel-Brenes_REDCUDI-Costa-Rica-2013.pdf.

- The impact of the Network in Costa Rica:

Table 2
Children benefited by REDCUDI, Costa Rica, 2013

Institution	Modality	Number of children
Ministry of Health	Childcare and protection by CEN-CINAI	19 094
National Children's Foundation	Integral daycare centres run by social welfare organizations	7 654
Joint Institute for Social Aid	Community housing. CECUDI and other private centres or centres run by social welfare organizations	2 275
Total coverage		29 023

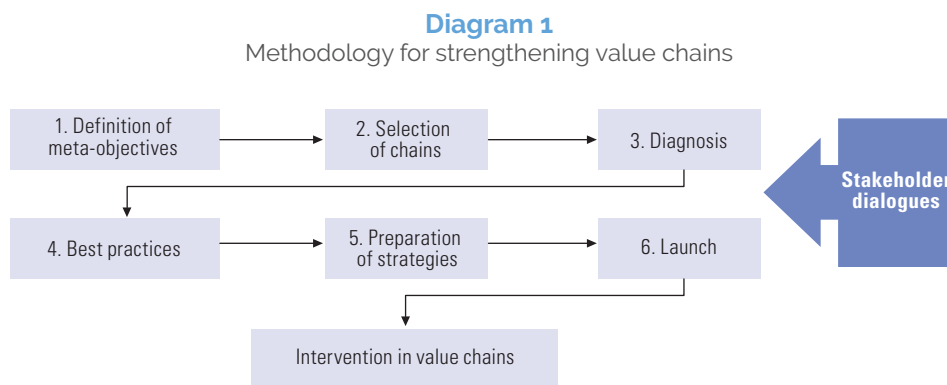
Source: Ministry of Social Welfare and the Family and the Technical Secretariat of the National Childcare and Child Development Network.

Results	<p>32,000 children, most of whom come from families who live in poverty and who are in vulnerable situations and at social risk, participated in the programme in 2014.</p> <p>The Network helped thousands of women heads of household who did not have a place to leave their children while they work or who have a home-based job.</p>
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Guatemala: strengthening value chains

Description

ECLAC-BMZ/GIZ developed a participatory methodology for analysing and strengthening value chains. This methodology provides a means of establishing a baseline, identifying bottlenecks and developing a proposed road map and action plan. In addition to developing this methodology, ECLAC-BMZ/GIZ assisted the Government of Guatemala with its implementation in pilot projects involving two value chains in Guatemala and another two in El Salvador. With a budget of 144.000 euros, the programme aims to increase the integration of SMEs into the global economy.



Source: R. Padilla (ed.), *Strengthening value chains as an industrial policy instrument: methodology and experience of ECLAC in Central America*, ECLAC Books, No. 123 (LC/G.2606-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2014.

Timeline

2011	The World Bank approved a loan to the Guatemalan government for an initiative aimed at spurring the growth of micro-, small and medium-sized enterprises (MSMEs) in specific value chains. The government needed a methodology for this purpose and used the one developed by ECLAC.
2013	The work of the ECLAC-BMZ/GIZ programme started with: <ul style="list-style-type: none"> • Definition of objectives. • Selection of priority value chains based on pre-defined criteria. • Definition of different phases of production cycles. • Identification of two value chains as priority areas for intervention: Non-traditional vegetable exports and precious woods.
2013	A diagnosis of the baseline situation in each chain is made, and the bottlenecks existing in these sectors are identified on the basis of discussions and meetings with the local industry, local producers, cooperatives, business associations and other stakeholders. The diagnosis prepared by ECLAC included an economic analysis, a structural analysis of the chain and an analysis of environmental and sustainability issues.

2013

In September, two round-table meetings were organized for the purpose of validating the baseline assessment of each chain. Chain actors participated in reviewing obstacles, opportunities and strengths. In November, another round table took place at which the recommendations and action plans were validated.

The ECLAC-BMZ/GIZ programme organized training courses in June and October for local government representatives in order to familiarize them with the methodology and its application.

Contribution and impact

- ECLAC published numerous studies¹ that explored the value chain strengthening process as a mechanism for facilitating productive development, based on an analysis of bottlenecks faced by SMEs at different stages of the chain and the proposal of solutions that take stakeholders' concerns into consideration.
- ECLAC-BMZ/GIZ developed a methodology for analysing value chains and identifying specific ways of strengthening them. This methodology is based on the experience gained by ECLAC in other Latin American and Caribbean countries, together with the ValueLinks methodology developed by GIZ and the work done in this area by the United Nations Industrial Development Organization (UNIDO) (see the diagram on the previous page).
- The ECLAC-BMZ/GIZ programme provided assistance to the Ministry of Economic Affairs of Guatemala in the implementation of this participatory methodology in two pilot projects.
- The methodology proposed by ECLAC involved the development of a baseline assessment and a road map/action plan. It included workshops to assess the situation and the strategic vision of the chain and the formulation of the project baseline and subprojects.
- The process of arriving at a diagnostic assessment and engaging in technical collaboration with the local community through its participation in different phases of the overall process helped the community to build capacity. Public and private representatives of the sector helped to prepare the assessment and field studies, organize the round table discussions and formulate the project strategy.
- Training was provided to staff of the Ministry of Economic Affairs to teach them how to apply the methodology.
- For each value chain, ECLAC prepared an economic and market analysis, a structural analysis of the chain and an analysis of environmental and sustainability issues.²
- ECLAC also was involved in another value chain strengthening process between 2014 and 2016 through the Programme for Inclusive Growth, Rural Industrial Policy and Participatory Value Chains in Latin America and the Caribbean. This programme, which was funded by the International Fund for Agricultural Development (IFAD), supported the tourism value chain in the Department of Sacatepéquez.³

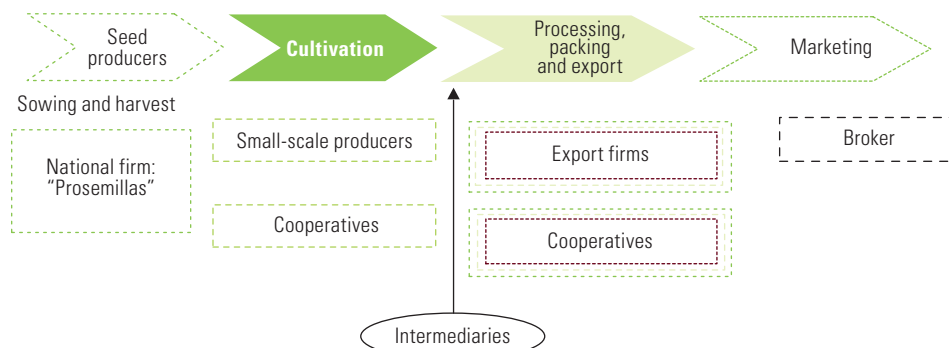
¹ See G. Zúñiga-Arias, "El desarrollo de cadenas de valor agroindustriales en Costa Rica, El Salvador y Nicaragua: el caso de estudio de la agroindustria láctea", *Studies and Perspectives series-ECLAC subregional headquarters in Mexico*, No. 126 (LC/L.3332-P - LC/MEX/L.996/Rev.1), Mexico City, Economic Commission for Latin America and the Caribbean (ECLAC), 2011; R. Padilla (ed.), *Sistemas de innovación en Centroamérica: fortalecimiento a través de la integración regional*, ECLAC Books, No. 118 (LC/G.2559-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2013 (Spanish only).

² See R. Padilla (ed.), *Strengthening value chains as an industrial policy instrument: methodology and experience of ECLAC in Central America*, ECLAC Books, No. 123 (LC/G.2606-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2014.

³ See N. Oddone and P. Alarcón, "Fortalecimiento de la cadena de turismo de Antigua Guatemala y de los municipios rurales del Departamento de Sacatepéquez", *Project Documents-ECLAC subregional headquarters in Mexico* (LC/MEX/W.15), Mexico City, Economic Commission for Latin America and the Caribbean (ECLAC), 2016.

Diagram 2

Guatemala: link in the non-traditional vegetable exports chain



Source: R. Padilla (ed.), *Strengthening value chains as an industrial policy instrument: methodology and experience of ECLAC in Central America*, ECLAC Books, No. 123 (LC/G.2606-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2014.

Diagram 3

Links of the Petén forestry concessions wood-products value chain



Source: R. Padilla (ed.), *Strengthening value chains as an industrial policy instrument: methodology and experience of ECLAC in Central America*, ECLAC Books, No. 123 (LC/G.2606-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2014.

Table 1Guatemala: value of forestry-product exports, 2006-2012
(United States dollars)

	2006	2007	2008	2009	2010	2011	2012
Pallets	6 259 939.06	6 574 984.35	4 555 971.72	20 565 561.62	10 711 642.78	7 223 827.79	10 344 956.57
Sawn lumber	17 390 058.46	19 904 176.34	21 409 742.57	14 331 971.73	17 108 936.75	21 926 060.78	19 654 032.89
Furniture	18 723 732.16	17 295 785.96	16 235 098.96	12 238 363.65	17 706 242.56	22 314 002.84	29 525 378.46
Doors	7 138 553.22	14 943 217.00	11 033 348.16	6 767 617.10	7 257 299.67	10 564 892.71	15 510 814.86

Source: Guatemalan Exporters Directory [online] <http://vupe.export.com.gt/>.

