



Sistema Económico
Latinoamericano y del Caribe
Latin American and Caribbean
Economic System

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Latino-Americano e do Caribe
Système Economique
Latinoaméricain et Caribéen

Report on the XXXVI Regular Meeting of the Latin American Council

Preparatory Stage

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A. RAPPORTEUR'S REPORT

1. In compliance with the provisions set forth in Article 12 of the Panama Convention, the Preparatory Stage of the XXXVI Regular Meeting of the Latin American Council was held in the headquarters of SELA in Caracas from 27 to 28 October 2010.

2. Participants included delegations from the following Member States: Argentina, Bahamas, Barbados, Belize, Bolivia, Brazil, Colombia, Costa Rica, Cuba, Chile, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Dominican Republic, Suriname, Trinidad and Tobago, Uruguay, and Venezuela; the Permanent Secretary of SELA, Ambassador José Rivera Banuet, and officials from the Permanent Secretariat of SELA.

3. The meeting was opened on 27 October and the Bureau was made up as follows: His Excellency Ramón Leets Castillo, Ambassador of the Republic of Nicaragua in Venezuela, as Chairman; His Excellency Jorge Alvarado Rivas, Ambassador of the Plurinational State of Bolivia in Venezuela, as First Vice-Chairman; His Excellency Mohammed Ali Odeen Ishmael, Ambassador of the Republic of Guyana in Venezuela, as Second Vice-Chairman; and Mr. Ramiro León Torras, Specialist in Economic Policy with Latin America and the Caribbean of the Ministry for Foreign Trade and Investment of Cuba, as Rapporteur.

4. The meeting was opened by His Excellency Ramón Leets Castillo, in his capacity as Chairman of the Bureau, who expressed appreciation on behalf of his government to the Member States for his election and also expressed his readiness to fully support the activities of the Latin American Council and those of the Permanent Secretariat of SELA.

5. The Permanent Secretary of SELA, Ambassador José Rivera Banuet, congratulated the Bureau on their election and said a few words of welcome to participants, expressing SELA's condolences to the Government and people of Barbados for the death of Prime Minister David Thompson; to the Government and people of Argentina for the death of Dr. Nestor Kirchner, who was President of the Republic and Secretary General of the Union of South American Nations (UNASUR); and to the Government and people of Bolivia for the death of Senator Ana María Romero de Campero, President of the Senate of the Plurinational Assembly of Bolivia.

In his speech, Mr. Rivera Banuet stressed that, during his mandate, he has been committed to fulfilling his responsibilities and the activities, as conferred upon him by the Latin American Council, in order to achieve greater and more effective presence of the organization in the region. In this regard, he noted that SELA has been present in the high-level summits held in recent years, such as the Summit of Latin America and the Caribbean on Integration and Development (CALC) – playing an active role in the follow-up to the implementation of its mandates – the Summits between Latin America and the Caribbean and the European Union, and the Ibero-American Summits. He also highlighted that the organization has become a meeting space for Latin American and Caribbean countries. In this connection, he noted that the IBERPYME Programme has carried out some activities in countries of CARICOM that are Member States of SELA. Additionally, he emphasized cooperation activities in food security, trade facilitation, health and digital integration, natural disasters and climate change, as well as activities related to the Meetings of International Cooperation Directors of the region.

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Finally, he thanked the majority of Member States for having complied with their financial commitments to the Permanent Secretariat, and said that 80% of the annual quota contributions has been collected this year.

6. The delegation of Costa Rica announced the country's re-entry to SELA, which is being officially formalized to the Ministry of Foreign Affairs of the Bolivarian Republic of Venezuela. The delegation also reiterated the request for Costa Rica to offer the venue for the Regional Meeting on cultural integration and incentives to the development of cultural industries, to be held in 2011, in compliance with the mandates of CALC.

7. Participants in the Meeting expressed its condolences on the much lamented deaths of Prime Minister of Barbados, the Honourable Mr. David Thompson; Dr. Néstor Kirchner, who was President of the Republic of Argentina and Secretary General of the Union of South American Nations (UNASUR); and Senator Ana María Romero de Campero, President of the Senate of the Plurinational Assembly of Bolivia. Then, a minute's silence was observed in their memory.

