

Work Programme for the year 2019

*XLIV Regular Meeting of the Latin American Council
Caracas, Venezuela
26 to 28 November 2018
SP/CL/XLIV.O/DT N° 4-18*

Copyright © SELA, November 2018. All rights reserved.
Printed in the Permanent Secretariat of SELA, Caracas, Venezuela.

The Press and Publications Department of the Permanent Secretariat of SELA must authorize reproduction of this document, whether totally or partially, through sela@sela.org. The Member States and their government institutions may reproduce this document without prior authorization, provided that the source is mentioned and the Secretariat is aware of said reproduction.

C O N T E N T S

FOREWORD

INTRODUCTION		3
BACKGROUND: WORK PROGRAMME FOR THE YEAR 2018		7
AREA I. INTRA-REGIONAL RELATIONS		9
PROGRAMME: INTEGRATION PROCESS AND ECONOMIC GROWTH IN LATIN AMERICA AND THE CARIBBEAN		9
PROJECT I.1. Assessment of the Latin American and Caribbean integration process		9
Activity I.1.1.	Regional integration: inter-institutional monitoring group	9
Activity I.1.2.	Universal health coverage as a mechanism to facilitate regional integration	10
Activity I.1.3.	Follow-up reports on subregional integration mechanisms	12
Activity I.1.4.	Case studies for integration	13
Activity I.1.5.	Report on the regional integration process	13
Activity I.1.6.	Integration Index of Latin America and the Caribbean	14
Activity I.1.7.	Vulnerability index. Update and evaluation of results for Latin America	15
Activity I.1.8.	Trade Introversion Index (TII). Update and follow-up of trade linkages in Latin America	16
PROJECT I.2. Analysis of productive structures and economic growth in the region		17
Activity I.2.1	Productive transformation in the digital age: an opportunity for SMEs in Latin America and the Caribbean	17
PROGRAMME: TRADE FACILITATION		18
PROJECT I.3. Programme for the creation of the Latin American and Caribbean Network of digital and collaborative ports: Towards strengthening logistic port communities, standards of services and technological innovation		18

Activity I.3.1.	Programme for the creation of the Latin American and Caribbean Network of digital and collaborative ports. Phase IV: Network associativity and regional deployment of port logistics public policies	18
Activity I.3.2.	IV Latin American and Caribbean Regional Meeting of Logistic Port Communities	21
Activity I.3.3.	Presentation of the Latin American and Caribbean Network of digital and collaborative ports	22
PROGRAMME:	INFORMATION AND COMMUNICATIONS TECHNOLOGIES AND KNOWLEDGE SOCIETY	23
PROJECT I.4.	Promotion of innovation and technological development	23
Activity I.4.1.	Electronic commerce and its development in Latin America and the Caribbean. Status and prospects	23
Activity I.4.2.	Intra-regional value chains based on the digital economy	25
PROJECT I.5.	Strengthening the statistical information system on SELA's Web site	27
Activity I.5.1.	Development of an interactive system for the management of databases and economic statistics on SELA's Web site	27
PROJECT I.6.	Management and coordination of specialized portals	28
Activity I.6.1.	Management and maintenance of specialized portals	28
AREA II.	ECONOMIC AND TECHNICAL COOPERATION	29
PROGRAMME:	SUPPORT TO ECONOMIC AND TECHNICAL COOPERATION AMONG LATIN AMERICAN AND CARIBBEAN COUNTRIES	29
PROJECT II.1.	Strengthening economic and technical cooperation in Latin America and the Caribbean	29
Activity II.1.1.	XXX Meeting of International Cooperation Directors for Latin America and the Caribbean: coordination and efficiency of international cooperation vis-à-vis the occurrence of natural disasters in Latin America and the Caribbean	29
Activity II.1.2.	Cultural and creative industries: New opportunities for regional development	31
Activity II.1.3.	VIII Meeting on Public-Private Partnerships for Disaster Risk Reduction in Latin America and the Caribbean	33