Table 2

Guatemala: contributions to the two selected value chains

	What	Where	Market	Obstacles	Improvements
Non-traditional vegetable exports	High-quality agricultural products	Crops cultivated by small farmers in departments located in the central highlands	International gastronomy market	<ul style="list-style-type: none"> - Heavy reliance on external inputs (laboratory services, certification audits of product quality) - Weak organization of the value chain - Lack of legal land titles discourage investment 	Contributions to: <ul style="list-style-type: none"> - Increasing productivity - Strengthening associativity - Improving access to markets
Precious woods	Wood products	Nine community-based and two private concessions located in the mayan biosphere reserve, Petén department		<ul style="list-style-type: none"> - Absence of linkages between the chain and the rest of the forestry sector in the country - Reduced competitiveness due to higher costs and technological obsolescence - Low skill level of the labour force^a 	Contributions to: <ul style="list-style-type: none"> - Increasing added value through innovation - Improving the quality of processes and products - Strengthening the marketing strategy

Source: Prepared by the author.

^a See R. Padilla (ed.), *Strengthening value chains as an industrial policy instrument: methodology and experience of ECLAC in Central America*, ECLAC Books, No. 123 (LC/G.2606-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2014.

- Thanks to the success of this methodology, the government applied it to other value chains as well. In 2015, it was implemented in the potato and bean value chains, while another 3 chains (cocoa, cardamom and papaya) were in the process of formulating subprojects.⁴ In total, the Guatemalan government completed 10 value chain strengthening processes for the following products: avocados, cocoa, beans, milk, potatoes, export vegetables, papaya, mango, sesame and cardamom.
- In addition, the value chain strengthening process for non-traditional vegetable exports continued even after the technical assistance phase of the ECLAC-BMZ/GIZ programme had ended. The government continued to apply the ECLAC-BMZ/GIZ methodology, which involved analysing strategies and action plans and organizing two round tables to validate the resulting proposals.
- A World Bank report⁵ attributes much of the impact of the government's activities to its use of the methodology provided by ECLAC-BMZ/GIZ.
- The application of this methodology in the value chain strengthening process, in combination with the experience and know-how provided by the ECLAC-BMZ/GIZ programme, has made an important contribution to those areas of activity and has enabled the Guatemalan government to formulate policies and projects based on sound research and a proper assessment of prevailing conditions and local context and to adapt participatory methodologies.
- At the subregional level, the programme's conceptual outputs and Guatemala's experience with the methodology and with the strengthening process were shared with other countries in Central America via regional meetings and publications. ECLAC has also published a book concerning the successes achieved through this methodology.⁶

Table 3

Strategy	Action lines
Promoting the implementation of good agricultural practices and good manufacturing practices on an active, permanent basis within the framework of the programme.	Expanding capacities and promoting good agricultural practices and good manufacturing practices by strengthening authorities (PIPAA and VISAR with the support of the private sector).

Source: Ministry of Economic Affairs, "Proyecto de fortalecimiento de la productividad de la micro, pequeña y mediana empresa: plan acción cadena de valor vegetales exportación 'planeación estratégica vegetales'", Guatemala City, 2015 [online] https://www.pronacom.gt/website/biblioteca/biblioteca_4._plan_accion-planeacion_estragica_vegetales.pdf. 2015.

Note: For more information, please see the Spanish version, page 19.

Box 1 Results

- 396 micro-, small and medium-sized enterprises received business development services.
- 191 producer organizations (representing 31,600 members) participated in the 6 value chains concerned, and 26 of them participated in the vegetable exports chain.
- A total of 12 competitiveness subproject proposals were developed.
- 27 micro-, small and medium-sized producer groups, with a total of 244 members, were formalized in order to help them gain access to international markets.
- 188 staff members of the Ministry of Economic Affairs received training (including study tours).

Source: Prepared by the author.

⁴ See Ministry of Economic Affairs, *Memoria de actividades: avances y logros estratégicos e institucionales*, Guatemala City, 2015 [online] http://www.mineco.gob.gt/sites/default/files/mineco_memoria_de_actividades_ano_2015-.pdf (Spanish only).

⁵ See Independent Evaluation Group (IEG), *Implementation Completion Report (ICR) Review*, No. ICRR0020712, Washington, D.C., 2017 [online] <http://documents.worldbank.org/curated/en/797731504637345565/pdf/ICRR-Disclosable-P112011-09-05-2017-1504637333665.pdf>.

⁶ See R. Padilla (ed.), *Strengthening value chains as an industrial policy instrument: methodology and experience of ECLAC in Central America*, ECLAC Books, No. 123 (LC/G.2606-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2014.

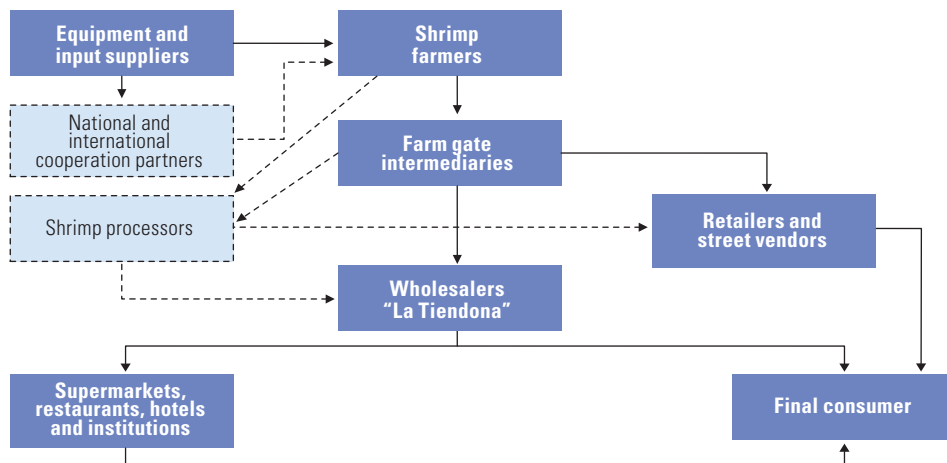
El Salvador: strengthening value chains

Description

ECLAC-BMZ/GIZ developed a participatory methodology for the use in value chain strengthening processes. This methodology involves the preparation of a baseline assessment, the identification of bottlenecks faced by the value chains in question and the proposal of a road map and action plans. ECLAC and BMZ/GIZ provided this methodology and assisted the government in its implementation. This programme, with 144.000 euros in funding, calls for the implementation of this methodology as a pilot project in 4 value chains: two in Guatemala and two in El Salvador. The programme's aim is to deepen the integration of SMEs in the global economy.

Diagram 1

El Salvador: the shrimp aquaculture value chain



Source: R. Padilla (ed.), *Strengthening value chains as an industrial policy instrument: methodology and experience of ECLAC in Central America*, ECLAC Books, No. 123 (LC/G.2606-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2014.

Timeline

January 2013	The ECLAC-BMZ/GIZ programme's work in this country began with the provision of assistance to the Salvadoran government in implementing a participatory methodology for analysing two value chains as pilot projects.
February 2013	The objectives were defined and two priority value chains were selected at an initial meeting in February 2013. The selected chains were shrimp farming and textiles (synthetic fibres for sports clothing).
March-April 2013	ECLAC prepared baseline assessments that served as a basis for the identification of obstacles faced by these value chains. The ECLAC-BMZ/GIZ programme also prepared an analysis of good practices at the international level to serve as a foundation for the development of strategies and an action plan.

May 2013	Numerous round tables were organized for the stakeholders in each value chain to discuss and validate the baseline assessment and to promote their interest and involvement in the chain and the pilot project. ECLAC-BMZ/GIZ also organized a training course for government staff.
July 2013	There was a second round of dialogue, one for each chain, for the purpose of validating and further enriching the strategies that had been devised for overcoming the bottlenecks that were identified during the assessment phase. These second round tables provided an opportunity for stakeholders (actors in the chains) to deepen their commitment to the process. In addition, immediate actions and subprojects (in such areas as training and market analysis) were agreed upon. The strategies also included timelines and resource allocations.

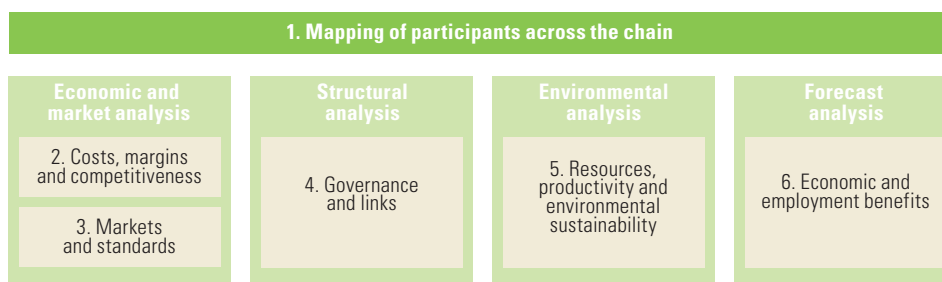
Contribution and impact

- ECLAC produced numerous studies¹ which identified opportunities for SMEs to enter local and international value chains and advocated the formulation of policies to promote productivity and innovation, particularly in terms of technological capacities.
- The ECLAC-BMZ/GIZ programme developed a participatory methodology for analysing and strengthening value chains, identifying the difficulties encountered by SMEs in each phase of the value chain and establishing action plans and devising means of overcoming those obstacles.
- The methodology proposed by the programme was based on the experience gained by ECLAC in other countries, the ValueLinks methodology developed by GIZ and proposals made by the United Nations Industrial Development Organization (UNIDO).
- Thanks to the programme's work, the Salvadoran government now has a tool for making baseline assessments of the status of value chains, understanding the productive development obstacles that they face, designing policies and guiding investment.
- The ECLAC-BMZ/GIZ programme provided the Ministry of Economic Affairs with the design of participatory strategies for strengthening the shrimp farming and textiles value chains. Its baseline assessment and organization of round tables served as the basis for the identification of strategies and specific actions to strengthen the value chains and promote the productivity of micro, small and medium-sized enterprises forming part of these chains. The aim was to boost their competitiveness and deepen their integration into the global economy.
- The results of these round tables were also systematized and documented as part of action plans for helping to implement agreed solutions.
- The ECLAC-BMZ/GIZ programme's work strengthened the capacities of the local communities that participated in all phases of the process.
- The ECLAC-BMZ/GIZ programme promoted capacity-building for local governments to enable them to apply this methodology in other value chains. In May 2013, the programme organized a training course for 17 government representatives.