8. Participants in the meeting expressed their solidarity with Belize and Guatemala in the wake of the damages caused by Hurricane Richard.

9. The Chairman brought to the attention of delegations the Draft Agenda of the meeting, which was approved without amendments, as follows:

- I. Organization of Works
- II. FORUM: "Knowledge Economy and Social Development in Latin America and the Caribbean"
- III. Annual Report of the Permanent Secretariat
- IV. Work Programme for the Year 2011
- V. Budget of the Permanent Secretariat for the Year 2011 and
- VI. Institutional and Administrative Matters
- VII. Other Matters

XXXIV ANNUAL REPORT OF THE PERMANENT SECRETARIAT

10. The Permanent Secretariat submitted its Thirty-fourth Annual Report of Activities for the period from November 2009 to September 2010 (SP/CL/XXXVI.O/DT N° 3-10/Rev.1), detailing the level of performance of the Work Programme for 2010 as well as other tasks and accompanying activities carried out by the organization in fulfilling its institutional responsibilities. The Permanent Secretariat also explained in detail the new digital image of SELA offered publically to its Member States and the world, with the launching the new Web site of SELA, which includes significant enhancements as regards its look and feel, making it an innovative, cutting-edge reference in the Information Society.

11. The Chairman thanked the Permanent Secretariat for the presentation of the report and invited delegations to comment on the matter.

12. The delegation of Bolivia congratulated the Permanent Secretariat for its work, which it deemed to be of great interest for the Member States, since it is based on the key aspects of the reality prevailing in the region. In this regard, the delegation considered that SELA has regained relevance in the region, as shown with the return of Costa Rica and a greater financial support from the Member States.

13. The delegation of Colombia expressed satisfaction at the return of the Republic of Costa Rica to SELA, endorsed the congratulations on the report, and highlighted the fact that the mandates were fully met with the limited staff available to the Permanent Secretariat. The delegation also made a recommendation to reflect on the future of regional integration and the contribution that SELA could make to this process on the basis of its capacities and strengths.

14. The delegation of Cuba congratulated the Permanent Secretariat for its efficiency in fulfilling the mandates agreed upon and endorsed the report. The delegation underscored the efforts of the PS as regards the mandates and programmes of CALC.

15. The delegation of El Salvador congratulated the Permanent Secretariat for the Report and particularly noted the dissemination and communication activities with the Member States. In this regard, the delegation highlighted the consistency between the activities of the Permanent Secretariat and the contents of the mandates and programmes of CALC. They were particularly pleased with the development of the IBERPYME Programme and the quality of SELA'S Web site.

16. The delegation of Ecuador congratulated the Permanent Secretariat for the wealth of activities carried out during the year, which in his view is a manifestation of the maturity that the organization has achieved over the years since its inception. However, the delegation said that the organization is currently facing several challenges, such as the following:

- a) To recognize the emergence of new forms of economic development in the region.
- b) To further promote consultation and coordination among countries of the region in order to work out common, consensus-based positions vis-à-vis international forums and third countries.
- c) To develop criteria on the characteristics, comparative advantages, and evolution of foreign trade by product and destination, among other things, in order to help Member States address systemic crises.
- d) To identify opportunities for complementarity and characterize the economy of the region, particularly as regards the characteristics of the economy of Good Living.

The delegate of Ecuador also said that he had the impression that there is dispersion in the activities undertaken by the Permanent Secretariat and, in this regard, he recommended to rationalize and prioritize activities on the basis of a strategic agenda for LAC.

17. The delegation of Belize thanked the countries that have supported Belize in the wake of the human and material losses left by Hurricane Richard, which struck the country recently. The delegation also congratulated the Permanent Secretariat for the report. Finally, the delegate expressed gratitude to the Permanent Secretariat for its collaboration in the design of a science and technology programme for his country, which was supported by other Member States. Finally, they considered it necessary to conduct an assessment of the damage caused by Hurricane Richard in their territory and asked for solidarity and support of Member States to recovery efforts.