Activity II.1.4.	IX Meeting of the Working Group on Trade and Competition. Joint UNCTAD-SELA project	34
PROJECT II.2.	ECONOMIC AND SOCIAL DEVELOPMENT	35
Activity II.2.1.	Advances in public policies for poverty reduction in Latin America and the Caribbean: a multidimensional approach	35
Activity II.2.2.	Food and nutrition security in Latin America and the Caribbean: treatment of food losses and waste	36
Activity II.2.3.	Migratory challenges in Latin America and the Caribbean: Analysis in the light of the theory of networks 1995-2017	37
Activity II.2.4.	Seminar on impact evaluation of public policies in Latin America and the Caribbean. Policies for disaster risk reduction	38
Activity II.2.5.	Strong and inclusive labour markets: Challenges and prospects for Latin America and the Caribbean	40
Activity II.2.6.	Multidimensional indicators of development. Database in support of public policies	41
PROGRAMME:	SELA-SMEs	42
PROJECT II.3.	Latin American and Caribbean Regional Programme for Small and Medium-sized Enterprises	42
Activity II.3.1.	Productive articulation programme for the strengthening and development of small and medium-sized enterprises (SMEs) in the region	42
Activity II.3.2	Public Policy Index for MSMEs in Latin America and the Caribbean (IPPALC). Presentation of the results of the IPPALC project applied to the member countries of the Pacific Alliance, Argentina, Ecuador and Uruguay	44
Activity II.3.3	Launch of the Public Policy Index for MSMEs (IPPALC) project in the Central American subregion	45
Activity II.3.4	Seminar-Workshop on experiences of formalization of MSMEs in Latin America and the Caribbean	46
Activity II.3.5	Seminar: Perspectives of internationalization of SMEs in Latin America and the Caribbean	47
Activity II.3.6	Academia, entrepreneurship and business success: Discovering the formula for Latin America and the Caribbean	49

AREA III.	EXTRA-REGIONAL RELATIONS	50
PROGRAMME:	EVALUATION AND PROMOTION OF EXTRA-REGIONAL ECONOMIC RELATIONS OF LATIN AMERICAN AND CARIBBEAN COUNTRIES	50
PROJECT III.1	Follow-up and analysis of preferential trade agreements signed among extra-regional countries that could influence their economic, trade and investment relations with Latin American and Caribbean nations	50
Activity III.1.1.	Analysis of economic, trade and cooperation relations of Latin America and the Caribbean with India	50
Activity III.1.2.	The Eurasian Economic Union and Latin America and the Caribbean: Cooperation for greater inter-regional integration	51

F O R E W O R D

The Work Programme of the Permanent Secretariat for the year 2019 is based on the guidelines established by the XXVIII Regular Meeting of the Latin American Council, through Decision No. 440, according to which the activities of SELA are structured into three areas, namely: Intra-Regional Relations, Economic and Technical Cooperation and Extra-Regional Relations.

This new Work Programme focuses on strengthening programmes and projects undertaken in the year 2017, following up on the process of knowledge generation and dissemination to ensure the consolidation of small and medium-sized enterprises (SMEs) in the region in the long term. It also reflects the firm intention of the Permanent Secretariat to continue promoting efforts aimed at strengthening inter-agency cooperation, within and outside the region, with a view to promoting integration, providing its population with access to better living conditions, developing information and communications technologies (ICTs) as a factor to enhance social participation and as an expression of digital integration, trade facilitation and expansion of knowledge about the opportunities for Latin America and the Caribbean in other regions.

In addition, in the year 2019, the Permanent Secretariat intends to undertake new initiatives to ensure the strengthening of cooperation, coordination and complementarity with activities that contribute to economic and social development, within the framework of the Sustainable Development Goals, which constitute the guide for the desired common goal: the improvement of well-being for the countries in the region.

This programme is designed in accordance with the Draft Administrative Budget of the Permanent Secretariat (SP/CL/XLIV.O/DT N° 5-18), particularly in terms of the costs indicated therein, without any increase in the annual contributions from the Member States. However, it does envisage complementary funds through technical cooperation agreements with international and regional institutions. A detailed account of direct costs for each of the three areas and their projects can be seen in the Chapter entitled "Budget – Work Programme of SELA for the year 2019 – Direct Costs", of the aforementioned document.

In general terms, the Work Programme for 2019 includes 15 studies and 18 meetings of different nature and scope, six of which are courses, seminars, and meetings of the SELA-SMEs Programme. In addition, it provides for the conduction of nine activities related to the promotion of the integration process and economic growth, four concerning the strengthening of economic and technical cooperation among Latin American and Caribbean countries, and five corresponding to economic and social development.