¹ See G. Zúñiga-Arias, "El desarrollo de cadenas de valor agroindustriales en Costa Rica, El Salvador y Nicaragua: el caso de estudio de la agroindustria láctea", *Studies and Perspectives series-ECLAC subregional headquarters in Mexico*, No. 126 (LC/L.3332-P-LC/MEX/L.996/Rev.1), Mexico City, Economic Commission for Latin America and the Caribbean (ECLAC), 2011; R. Padilla (ed.), *Sistemas de innovación en Centroamérica: fortalecimiento a través de la integración regional*, ECLAC Books, No. 118 (LC/G.2559-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2013 (Spanish only).

Diagram 2

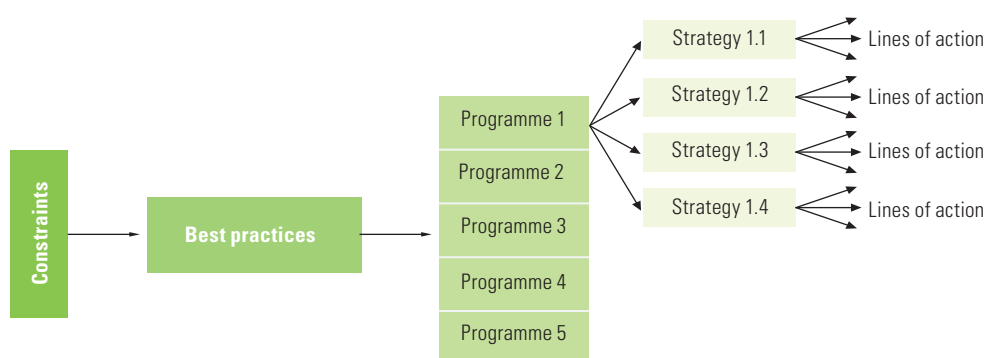
Diagnostic study of value chains



Source: R. Padilla (ed.), *Strengthening value chains as an industrial policy instrument: methodology and experience of ECLAC in Central America*, ECLAC Books, No. 123 (LC/G.2606-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2014.

Diagram 3

Strategy preparation process



Source: R. Padilla (ed.), *Strengthening value chains as an industrial policy instrument: methodology and experience of ECLAC in Central America*, ECLAC Books, No. 123 (LC/G.2606-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2014.

Table 1

Questions for systematization

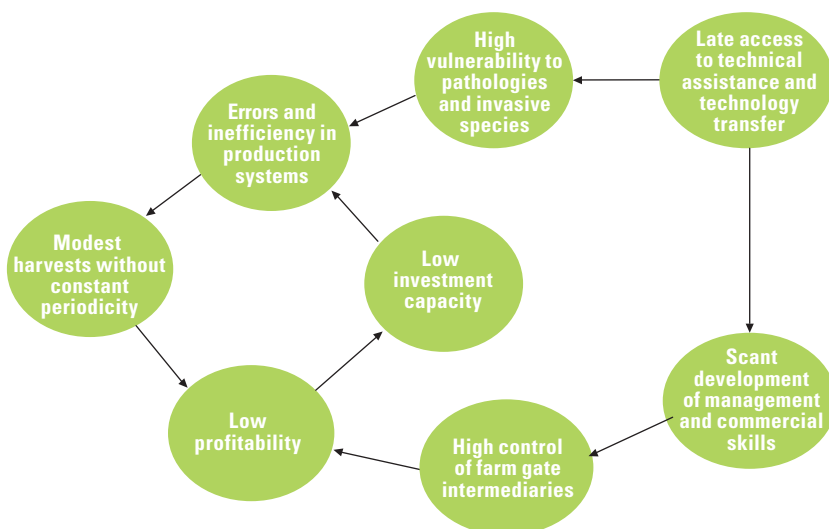
Initial situation	During the process	Current situation	Lessons learned
What was the situation before the process began?	How was the process conducted? What were the steps involved?	What achievements emerging from the process impact your institution and others?	Who should have been more involved in the process?
What was the position of the institution prior to the experience?	What enabling and constraining factors existed at the start?	How would you describe the current state of affairs in comparison with the beginning?	What aspects of the process would you have liked to be different?
Had you taken other actions to generate change? What happened?	Why did you participate in this process? What do you believe your role was?	What were the perceived changes during this experience?	What outside factors impacted positively or negatively on the experience?
How did you feel at the beginning of the experience?	How did the experience contribute to the achievement of your organization's goals?	What changes were there in your capacities and those of your organization?	What success factors do you see for you and for others?
How good was knowledge of and coordination with other organizations before the experience?	Was there coordination? How would you rate it? What did other actors and their organizations contribute?	How much progress did the process achieve?	Were there mistakes? What were they? How can they be avoided?

Source: O. Jara, *Para sistematizar experiencias: una propuesta teórica y práctica*, Lima, Red Alforja, 1994.

- At the conceptual level, all of these initiatives helped to increase the body of knowledge about SMEs in the region and about the obstacles they face as they strive to internationalize their operations and enter into local and global value chains. The programme promoted the benefits of these internationalization processes for SMEs and compiled information for use in future studies.
- The selection of the two pilot projects —shrimp farming and textiles— was aligned with the government's economic strategy.² The shrimp farming chain was chosen for its potential to create jobs, promote regional development, contribute to a reduction in poverty in coastal areas and boost food security among local communities. The selection of the textiles value chain was in line with the objective of increasing local companies' participation in this chain.

Diagram 4

El Salvador: weaknesses of the shrimp aquaculture chain



Source: R. Padilla (ed.), *Strengthening value chains as an industrial policy instrument: methodology and experience of ECLAC in Central America*, ECLAC Books, No. 123 (LC/G.2606-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2014.

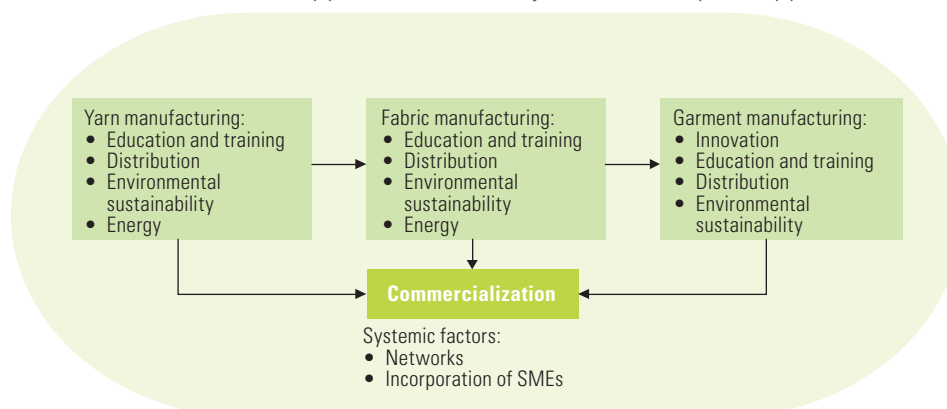
- Thanks to the assistance provided by the programme in organizing the round tables, action plans for overcoming the obstacles that had been identified were developed.
- Apart from the shrimp farming and textiles chains, the government, with support from ECLAC and the International Fund for Agricultural Development (IFAD), conducted a strengthening process in another three value chains: vegetables, nutritive snacks and tourism.
- In addition, ECLAC-BMZ/GIZ published a book³ that explains the success of the methodology developed by the ECLAC-BMZ/GIZ programme and the outcomes of these processes.

² See Ministry of Environment and Natural Resources, “EAE para la Estrategia de la Franja Costera Marina”, San Salvador, 2017 [online] <http://www.marn.gob.sv/eae-para-la-estrategia-de-desarrollo-de-la-franja-costera-marina/> (Spanish only).

³ See R. Padilla (ed.), *Strengthening value chains as an industrial policy instrument: methodology and experience of ECLAC in Central America*, ECLAC Books, No. 123 (LC/G.2606-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2014.

Diagram 5

El Salvador: constraints and opportunities in the synthetic fibre-sports apparel value chain



Source: R. Padilla (ed.), *Strengthening value chains as an industrial policy instrument: methodology and experience of ECLAC in Central America*, ECLAC Books, No. 123 (LC/G.2606-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2014.

- Direct outputs from the implementation of the programme were:

Table 2
Results

In general			In El Salvador		
19 round tables	550 participants	5 countries	7 round tables	250 participants	45 government officials

Source: Prepared by the author.