18. The Brazilian delegate endorsed the congratulations for the report submitted by the Permanent Secretariat, highlighting the activities in support to his country as well as the meetings held by the Permanent Secretary with Mr. Celso Amorin, Minister of Foreign

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Affairs of Brazil, and other officials of his government. He made emphasis on the ability of the Permanent Secretariat to keep itself up to date with respect to the interests of the countries of the region.

Finally, in accordance with the suggestions made by the delegation of Ecuador, he underscored the need for the Permanent Secretariat to take into account the following recommendations in its future activities:

- a) Achieve a balance between the themes of the Work Programme and the available resources.
- b) Search for practical ways to help governments to work out consensus-based positions vis-à-vis international issues.
- c) Adopt measures to ensure that the documents prepared by the Permanent Secretariat are made available to the relevant agencies in a more effective way.
- d) Keep a follow-up and support, as necessary, the conduction of the activities resulting from the development of CALC, particularly those related to trade and economic issues.
- e) Update the studies on the relations of Latin America and the Caribbean with emerging economies, such as China, India and African countries, among others.

19. The delegation of Bahamas expressed its gratitude and recognition to the Permanent Secretariat for its work and endorsed the report submitted. The delegation also suggested that the report could be improved by linking SELA's activities to its overall goals. Such improvement could maximize the potential benefit to SELA from the re-engineering of its Web site, which now includes access to SELA's work through the most popular social networks on the World Wide Web at present.

20. The delegation of Chile endorsed the congratulations and recognition to the Permanent Secretariat for the work carried out during the year, saying that it was a very comprehensive and complete report, which revealed great professional quality. However, the delegation warned about the need to avoid duplication of efforts.

21. The delegation of Guyana expressed its solidarity with the Republics of Belize and Guatemala in view of the damages caused by Hurricane Richard, which struck them recently. The delegation congratulated the Permanent Secretariat for the report and commended, in particular, the information and dissemination system offered on SELA's Web site. With respect to the Work Programme, the delegation agreed with the views expressed by the delegation of Ecuador.

22. The delegation of Guatemala thanked the countries for their solidarity vis-à-vis the impacts of the recent hurricane. Particularly, the delegation thanked Venezuela for its support and solidarity, and requested Member States to provide support to its country in the area of food security.

23. The delegation of Dominican Republic endorsed the congratulations and recognition to the Permanent Secretariat for its activities, and made emphasis on the dynamism of the Permanent Secretary and his staff and the usefulness of the new Web site of SELA. The delegation expressed its solidarity with the Republic of Haiti in view of the damages caused by the earthquake that struck it with serious impacts on its population, such as the resulting cholera epidemics.

24. The delegation of Venezuela underscored the importance of the re-entry of Costa Rica to SELA, which he considered a new fundamental support for the

organization. The delegation thanked the Permanent Secretariat, on behalf of its government, for its collaboration during the Meeting of regional and subregional integration mechanisms in Latin America and the Caribbean, which was held on 25 and 26 October, in the headquarters of SELA, under the leadership of the Venezuelan government, which holds the Presidency of CALC until July 2011. Finally, the delegation endorsed the proposals made by the delegation of Ecuador.

25. The delegation of Suriname endorsed the recognition to the Permanent Secretariat for its activities. Particularly, the delegation thanked for the support offered to the country in conducting the Meeting of International Cooperation Directors, recently held in Paramaribo. In this connection, they asked the Permanent Secretariat to consider further meetings in their country.

26. The delegates expressed their solidarity and support to the Republic of Haiti for the human and material damage caused by the earthquake that devastated its territory in January this year and the epidemic of cholera resulting from this event. In this regard, the delegates adopted the Draft Declaration annexed to this Report.

27. The delegation of Haiti thanked the rest of the delegations for their expressions of solidarity and support following the tragic human and material damage caused by the earthquake. In addition, they endorsed the expressions of recognition and support to the Permanent Secretary made by the other delegations.