In addition, 67% of the 15 studies will be conducted internally, and the rest will be assigned to external consultants on the basis of the terms of reference outlined by the Permanent Secretariat for each case.

INTRODUCTION

Through the activities planned for the upcoming year, the Permanent Secretariat complies with its mandates and maintains its commitment to the development of the region through initiatives that contribute to the decision-making process by the Member States with a view to strengthening the integration process, increasing productivity and promoting digital tools. Thus, the Permanent Secretariat gives continuity to the process of knowledge generation and dissemination that facilitates the consolidation of small and medium-sized enterprises. Furthermore, it reinforces, through inter-agency cooperation, regional strategic partnerships that promote talents and resources.

The activities, contained in the Work Programme for the year 2019 (WP 2019), were structured on the basis of the three main thematic areas: **Intra-Regional Relations, Economic and Technical Cooperation and Extra-Regional Relations**, as a mandate of the Latin American Council which is based on Decision No. 440, "Restructuring SELA" (XXVIII Regular Meeting, Caracas, Bolivarian Republic of Venezuela, 7 to 9 April 2003).

In the area of **Intra-Regional Relations**, and under the coordination of the Permanent Secretariat, two events are scheduled to take place and bring together experts of major regional organizations that promote integration, such as ALADI, IDB, SEGIB, CAF-development bank of Latin America, and ECLAC. In each of their fields of action and expertise, these organizations will contribute to the analysis and evaluation of the prospects for the integration process in the long term. These activities are expected to generate a comprehensive document that leads to policy recommendations and deepens our understanding of the regional integration processes.

The Permanent Secretariat also plans to develop sectoral research projects that are of great interest to the Member States, such as the evaluation of opportunities for South-South cooperation in the field of health. In this area, it is possible to identify strengths and weaknesses in the development of regional infrastructure with a view to offering a comparative view of policies and programmes for universal health coverage in the region. In this thematic area, SELA will continue to conduct the various regular reports, workshops and studies that deepen the knowledge of productive structures and the regional economic growth.

Due to the importance of addressing the productive transformation process in the digital age, a meeting on this topic has also been incorporated into the Work Programme. This event will aim to present and analyze regional and international experiences in this matter, with emphasis on SMEs.

As regards the promotion of new information and communications technologies, a regional meeting will be held with the purpose of determining the use of e-commerce as a key tool for the strengthening of SMEs. In addition, the Permanent Secretariat will undertake the project for value chain development based on the digital economy with a view to creating a collaborative ecosystem among the companies of the region. These activities are expected to strengthen the new platforms based on the digital economy, while contributing to the understanding of the role of the public sector and the nature of the most appropriate regulatory frameworks.

In the area of trade facilitation, the Permanent Secretariat will hold the IV Meeting of Logistic Port Communities within the framework of the Programme for the Creation of the Latin American and Caribbean Network on Digital and Collaborative Ports. This important initiative is being developed as a result of a non-refundable technical cooperation agreement between CAF-development bank of Latin America and SELA, through which the creation of a Network of 27 port communities in 13

4

Member States has been possible. In this context, for the year 2019, the Permanent Secretariat is expected to continue strengthening this programme with the incorporation of new logistics communities and with technological and information improvements that will boost the usefulness of the specialized portal for both the members of the Network and the general public.

In addition, the Work Programme for 2019 aims to regularly update the various specialized portals which, along with other digital resources, make up the offer made by Permanent Secretariat to provide specialized information through its Web site.

In the **Area of Economic and Technical Cooperation**, for 2019, the Permanent Secretariat will expand projects that have been developed with the incorporation of a space for activities related to the economic and social development. Thus, the organization is committed to the inclusion of the highly sensitive social issues, of the utmost importance for the region, such as the assessment of progress in public policies for poverty reduction from a multidimensional perspective. In addition, it aims to evaluate the regional situation of food and nutrition security, and the promotion of best practices in the treatment of food waste and losses.