- These pilot projects helped to guide the government's subsequent work in adapting the methodology, adding in more field visits and obtaining more support from local experts. According to the Deputy Minister of Commerce and Industry, the assessments prepared by the ECLAC-BMZ/GIZ cooperation programme contributed to the formulation of El Salvador's industrial policy.⁴ A larger project was also undertaken that prioritized the economic growth of 30 municipalities in the La Unión, Jiquilisco and Acajutla regions by focusing on the agro-industrial, tourism and artisanal fishing and aquaculture value chains.⁵ The government's goal now is to create 450 new ventures within 5 years, to assist 1,000 SMEs in developing business skills, to help 100 cooperatives to expand their production capacity and to enable 250 SMEs to gain access to formal markets.
- At the regional level, the scope of this effort was expanded through the dissemination of the methodology to other countries (e.g., Costa Rica, Dominican Republic and Mexico). Meetings were organized to share information and experiences, including a regional meeting of experts focusing on the integration of SMEs from Central America into global value chains (Mexico, 2013). As a result, the ECLAC-BMZ/GIZ programme received requests for technical assistance from other countries (e.g., Costa Rica) that wish to apply the methodology.

⁴ See M. Rodríguez, "CEPAL: El Salvador, el más avanzado en política industrial", *Transparencia Activa*, San Salvador, 17 January 2013 [online] <https://www.transparenciaactiva.gob.sv/cepal-el-salvador-el-mas-avanzado-en-politica-industrial> (Spanish only).

⁵ See La Prensa Gráfica, "'Corredores productivos' en la zona costera", San Salvador, 7 July 2017 [online] <https://www.laprensagrafica.com/economia/Corredores-productivos-en-la-zona-costera-20170707-0107.html> (Spanish only).

Ecuador: National Strategy for Changing the Production Matrix

Description

ECLAC-BMZ/GIZ worked with the Ecuadorian government to develop a national strategy for diversifying the economy and boosting productivity. The ECLAC Production, Productivity and Management Division helped to delineate the policy and provided assistance for the design of a new matrix. The government embraced many of the ECLAC-BMZ/GIZ programme's proposals for greater diversification, more innovation, strengthening public and private partnerships for policy design and a more modern form of productive development. These actions all formed part of a programme focusing on innovations for sustainable structural change that was implemented between 2014 and 2016 in 10 countries with a budget of 480,000 euros. This programme was aimed at promoting a better form of productive development, increasing SMEs' competitiveness through innovation and technology, and opening up the policy debate concerning approaches for attaining inclusive, sustainable structural change.

Timeline

Before 2013	ECLAC produced a range of studies ¹ which the Ecuadorian government drew upon in starting its work on the production of a national strategy for changing the production matrix.
2013	ECLAC and the Ecuadorian government signed a cooperation agreement for technical assistance in the development of a strategy to change the production matrix.
June 2013- November 2016	<p>ECLAC, with support from the Office of the Vice-President, participated in a series of round tables and provided technical assistance and an international perspective for the development of a national strategy for changing the production matrix.² Its assistance dealt with the development of policies relating to three components of the strategy: competitiveness, development and the strengthening of selected production chains and basic industries.</p> <p>The work started with the preparation of the ECLAC-BMZ/GIZ proposals for guiding private investment and creating conditions conducive to the establishment of a national entrepreneurial innovation system.</p> <p>Successful baseline assessments and proposals for action plans were developed for six production chains.</p> <p>The successfulness of this effort led to the signature of a new agreement for the preparation of baseline assessments and proposals for three other chains. The ECLAC-BMZ/GIZ programme provided the Ministry of the Environment with assistance in connection with the solid waste management chain.</p>
2015	The national strategy for changing the production matrix was launched.

¹ These documents include: Economic Commission for Latin America and the Caribbean/International Development Research Centre (ECLAC/IDRC), "Progreso técnico y cambio estructural en América Latina", *Project Documents* (LC/W.136), Santiago, 2007 (Spanish only); Economic Commission for Latin America and the Caribbean (ECLAC), *Time for Equality: Closing Gaps; Opening Trails* (LC/G.2432(SES.33/3)), Santiago, 2010; Economic Commission for Latin America and the Caribbean (ECLAC), *Structural Change for Equality: An Integrated Approach to Development* (LC/G.2524(SES.34/3)), Santiago, 2012, and Economic Commission for Latin America and the Caribbean (ECLAC), *Economic Survey of Latin America and the Caribbean*, 2013 (LC/G.2574-P), Santiago, 2013.

² See Vicepresidency of the Republic of Ecuador, *Estrategia Nacional para el Cambio de la Matriz Productiva*, Quito, 2015 (Spanish only).

Contribution and impact

- As part of the programme, focusing on innovation as a means of bringing about sustainable structural change, the ECLAC-BMZ/GIZ programme organized a dozen activities, including workshops, forums for political dialogue and technical assistance services in 10 countries.
- The Office of the Vice- President then requested technical assistance from the ECLAC-BMZ/GIZ programme for the development of a proposal for diversifying the production matrix in the country and the preparation of a baseline assessment and action proposals for a number of production chains.
- ECLAC-BMZ/GIZ started to work with the government on the design and development of the national strategy for changing the production matrix, drawing upon the studies produced by the programme that formed part of the documentation for the strategy. In fact, in the introduction of the strategy paper, the government thanks ECLAC for its contributions and for the technical assistance and innovative international perspective provided by the ECLAC-BMZ/GIZ cooperation programme.

Box 1

The Office of the Vice-President actively oversaw the coordination of the work of the Ministry of Production, Jobs and Competition, the Ministry of Economic Policy, Knowledge and Human Talent, the Ministry of Strategic Sectors and the National Secretariat for Planning and Development, the Secretariat for Higher Education, Research, Technology and Innovation, and the Ministry of Global Commerce. The document covers the work conducted by a large part of the government's team with stakeholders from the private sector. "Special recognition is due to the high-level team of the Economic Commission for Latin America and the Caribbean (ECLAC), who provided technical inputs and contributed innovative perspectives garnered from its international experience in order to support this initiative. To all of them, we thank you for your contribution."

Fuente: Vicepresidency, Republic of Ecuador, *National Strategy to change the Productive Matrix*, Quito, 2015 (Spanish only).

- In addition, ECLAC-BMZ/GIZ worked on the preparation of complex baseline studies for 10 of the 13 production chains identified as priorities by the government. The preparation of the baseline assessments involved the analysis of relevance, difficulties, recommendations, productivity, efficiencies, innovation, market development and policy guidelines, in addition to the design of the strategy and a road map for its implementation. Agro-industry was identified as a strategic priority area for productive transformation and social inclusion.³
- The ECLAC-BMZ/GIZ cooperation programme carried out consultations and participated in round table discussions with stakeholders during field visits, as well as participating in other meetings, workshops and forums.
- The policy work done by ECLAC on the development of agro-industrial value chains was also recognized by Ecuador's former Vice-President, Jorge Glas, at the opening of a seminar in October 2015.⁴ The summaries of the studies prepared for each value chain are to be published on the website of the Office of the Vice-President.⁵
- All of these assessments and proposals were used by the government to formulate its National Strategy for Changing the Production Matrix. The ECLAC-BMZ/GIZ cooperation programme's work contributed to the development of policy and guidance for government decisions regarding the design of the new matrix.

³ See A. Calderón, M. Dini and G. Stumpo, *Los desafíos del Ecuador para el cambio estructural con inclusión social* (LC/L.4281), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2016 (Spanish only).

⁴ See Vicepresidency of the Republic of Ecuador, "Embajadores en el exterior conocieron políticas encaminadas al cambio de la matriz productiva" [online] <https://www.vicepresidencia.gob.ec/embajadores-en-el-exterior-conocieron-politicas-encaminadas-al-cambio-de-la-matriz-productiva/> (Spanish only).

⁵ See Vicepresidency of the Republic of Ecuador, "Cadena de software" [online] <https://www.vicepresidencia.gob.ec/cadena-de-software/> (Spanish only).

Table 1
Priority areas for the National Strategy

Food industry	
✓	Cocoa
✓	Coffee
✓	Fish and mariculture
✓	Dairy products
Basic industries	
X	Petroleum products
✓	Metalworking
✓	Chemicals and pharmaceuticals
X	Paper and cardboard
✓	Plastics
Services	
✓	Knowledge and technology: software and ICT
✓	Tourism
✓	Solid waste management: recycling
X	Logistics

Source: Prepared by the author.

- The ECLAC-BMZ/GIZ programme also provided assistance to other Ministries,⁶ such as the Ministry of Industry and Productivity.

Diagram 1

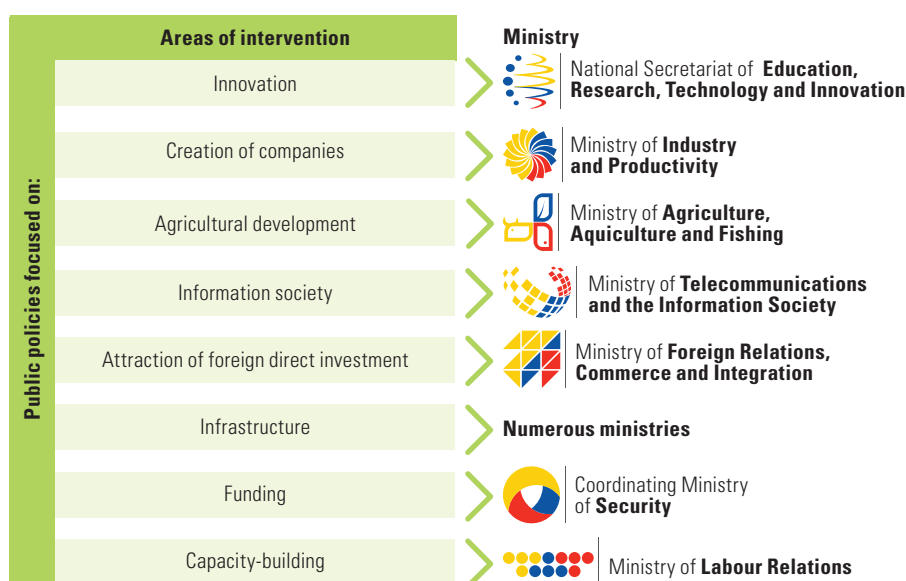


Source: National Secretariat for Planning and Development, *Transformación de la Matriz Productiva. Revolución productiva a través del conocimiento y el talento humano*, Quito, 2012.