28. The delegation of Jamaica also congratulated the Permanent Secretariat for the report, and made special emphasis on the increased number of activities related with Caribbean countries.

29. The Delegation of Ecuador referred to the events occurred in their country on 30 September 2010, which represented an attempt to break the democratic order and peace in the Ecuadorean nation. In this connection, the Meeting adopted the Draft Declaration annexed to this Report.

WORK PROGRAMME OF THE PERMANENT SECRETARIAT OF SELA FOR 2011

30. The Permanent Secretariat presented the Draft Work Programme for the year 2011 (SP/CL/XXXVI.O/DT N° 4-10), noting that it took into consideration the guidelines set forth in Decision N° 440 of the Latin American Council, according to which activities are divided into three areas: intra-regional relations, economic and technical cooperation and extra-regional relations. In preparing the Draft Work Project, the Permanent Secretariat analyzed the compliance of the objectives outlined in the Work Programme for the year 2010 and included proposals arising from the conclusions and recommendations adopted by Member States in various activities and meetings held during the year. Views and suggestions from representatives of the Member States were also taken into consideration in the ongoing consultation process on the work of the institution.

31. The Chairman thanked the Permanent Secretariat for the presentation of the Draft Work Programme for the year 2011 and invited the delegates to express their opinions.

32. The delegation of Cuba thanked the Permanent Secretariat for the presentation of the Draft Work Programme and expressed its full support to its contents.

33. The delegation of Ecuador expressed their concern that the Draft Work Programme was not prepared on the basis of programmes and projects and, in their opinion, includes

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a series of activities that has a broad scope. In this connection, the delegation recommended that priority activities are more clearly identified in the future and proposed three strategic lines: give greater support to follow-up activities related to regional integration; develop mechanisms for consultation and coordination for the countries of the region in international forums; and create mechanisms to help the governments deal with the major economic issues affecting the region.

34. The Permanent Secretary underscored the consultation and coordination efforts made by SELA in the past, requiring considerable time and resources by the Permanent Secretariat. He stressed that the Secretariat is currently making efforts to promote consultation and coordination among its Member States in WTO and WIPO negotiations in order to achieve a more effective presence of the countries in the region. In particular, he stressed the importance of carrying out a preparatory meeting before the next Conference of UNIDO in 2011 and ensured that the Permanent Secretariat will resume and print dynamism to this activity. As regards the Work Programme, he said that the Permanent Secretariat will make every effort during the year to refine and streamline its activities, in accordance with the consultations to take place regularly with the Member States.

35. The delegation of Venezuela expressed their government's interest, as Chairman of CALC until July 2011, to hold the Meeting of Regional and Subregional Integration Mechanisms on Production in the headquarters of the Permanent Secretariat. They asked the Permanent Secretariat to include the terms "economic complementarity" and "cultural integration" and to mention, in the Draft Work Programme of SELA, the support by the organization to the Caracas Work Programme for the implementation of the Montego Bay Plan of Action 2010-2011.

36. The delegation of Bolivia considered it necessary that the Permanent Secretariat should continue its coordination efforts with the Member States to adjust the Work Programme during the year.

37. The delegation of El Salvador said that there is great coincidence between the activities of the submitted Draft Work Programme and the tasks to be developed by CALC. In this connection, they recommended to create a matrix that contributes to correlating the activities of SELA and CALC in order to identify those of the Summit that could be supported by SELA.

38. The delegation of Bahamas expressed support to the recommendation submitted by the delegation of El Salvador.

39. The delegation of Brazil agreed with the suggestions of the delegation of Ecuador, and made some specific remarks on Activity II.1.4 of the Draft Work Programme, which were taken into account by the Permanent Secretariat. In general, the Brazilian delegation deemed it necessary to work jointly with other organizations of the region on similar issues, and said that the next Work Programme should deal with specific interests of the Member States.