The recent population dynamics stresses the importance of facing the migratory challenges in the region. For that purpose, it is necessary to encourage the understanding of the scope and nature of these phenomena, characterizing their patterns and determining their correlation with multidimensional development indicators. In this connection, the Work Programme for 2019 considers the preparation of a document that, from the perspective of the theory of networks, will contribute to the understanding of this phenomenon.

As regards the evaluation of public policies in the field of natural disasters, the Permanent Secretariat plans the conduction of a seminar that enables participants to identify the appropriate methodologies and tools to foster public-private partnerships for disaster risk reduction. Best practices also consider the promotion of solid and inclusive labour markets. Thus, the Work Programme incorporates the conduction of a regional meeting that promotes best practices for inclusive growth and formalization.

The third big challenge for the region in the short and medium terms is the strengthening of productivity in sectors of the industry offering services associated with arts in general and the dissemination of regional culture. To that end, SELA aims to facilitate a space for inclusive dialogue with experts and specialized regional institutions, paying particular attention to the identification of the comparative advantages and opportunities offered by cultural and creative industries.

Thus, as regards the project for strengthening economic and technical cooperation in Latin America and the Caribbean, for 2019, the Permanent Secretariat will continue to address those topics that, by their nature in the field of international cooperation, have been well received among the Member States of SELA. In this regard, the following activities are worth mentioning: (i) the *XXX Meeting of International Cooperation Directors for Latin America and the Caribbean*, whose topic will focus on international cooperation and coordination vis-à-vis the occurrence of natural disasters in Latin America and the Caribbean; (ii) the *IX Annual Meeting of the Working Group on Trade and Competition of Latin America and the Caribbean*, which will be organized within the framework of the joint UNCTAD-SELA project; and (iii) the *VIII Meeting on Public-Private Partnerships for Disaster Risk Reduction in Latin America and the Caribbean*, in partnership with the United Nations Office for Disaster Risk Reduction (UN/ISDR).

In the same area, we find the activities related to the SELA-SMEs Programme, which has gained in importance and represents a central axis of the work of the Permanent Secretary, not only because of its impact on economic development and growth, but also in the context of the Millennium Goals referred to in the 2030 Agenda. Thus, for the next year, this thematic area has been expanded to six initiatives ranging from the continuation of the construction of the Public Policy Index for MSMEs in Latin America and the Caribbean (IPPALC) to the start of the Productive Articulation Programme for the strengthening and development of SMEs in the region, in compliance with the non-refundable Technical Cooperation Agreement signed with CAF-development bank of Latin America.

Precisely, within the framework of this new programme, the Permanent Secretariat is scheduled to carry out a workshop, two working sessions, a selection of national coordinators and visits to experts, in order to strengthen regional statistical databases, identify production niches and design strategies for the network of strategic alliances.

Support for SMEs is complemented by two additional activities. First, the conduction of the Seminar-Workshop on experiences of formalization of MSMEs in Latin America and the Caribbean. Secondly, a study on the links among academia, entrepreneurship and business success. For this activity, a regional meeting is scheduled to be held with the purpose of exploring major opportunities and challenges for the strengthening of synergies among the research world, mainly focused on universities, government and the business sector.

In the **Area of Extra-Regional Relations**, the Permanent Secretariat plans to organize a meeting on relations between India and Latin America and the Caribbean under the motto *Towards bi-regional approach of small and medium-sized enterprises*. This is somehow a follow-up to the initiatives undertaken during the 2018, when opportunities for SMEs in the region were explored through trade and technological exchanges with China. This year, the Permanent Secretariat aims not only to move closer to India, but also to hold a regional meeting that brings together policy makers and SMEs of the Eurasian Economic Union and Latin America and the Caribbean. This shall be organized by economic sectors and in round tables, in which information will be provided about business and cooperation opportunities in the search for bi-regional alliances.

Finally, as in the year 2018, the Permanent Secretariat has proposed, by means of inter-agency cooperation, forging partnerships, and adding up talents and resources that facilitate the efficient compliance with the Work Programme in order to give the best and more timely responses to their Member States.

BACKGROUND: WORK PROGRAMME FOR 2018

In the Permanent Secretary's first year in office, the Permanent Secretariat of SELA conducted and launched a series of projects in accordance with its Work Programme, as adopted at the XLIII Regular Meeting of the Latin American Council, held from 28 to 30 November 2017. Thus, the Permanent Secretariat has been focused on addressing the region's main needs; has reactivated the commitment to serve as a promoter of a consultation and coordination system to reach common positions and strategies, and has joined other institutions in increasing links and ties of cooperation for the benefit of the Member States.