⁶ See A. Calderón, M. Dini and G. Stumpo, *Los desafíos del Ecuador para el cambio estructural con inclusión social* (LC/L.4281), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2016 (Spanish only).

- The National Strategy for Changing the Production Matrix was launched with the aim of transforming the production matrix into a mechanism for attaining greater competitiveness,⁷ diversifying the economy and boosting productivity. Once these proposals were approved, they became public policies for the promotion of diversification, import substitution, business innovation and job creation. A wide array of interventions are planned by a number of government departments.
- The transformation of the production matrix is seen as a key element for growth and redistributive social policy on behalf of the poorest segments of the population. The generation of investments and gains in productivity could lead to the creation of more jobs and higher wages and, therefore, a more equitable society. According to the former Vice-President, Jorge Glas, the government's strategy for the agro-industrial value chain is expected to bring a significant improvement in the trade balance and to spur the creation of 250,000 new jobs by 2025.

Diagram 2



Source: National Secretariat for Planning and Development, *Transformación de la Matriz Productiva. Revolución productiva a través del conocimiento y el talento humano*, Quito, 2012.

⁷ See National Secretariat for Communication, "Ecuador transforma su matriz productiva para lograr mayor competitividad (VIDEO)", Quito [online] <https://www.comunicacion.gob.ec/ecuador-transforma-su-matriz-productiva-para-lograr-mayor-competitividad-video/> (Spanish only).

Mexico: fiscal incentive for research and technological development

Description

The ECLAC-BMZ/GIZ cooperation programme provided Mexico's National Council for Science and Technology (CONACYT) with technical assistance in the formulation of a new tax stimulus bill designed to boost corporate investment in research and development (R&D). As a result, a 30% corporate tax rebate on R&D investments was passed. This work was conducted under the ECLAC-BMZ/GIZ cooperation programmes: "Innovation and Development in the Context of Climate Change", which was implemented in 2012-2014; and "Innovations for Sustainable Structural Change", which was carried out in 2014-2016 with a budget of 480,000 euros. The initiatives were aimed at furthering the development of the production sector, increasing SMEs' competitiveness through innovation and new technologies and promoting the passage of legislation providing for inclusive, sustainable structural change.

Timeline

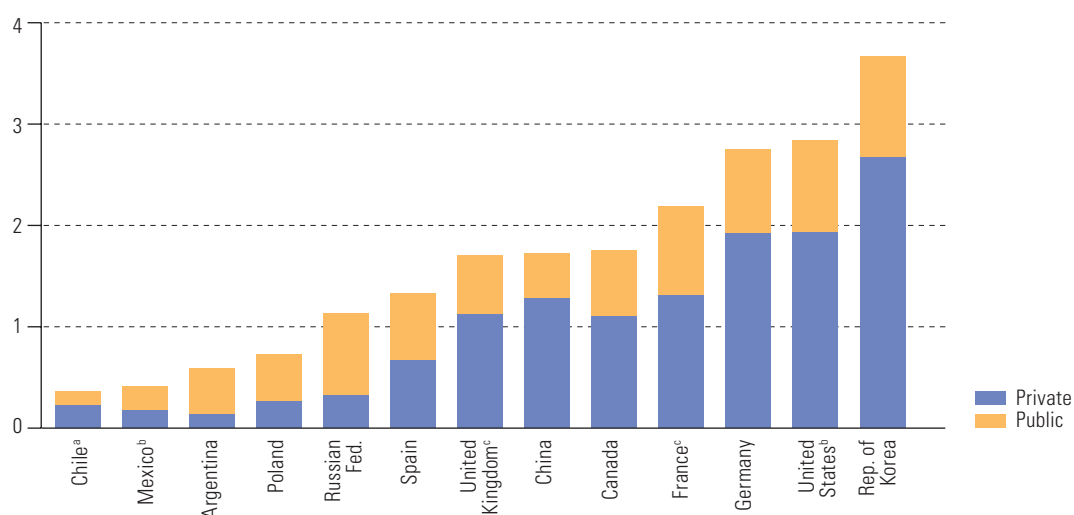
2010	The Mexican Government sought to achieve the target of investments in technology and research totalling 1% of GDP, but the policies introduced for this purpose fell short.
2014	CONACYT requested assistance from ECLAC with the development of tax incentives as part of the 2013–2018 National Development Plan. ¹ The Plan identified science, technology and innovation as a national priority and established the goal of increasing the productivity of the economy and diversifying towards economic activities that produce greater added value in order to ensure the sustainability of growth, development and social inclusion. To this end, the Plan calls for an increase in R&D and the reorganization and strengthening of the country's national innovation system.
2015	ECLAC provided CONACYT with technical assistance in the development of a conceptual frame of reference that includes baseline assessments, comparative analyses and design elements for a fiscal tool for the promotion of innovation and technological development.
2016	As the literature on this issue in Latin America is quite limited, direct contact was made with the authorities responsible for administering similar fiscal incentives in Argentina, Brazil, Chile and Colombia. This collaborative process concluded with a workshop that made it possible to incorporate lessons learned from practical experiences into the analysis and proposal for such an incentive. The 2017 economic package presented in September included a proposal to amend the country's income tax laws in order to introduce a chapter on fiscal incentives for research and technological development that establishes a corporate tax rebate of 30% on the cost of investments in these areas. In October, the Mexican Senate approved the tax reform.

¹ See Government of Mexico. "Plan Nacional de Desarrollo 2013–2018", *Diario Oficial*, Mexico City, 20 May 2013 [online] <http://www.cofemer.gob.mx/documentos/marcojuridico/rev2016/PND%202013-2018.pdf> (Spanish only).

2017

An event was held to present the R&D tax incentive package to CONACYT representatives and to discuss trends and impacts of the new international economic order, changing corporate strategies and new public policy challenges in high-technology industries. On 28 February 2017, the regulations for the application of the tax incentive were issued, and it entered into effect in March.

Figure 1



Source: Organization for Economic Cooperation and Development (OECD) and National Council for Science and Technology of Mexico (CONACYT).

^a Figures for 2008.

^b Figures for 2009.

^c Preliminary figures.

Contribution and impact

- Under the Innovations for Sustainable Structural Change Programme, a dozen activities, including workshops, political dialogues and technical assistance services in 10 countries, were carried out.
- ECLAC-BMZ/GIZ provided CONACYT with assistance in the development of the draft legislation on fiscal incentives in the context of the 2013–2018 National Development Plan.² The Plan identifies science, technology and innovation as a national priority (Goal 3.5).
- The ECLAC-BMZ/GIZ cooperation programme's activities led to the signature of a partnership agreement between CONACYT and ECLAC for the preparation of a proposal for improving innovation instruments and heightening their impact in promoting private-sector investment in innovation.
- A conceptual frame of reference was developed that includes baseline assessments, comparative analyses and design elements for a fiscal tool for the promotion of innovation and technological development.

² See Government of Mexico, "Plan Nacional de Desarrollo 2013–2018", *Diario Oficial*, Mexico City, 20 May 2013 [online] <http://www.cofemer.gob.mx/documentos/marcojuridico/rev2016/PND%202013-2018.pdf> (Spanish only).

Table 1

Goal, strategy and action lines relating to science, technology and innovation in the National Development Plan, 2013–2018

Goal 3.5.	To make research, technological development and innovation pillars of an economically and socially sustainable form of progress.
Strategy 3.5.1.	Contribute to an annual increase in national investments in research and technological development that brings the level of such investments up to 1% of GDP.
Action lines	<ul style="list-style-type: none"> - To help coordinate the efforts of private, public and social sectors to increase investment in research, technology and innovation and to heighten its effectiveness and efficiency. - To bring about a steady increase in public expenditure on research, technology and innovation. - To promote investments in research, technology and innovation by public institutions of higher learning. - To boost investment by the production sector in research, technology and innovation. - To take better advantage of international sources of financing for research, technology and innovation.

Source: See Government of Mexico, “Plan Nacional de Desarrollo 2013–2018”, *Diario Oficial*, Mexico City, 20 May 2013 [online] <http://www.cofemer.gob.mx/documentos/marcojuridico/rev2016/PND%202013-2018.pdf>.