As regards the diversification of foreign economic relations of Latin America and the Caribbean, they stressed the need to gain additional knowledge of China, India and the Russian Federation and suggested to consider other markets in Africa and Middle East, regions with great potential. They indicated a change in Brazilian politics, focusing on South-South relations, and considered it of great interest to move towards greater integration and complementarity among the countries of the region.

Finally, they expressed the readiness of their government to support the activities of the Permanent Secretariat and stressed the need for SELA to become a reference point for the countries in the region, keeping permanent contacts with the Member States in the next twelve months for the development of the Work Programme.

40. The Permanent Secretary noted that the Draft Work Programme addresses the basic interests of Member States. In this connection, he reported that the Permanent Secretariat is kicking off works on long-term economic prospects and possible economic and trade relations with countries in Africa and the Middle East. As regards the format of the Draft Work Programme, he said that it has been prepared in accordance with Decision No. 440 of the Latin American Council, and that the appropriate consultations with Member States as to the adjustments that are necessary due to changes in the economic situation of the region and the world will be carried out during the year, so as to adapt it to the changes in the regional and global economy.

41. The delegation of Colombia endorsed the proposals of the delegation of Ecuador, and suggested that it was advisable to move towards a new design of SELA that is in line with the tasks and objectives of the new institutions that have emerged in the region. Additionally, the Colombian delegation stated that, in the context of CELAC, it would be necessary to think about the future role of SELA, so as to avoid duplicating roles and efforts. The delegation considered especially important all the support that SELA can offer in order to comply with the Millennium Development Goals, focusing on activities related to health and education.

42. The Permanent Secretary said that the Permanent Secretariat has given serious consideration to the works of CALC, at whose meetings he has participated and presented proposals in the four areas of work. He stressed the support provided during the recent Meeting of Regional and Subregional Integration Mechanisms in Latin America and the Caribbean, held in the headquarters of the Permanent Secretariat, on 25 and 26 October.

43. The delegation of Ecuador suggested that, over the next twelve months, the following recommendations for the implementation of the Work Programme of the Permanent Secretariat should be taken into account:

- a) The need for the Latin American Council to start redesigning SELA in relation with the activities of CALC.
- b) To seek better agreement with regional integration processes.
- c) To enhance consultations and coordination with a view to adopt a common stance and strategy both regionally and globally.
- d) To provide further information and implement work procedures about the region's economy.
- e) To make contributions leading to further economic development based on social inclusion and cultural identity.
- f) To keep track of the Summits on strategic economic issues.
- g) To analyse the characteristics and nature of the new economic models emerging in the region, taking into account both diversity and complementarity.

44. The Permanent Secretary stressed that some of the proposals submitted by the delegation of Ecuador have been included already in the Draft Work Programme, and some relevant actions have been taken in some cases. In this regard, he noted the reports on the evolution and prospects of regional integration that have been endorsed

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by Member States and various agencies in the region. Regarding the adoption of a common stance in international economic forums, he stated that such a proposal is related to the proposal submitted by the Brazilian delegation. He highlighted that efforts in that direction have been intensified, in order to find better ways of regional economic integration into the global economy. He also noted that activities intended to support SMEs and MSMEs will be galvanized, adding that social aspects were included in this issue two years ago. As regards summit follow-up, he reminded that the Website of SELA includes a Regional Summit Observatory.

Regarding the proposal to analyze the new economic models emerging in the region, the Permanent Secretariat stated that relationships with other bodies may be useful to adopt this recommendation by exchanging ideas and information. As far as the issue of economic development involving cultural identity is concerned, he said that it is related to the issue of cultural industries and cultural integration currently being developed. He suggested rethinking this issue and seeking stronger ties among countries in the region. Finally, he considered that there are reasonable grounds to rethink the Work Programme, and stated that the Permanent Secretariat will be pleased to hear the relevant proposals with great interest.

45. The Permanent Secretariat informed about the results of the II Regional Seminar UNCTAD-SELA on Trade and Competition, held in Brasilia, Brazil, from 26 to 28 May 2010. In this regard, delegates approved Draft Decision N° 7.