- An event was held for government representatives from Argentina, Brazil, Chile and Colombia who work with these kinds of mechanisms so that they could share their experiences and exchange information.
- This partnership gave CONACYT an opportunity to explore available options for increasing investment, while the technical assistance provided by ECLAC contributed to the identification of global and regional trends.
- The 2017 economic package was launched on 8 September 2016 and provided for the modification of income tax laws and the introduction of a tax incentive for research and technological development. The 30% tax credit for the cost of investments in R&D incorporated various elements of the proposal put forward by ECLAC.
- The proposal included mechanisms for avoiding past mistakes. To this end, companies which are interested in availing themselves of this tax incentive are required to submit a detailed investment proposal to a commission that assesses each such proposal on a case-by-case basis.
- The incentive was well received by the private sector, and numerous proposals were submitted. Approximately 30% of the applications were found to be technically feasible and were approved.³
- Only 10 months after the incentive’s launch, CONACYT had already registered an additional 45 R&D investment projects for a total of US\$ 36 million.

³ See Inter-agency Committee for the Implementation of the R&D Tax Incentive, “Acuerdo por el que se emiten las reglas generales para la aplicación del Estímulo Fiscal a la Investigación y Desarrollo de Tecnología”, *Diario Oficial de la Federación*, Mexico City, 28 February 2017 [online] https://www.conacyt.gob.mx/images/pdfs/conacyt/efidet/1490833676DOF_-_Reglas_Generales_para_la_aplicacion_del_EFIDT.pdf (Spanish only).

Table 2

No.	Taxpayer	Project	Tax incentive
1	Productos Químicos de Chihuahua, S.A. de C.V.	Biostimulants for the health of the rhizosphere	16 828 212.20
2	Servicios Incorporados Múltiples, S.A.P.I. de C.V.	Optimization of iron and steel industry logistics	49 002 132.35
3	Mondelez México, S. de R.L. de C.V.	Sustainability and innovation in confectionery Pilot cream cheese processing plant	8 927 645.35
4	Fritos Totis, S.A. de C.V.	Scaling up the acrylamide reduction process	1 037 928.90
5	Ingeniería y Maquinaria de Guadalupe, S.A. de C.V.	Development of a new high-resistance third generation type of steel	2 081 700.00
6	Ripipsa, S.A. de C.V.	Industry 4.0 workstations	522 355.94
7	Miranda Tecnologías de la Información, S.C.	Drupispace	277 251.60
8	Siemens, S.A. de C.V.	Development of nano-structured polymers	469 345.44
9	Eurotranciatra México, S.A. de C.V.	Innovation and technological development for a manufacturing process system	18 876 458.49
10	Troquelados Automotrices R.C., S.A. de C.V.	Manufacture of anti-vibration injection systems	2 738 845.52

Source: Inter-agency Committee for the Implementation of the R&D Tax Incentive, “Informe sobre los proyectos de inversión que ingresaron solicitud al Sistema en línea del 1 de abril al 31 de mayo de 2017, el monto autorizado del estímulo fiscal previsto en el artículo 202 de la Ley del Impuesto sobre la Renta y los contribuyentes beneficiados”, Mexico City, 2017 [online] https://www.conacyt.gob.mx/images/pdfs_conacyt/efidet/Resultados_2017_EFIDT.pdf.

Dominican Republic: formulation of nationally determined contributions

Description

Nationally determined contributions (NDCs¹) are a fundamental element of the Paris Climate Change Agreement for achieving the goal of stabilizing the climate by holding the increase in global temperatures to no more than 2 degrees Celsius. The NDCs set each country's specific goals for mitigation and adaptation. The ECLAC-BMZ/GIZ programme sought to contribute to the formulation of the NDCs in each of the countries concerned by assisting with the design, instrumentation and assessment of public policies aimed at helping to meeting the NDC targets and contributing to sustainable development. This work was conducted as part of the Environmental Fiscal Reform Project, which formed part of the ECLAC-BMZ/GIZ cooperation programme and was implemented between 2014 and 2016 with a budget of 420,000 euros. The objective was to pave the way for the implementation of environmentally oriented fiscal reform packages. This initiative addresses climate change as a global negative externality which can only be overcome by making use of a wide range of measures, with fiscal instruments being one of those tools.

Timeline

2008	Having committed to the fight against climate change, the Government of the Dominican Republic launched its National Action Plan ² and created the National Council on Climate Change and the Clean Development Mechanism (NCCC-CDM). ³
2011	The Council developed the National Climate-Compatible Development Plan ⁴ aimed at reducing emissions by 25% while boosting GDP by 140%.
2009	ECLAC developed a range of analytical tools for the construction of scenarios that incorporate its structural emissions and sustainable development economic model ⁵ for analysing greenhouse gas emissions based on different assumptions regarding economic growth, energy intensity and emissions-to-GDP ratios.

¹ NDCs represent countries' plans within the framework of the Paris Agreement for contributing to international efforts to ensure a sustainable future by keeping the global temperature increase under 2°C (ideally no more than 1.5° C) and achieving a zero emissions level.

² See Secretariat for the Environment and Natural Resources, *Plan de Acción Nacional de Adaptación al Cambio Climático en la República Dominicana*, Santo Domingo, 2008 (Spanish only).

³ See National Council on Climate Change and the Clean Development Mechanism [online] <https://cambioclimatico.gob.do/> (Spanish only).

⁴ See National Council on Climate Change and the Clean Development Mechanism, "Plan DECCC", Santo Domingo, 2011 [online] <https://cambioclimatico.gob.do/plan-deccc/>.

⁵ See J. Samaniego and L. Galindo, "Escenarios de emisiones de gases de efecto invernadero asociados a combustibles fósiles y cemento en América Latina", *Economía Informa*, No. 360, Mexico City, National Autonomous University of Mexico (UNAM), 2009 (Spanish only).

2015

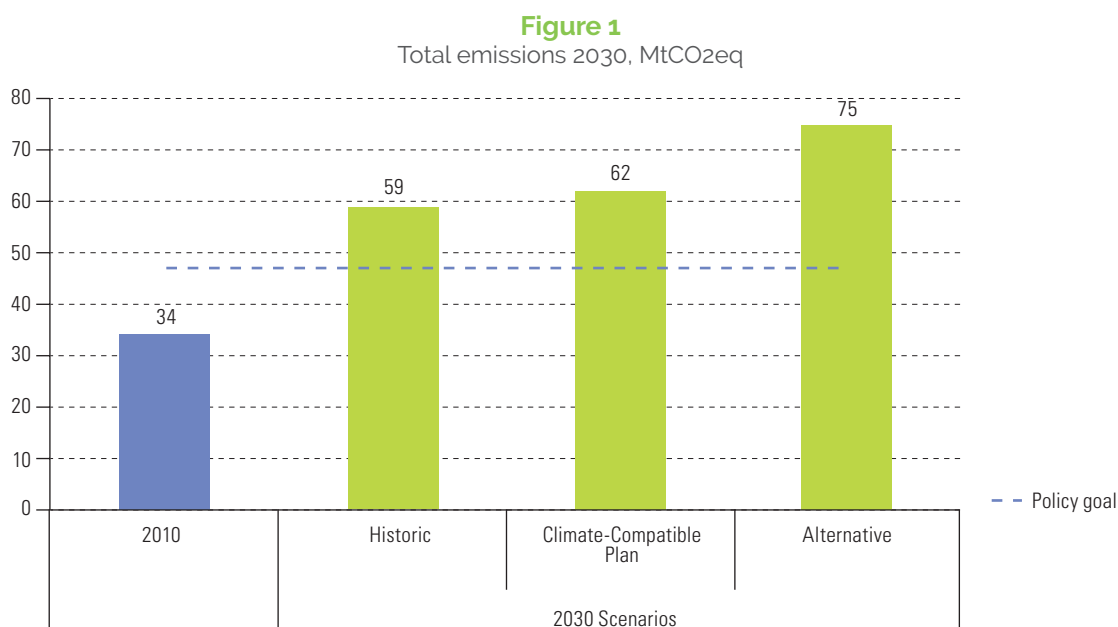
The Government of the Dominican Republic expressed interest in using this model as a tool for simulating emissions scenarios in preparation for the establishment of its Intended Nationally Determined Contributions (INDCs). That, along with the previous work done by GIZ in the programme on support for the implementation of the CCDP Plan in the cement and solid waste sectors, paved the way for joint efforts with the Government of the Dominican Republic. In 2015, the government requested assistance from the ECLAC-BMZ/ GIZ cooperation programme in building the institutional capacity of NCCC-CDM for the preparation of a report on the nationally determined contributions to the United Nations Framework Convention on Climate Change (UNFCCC).

Contribution and impact

- ECLAC developed a structural econometric model that includes a component for the analysis of greenhouse gas emissions on the basis of an array of assumptions involving different economic growth rates. The Government of the Dominican Republic expressed interest in using this model as a tool for simulating emission levels in calculations being conducted in preparation for the establishment of its nationally determined contributions (NDCs).

$$(1) \quad I = P \times A \times T$$

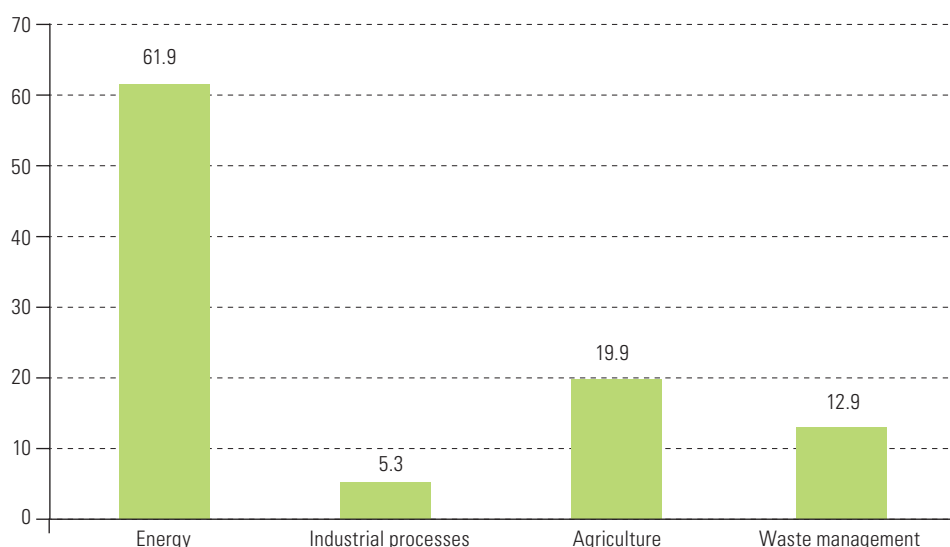
I = Impact, P = Population, A = Affluence, T = Technology



- The Government of the Dominican Republic received technical assistance from the ECLAC-BMZ/ GIZ cooperation programme in the use of this model. This effort underpinned discussions on the many different macroeconomic scenarios and their implications in the context of the INDCs and laid the groundwork for the adaptation of the structural economic model of emissions and sustainable development and its transfer to the National Council for Climate-Compatible Development and the Clean Development Mechanism.

- The cooperation programme provided representatives of the Ministry of Economic Affairs, the Ministry of the Treasury and the Central Bank with training in the use and adaptation of the model for its subsequent application to the formulation of greenhouse gas emissions reduction targets.
- This process also helped to increase awareness and build participants' capacities in the area of mitigation and in the measurement of strategy impacts.
- The participation of stakeholders who recognized the shared benefits of the programme was regarded as an example of good practice by the International Partnership on Mitigation and MRV.⁶ Consultations with stakeholders also fostered a feeling of ownership.
- The cooperation programme's experience contributed to the understanding of the relationship between climate change and macroeconomics and the role of fiscal policy in addressing new challenges such as the one posed by climate change.
- The simulation tool enabled the government to compare various emissions scenarios for different sectors of the economy. As a result, the government was able to obtain estimates for INDCs based on that analysis and to proceed to develop the necessary projections.
- This work confirmed that the sectors which produce the most emissions are energy (62%), agriculture (20%) and waste management (13%).⁷

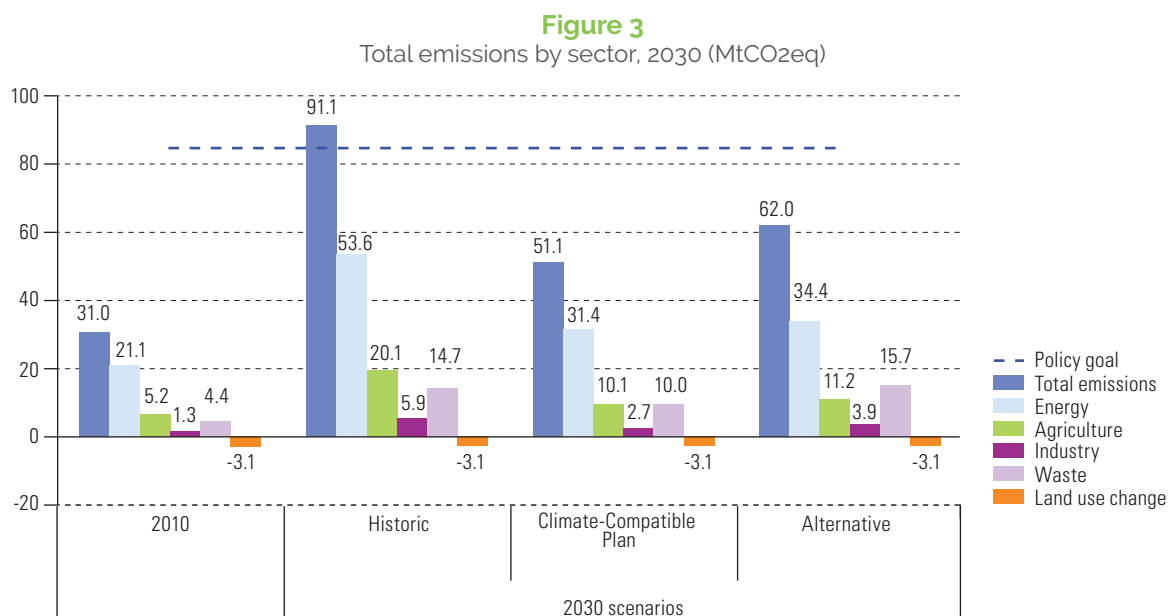
Figure 2
Emissions by sector, 2010



Source: Ministry of the Environment and Natural Resources/National Council on Climate Change, *Inventario Nacional de Gases de Efecto Invernadero (INGEI) de la República Dominicana, año base 2010*, Santo Domingo, 2015.

⁶ See Partnership on Transparency in the Paris Agreement, "Stakeholder involvement and the consideration of co-benefits in the preparation of the Dominican Republic's INDC", 2015 [online] https://www.transparency-partnership.net/sites/default/files/ws15223_domrep_gpa2015_en_fin_web.pdf.

⁷ See Ministry of the Environment and Natural Resources/National Council on Climate Change, *Inventario Nacional de Gases de Efecto Invernadero (INGEI) de la República Dominicana, año base 2010*, Santo Domingo, 2015 (Spanish only).



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

- This model is considered to be a valuable tool for gauging impacts, tracking progress and addressing future policy issues relating to emissions reductions.
- The technical assistance that was provided set the stage for the validation of emission reduction goals and for the establishment of the goal of a 25% reduction in greenhouse gas emissions by 2030.
- The exchange of information about experiences in other countries and data from countries in similar positions were useful for the representatives of the Dominican government. The opportunity for ECLAC consultants to visit the Dominican Republic also raised awareness about the topic thanks to the media coverage of their visit.⁸
- The experience ended up serving as a point of reference for other countries. Some of the Dominican consultants who participated in this initiative were later recruited to replicate their work in St. Kitts and Nevis.
- These policies will remain in place regardless of which Administration is in office at any given point in time. There is an ongoing commitment to place priority on the fight against climate change within the sustainable development agenda through the strategic integration of adaptation and mitigation measures in public policies and in both public-sector and private-sector investment programmes.⁹
- The Dominican Republic is the second country in the Caribbean subregion and the third in Latin America to submit its targets to UNFCCC. The actions taken in fulfilment of these NDCs will largely determine whether or not the world achieves the long-term goals set forth in the Paris Agreement.

⁸ See Global Democracy and Development Foundation, "Galindo recomienda reformas fiscales ambientales y climáticas para lograr un desarrollo sostenible", Santo Domingo [online] <http://www.funglode.org/notice/galindo-recomienda-reformas-fiscales-ambientales-y-climaticas-para-lograr-un-desarrollo-sostenible/> (Spanish only).

⁹ See O. Ramírez, "Los sistemas de Transparencia y su importancia para medir el progreso de la implementación de los NDCs", document presented at the Regional Workshop of Experts on Climate Change and Energy of the Latin American and Caribbean Region, Lima, 25-26 May 2017 [online] http://www.olade.org/wp-content/uploads/2017/06/Transparencia-RD_Omar-Ramirez.pptx (Spanish only).

Ecuador: Environmental Expenditures Classifier

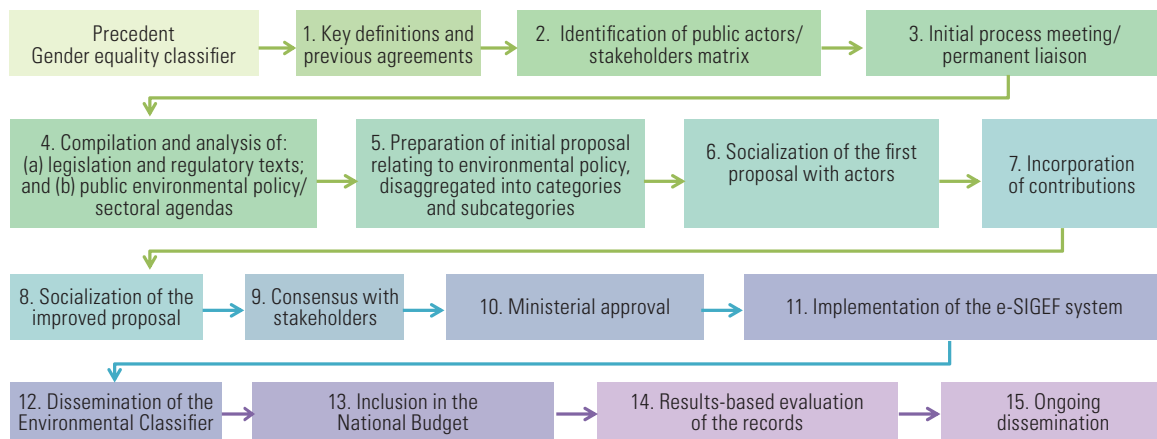
Description

The Government of Ecuador requested technical assistance from the ECLAC-BMZ/GIZ cooperation programme with the implementation of the Environmental Expenditures Classifier. The Government plans to use this tool to track the public resources allocated for different purposes, such as the fight against climate change, conservation and biodiversity, natural resources management and R&D. The goal was to develop a methodology that would allow the government to trace the link between expenditures in these areas and the results obtained. ECLAC-BMZ/GIZ provided assistance to the Ecuadorian government under the Fiscal Policy and Climate Change Programme implemented between 2012 and 2014 with a budget of 230,000 euros, and the Environmental Fiscal Reform Programme implemented between 2014 and 2016 with a budget of 420,000 euros.¹

Timeline

2012	With the support of the German Agency for Technical Cooperation (GTZ) and UNIFEM, the Ecuadorian government launched a classifier aimed at tracking public resources related to the promotion of gender equality. The application of the system is being extended to other areas, including environmental policy. ¹
2014	The work in this area started with a request from the Ministry of Economic Affairs and Finance for technical assistance from ECLAC-BMZ/GIZ with the implementation of a classification tool to help guide spending on environmental policies.
2014-2015	ECLAC-BMZ/GIZ assisted in the formulation, construction and implementation of the following system.
2016	The government began to use the Environmental Expenditures Classifier.