46. The Delegation of Brazil supported the Draft Work Programme including the changes it suggested earlier, on the understanding that consultations will be held to prepare the Work Programme for the year 2012.

47. The delegation of Peru congratulated the Permanent Secretariat for its work, which is reflected in the Draft Work Programme for the year 2011. In addition, referring to the Draft Project of Activities of the IBERPYME Programme for 2011, the delegation noted that it foresees the conduction of the Ibero-American Meeting on SME business associations – to be held in Lima next year – for the month of February, not March. Similarly, with respect to the Workshop on Innovation and Competitiveness for SMEs, to take place on 16 and 17 May 2011 in Lima, the delegation informed that, at the request of the National Society of Industries of Peru, SELA should envisage the possibility for the Network of Research, Development and Innovation (Red IDI) to be the co-organizing institution of this activity, due to the fact that it is not possible for the Fund of Technological Innovation to participate in this event.

48. The Chairman submitted the Draft Work Programme of the Permanent Secretariat for the year 2011 for consideration by the delegations, and the paper was approved. In this regard, the Meeting adopted the Draft Decision No. 1.

Draft Project of Activities of the IBERPYME Programme for the year 2010

49. The Coordinator of the IBERPYME Programme submitted the report of the activities conducted in 2010, which underscored the background and objectives of the Programme, and provided a balance and prospects for the year 2011. In this connection, the delegates adopted Draft Decision N° 6.

ADMINISTRATIVE BUDGET OF THE PERMANENT SECRETARIAT FOR 2011 AND ADMINISTRATIVE MATTERS

a) Budget

50. The Permanent Secretariat submitted for consideration of the delegations the "**Draft Administrative Budget of the Permanent Secretariat for the year 2011**" (SP/CL/XXXVI.O/DT N° 5-10), along with the corresponding explanations. The budget foresees the same amount and structure of income and expenditure corresponding to the year 2010. The draft budget was approved, and in this connection, the delegates adopted Draft Decision No. 2.

b) Administrative matters

i) Audit Report on the Financial Statements of the Permanent Secretariat at 31 December 2009

The Permanent Secretariat submitted for consideration of the delegations the "Audit Report on the Financial Statements of the Permanent Secretariat at 31 December 2009" (SP/CL/XXXVI.O/DT N° 6-10), which was approved. In this connection, the delegates adopted Draft Decision No. 3.

(ii) Audit Proposal for the year 2010

The Permanent Secretariat submitted for consideration of the delegations the "Audit Proposal for the year 2010" (SP/CL/XXXVI.O/DT N° 7-10), which was approved. In this connection, the delegates adopted Draft Decision No. 4.

INSTITUTIONAL MATTERS

Election of a Member of the Administrative Tribunal of SELA

51. The Permanent Secretariat submitted for consideration of the delegations the document "Election of a Member of the Administrative Tribunal of SELA" (SP/CL/XXXVI. O/DT N° 8-10). In this connection, the Meeting adopted Draft Decision N° 5.

U.S. blockade against Cuba

52. The Chairman, in his capacity as Head of the Delegation of Nicaragua, presented for consideration by delegations a Draft Declaration where SELA rejects the U.S. economic and trade blockade against Cuba.

53. The Delegation of Bolivia said that a recent resolution adopted by the General Assembly of the United Nations rebutting the U.S. economic and trade blockade against Cuba is an expression of support from the entire world. Further, Bolivia's representative voiced concern about the fact that U.N. lacks enough strength to enforce said resolution, as it has failed to enforce the resolution even though it is adopted year after year. Subsequently, he expressed his government's unconditional support to the Draft Declaration.

54. The delegations of Brazil, Belize, Venezuela, Peru and Colombia rejected the U.S. economic and trade blockade against Cuba fully endorsed the Draft Declaration.

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55. The delegation of Cuba thanked for the support and solidarity expressed by the rest of delegations and mentioned some examples that show the harmful effects of the blockade against their country, emphasizing the damage it causes to children in the area of health.

56. The Meeting unanimously approved this Draft Declaration, which is attached to this Report.