Diagram 1



Source: Ministry of Economic Affairs and Finance. "Taller Políticas Públicas frente al Cambio Climático en América Latina y el Caribe: Clasificador orientador de gasto en política ambiental". (A presentation) *Workshop on Public Policies against Climate Change in Latin America and the Caribbean. Environmental Expenditures Classifier*. Guatemala City, 23-24 June 2017 (Spanish only).

¹ See Ministry of Economic Affairs and Finance, "Clasificador orientador de gasto en políticas de igualdad y ambiente". Quito, 2017 [online] https://www.finanzas.gob.ec/wp-content/uploads/downloads/2017/08/21-jul-2017-DNEQF-presentacion-JULIO-2017_b.pdf (Spanish only).

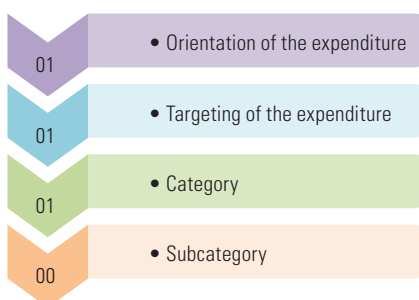
Contribution and impact

- ECLAC-BMZ/GIZ provided the Ministry of Economic Affairs and Finance with technical assistance in the development of the Environmental Expenditures Classifier in 2014 and 2015.
- The Ministry developed guidelines for its implementation that were incorporated into the national budget, and a decree was issued that institutionalized the tool and requested that it be used by all government institutions to classify their environmental expenditures.
- The ECLAC-BMZ/GIZ cooperation programme's experience in working in the area of climate change and environmental policies proved to be highly useful in achieving a rapid conceptualization of the tool.
- The technical assistance provided by ECLAC-BMZ/GIZ contributed to the analysis of similar international experiences and the adaptation of the methodology, based on the classification tool for expenditures on gender equality policies described earlier, to the local context and environmental needs.
- The Classifier has a structure involving four levels of disaggregation.

Diagram 2

The classifier's structure

4 levels of disaggregation



Source: Ministry of Economic Affairs and Finance, "Clasificador orientador de gasto en política ambiental", document presented at the Workshop on Public Policies against Climate Change in Latin America and the Caribbean, Guatemala City, 23-24 June 2017 [online] https://www.cepal.org/sites/default/files/courses/files/mef_ecuador_para_cepal_en_ciudad_de_guatemala-junio_2017.pdf.

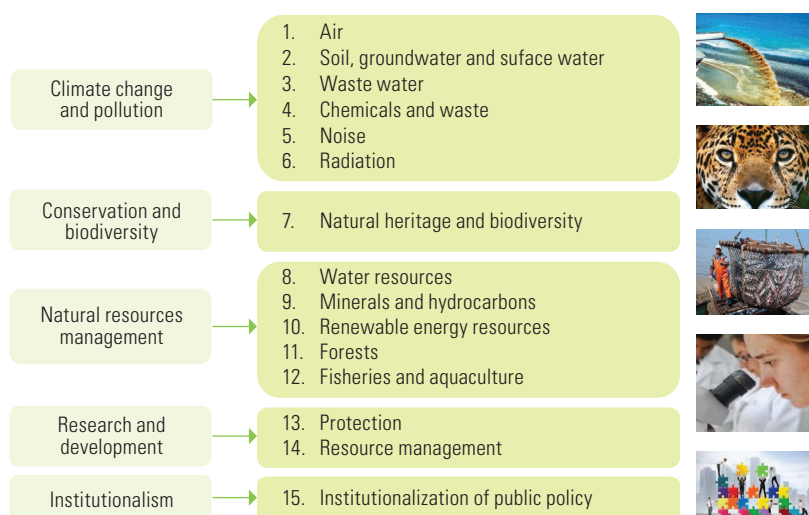
- The tool includes an Excel template which divides budgetary expenditures into 15 categories aligned with five potential areas of environmental policy impacts (climate change and pollution, conservation and biodiversity, natural resources management, R&D and institutionalization).
- Subcategories based on possible areas of intervention have been pre-established for each category. For example, expenditures related to climate change in the area of air pollution may be subdivided into prevention initiatives, treatment of contaminants, mitigation and adaptation to climate change, and measurement.
- During the implementation process, the Ministry of Economic Affairs worked extremely closely with numerous government agencies; five different rounds of consultations were carried out over a period of nine months during which many different departments discussed and validated the draft design of the classification tool. This process was divided into two phases:

First phase → Event in Quito in November 2014 with 35 representatives of 6 government agencies.

Second phase → Validation of proposals with 24 government agencies.

- In order to promote the use of the classifier, the Ministry worked with local associations of municipalities and provincial governments. Currently, about 50% of subnational government institutions are using the classifier. This is considered to be a quite good response rate.
- Another of the advantages of the tool is that it allows the visualization of how policies are incorporated into the budget. Thanks to this tool, the Ministry was able to clearly identify budgetary expenditures oriented towards environmental policies (and gender equality policies) in 2016.

Diagram 3
Institutionalization



Source: Ministry of Economic Affairs and Finance, “Clasificador orientador de gasto en política ambiental”, document presented at the Workshop on Public Policies against Climate Change in Latin America and the Caribbean, Guatemala City, 23-24 June 2017 [online] https://www.cepal.org/sites/default/files/courses/files/mef_ecuador_para_cepal_en_ciudad_de_guatemala-junio_2017.pdf.

Table 1
Ecuador: classifier of orientation of expenditure on environmental policies

Field 1	Field 2	Field 3		
Expenditure orientation	Expenditure targeting	Category	Description of classifier	Policy
02	00	00	Environmental policies	
02	01	00	Protecting the atmosphere, the climate and the ozone layer, including the implementation of climate-change mitigation and adaptation measures	Climate change
02	01	01	Preventing pollution through process modification	Prevention
02	01	02	Addressing air pollution caused by motor vehicles and air conditioning units	Treatment of pollutants
02	01	03	Implementing climate-change mitigation and adaptation measures	Climate-change mitigation and adaptation
02	01	04	Monitoring, accounting, auditing: greenhouse gases, climatic variables, air pollution and pollution of the ozone layer, recording variations, etc.	Measurement

Source: Ministry of Finance, “Clasificador de orientación de gastos en políticas de ambiente”, Quito, 2016 [online] <https://www.finanzas.gob.ec/wp-content/uploads/downloads/2016/05/Clasificador-Cat-Subc-Pol..pdf>.

Image 1

An example of how a project is registered

Gobierno Central E- SIGEF

Web: <https://esigef.finanzas.gob.ec>

Ruta: SIGEF - Ejecución de Gastos Modificaciones Presupuestarias → Creación Estructuras Presupuestarias → Programa -> Subprograma -> Proyecto -> **Crear Actividad**

SISTEMA DE ADMINISTRACIÓN FINANCIERA **SIGEF** Usuario: CAPACITACION

Ministerio de Finanzas

Ambiente de pruebas - mantenimiento, actualizado al 28 de marzo de 2014

Catálogos Ejecución de Ingresos Ejecución de Gastos Contabilidad Tesorería Administración de Fondos Información Financiera Tributación Subsidios Consolidación Formulación

SIGEF - Ejecución de Gastos

Modificaciones Presupuestarias - Creación Estructuras Presupuestarias - Programa - Subprograma - Proyecto - Actividad

Ejercicio Activo	2014
Institución	550 - MINISTERIO DE DESARROLLO URBANO Y VIVIENDA
Coordinadora/Unidad Ejecutora	0000 -
Unidad Ejecutora	0000 -
Estructura Programática	Prog - 01 - Subprog - 00 - Pry - 000

Crear Actividad

Sel	Actividad	Nombre Actividad
<input type="radio"/>	001	ADMINISTRACIÓN SERVICIOS DE LA VIVIENDA Y ASUNTOS DE LA COMUNIDAD
<input type="radio"/>	002	GESTIÓN OPERATIVA

1

Source: Ministry of Economic Affairs and Finance, "Clasificador orientador de gasto en política ambiental", document presented at the Workshop on Public Policies against Climate Change in Latin America and the Caribbean, Guatemala City, 23-24 June 2017 [online] https://www.cepal.org/sites/default/files/courses/files/mef_ecuador_para_cepal_en_ciudad_de_guatemala-junio_2017.pdf.

- The Classifier has been presented as a key instrument for the planning, formulation and evaluation of environmental policies. It makes it possible to calculate, prioritize and monitor the use of public resources and track progress towards the fulfilment of environmental obligations.
- Currently, Ecuador is the first country in the region and one of the few in the world to have such a tool.



Economic Commission for Latin America and the Caribbean (ECLAC)
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