In this context, and according to Decision No. 440 adopted by Latin American Council at its XXVIII Regular Meeting (Caracas, 07 to 09 April 2003), the activities contained in the Work Programme for 2018 were grouped into three main thematic areas: Intra-Regional Relations, Economic and Technical Cooperation and Extra-Regional Relations. Within this activities, initiatives such as meetings, workshops, seminars, studies, updating of specialized portals, among others, were developed.

In the area of Intra-Regional Relations, the Permanent Secretariat developed some activities to analyze the integration processes in Latin America and the Caribbean, the productive structures and the economic growth of the region and continue the work on trade facilitation, with emphasis on the Programme for the creation of the Latin American and Caribbean Network of Digital and Collaborative Ports (Phase III) in order to ensure the conformation of the Network, in compliance with the non-reimbursable Technical Cooperation Agreement with CAF-development bank of Latin America. To that end, the III Latin American and Caribbean Regional Meeting of Logistics Port Communities was held in Lima on 16 and 17 August, and the II Colloquium on Scientific Research on Port logistics chains took place with the participation of industry executives, officials of ministries and public institutions, consultants and researchers from 13 countries and 27 port systems. In addition, SELA continued to strengthen the statistical information system of its Web site, as well as the management and coordination of its specialized portals: (i) Community of Latin American and Caribbean States (CELAC); (ii) International Cooperation Directors for Latin America and the Caribbean: Promotion of South-South Cooperation; (iii) Public-Private Partnerships for Disaster Risk Reduction in Latin America and the Caribbean; (iv) SELA-SMEs Programme; (v) Free Trade Zones in Latin America and the Caribbean; and (vi) Network of Digital and Collaborative Ports.

In the Area of Economic and Technical Cooperation, SELA carried out actions aimed at complying with the activities referred to in this area for strengthening economic and technical cooperation in Latin America and the Caribbean, such as the Meeting of International Cooperation Directors for Latin America and the Caribbean, the Meeting on Public-Private Partnerships for Disaster Risk Reduction and the Meeting of the Working Group on Trade and Competition. In addition, SELA developed activities listed in the Latin American and Caribbean Regional Programme for Small and Medium-sized Enterprises (SELA-SMEs Programme), aimed at: (i) promotion of the productive integration of SMEs in global value chains; (ii) implementation of the Public Policy Index for MSMEs in LAC (IPPALC); (iii) financial inclusion; and (iv) impact evaluation of public policies for MSMEs in the region. This shows the Permanent Secretariat's commitment to supporting SMEs, providing them with tools, and developing instruments that contribute to their strengthening, development and sustainability over time.

In the Area of Extra-Regional Relations, and in order to contribute to rapprochement and serve as a bridge to greater cooperation between its Member States and extra-regional nations, SELA organized a panel of experts entitled *Experiences and opportunities for LAC-China cooperation:*

8

Towards the internationalization of SMEs in the region, within the framework of the *IV International Seminar Latin America and the Caribbean and China: Conditions and Challenges in the 21st Century*, an event organized by the network RED ALC-China of the National Autonomous University of Mexico and CAF-development bank of Latin America. The panel was created to promote the exchange of views on the challenges and opportunities for Latin American and Caribbean SMEs, thus contributing to the dissemination of opportunities and generation of commercial and managerial capacities among small and medium-sized entrepreneurs in the region.

AREA I. INTRA-REGIONAL RELATIONS

PROGRAMME: INTEGRATION PROCESS AND ECONOMIC GROWTH IN LATIN AMERICA AND THE CARIBBEAN

PROJECT I.1. Assessment of the Latin American and Caribbean integration process

Activity I.1.1. Regional integration: inter-institutional monitoring group

A. Background and justification

The Permanent Secretariat of SELA has promoted the conduction of research studies that delve into the progress of subregional integration mechanisms in different dimensions. During the implementation of the Work Programme from 2014 to 2017, the Permanent Secretariat presented several research studies that made progress in the analysis of the status of integration processes, as well as in the main challenges and opportunities faced by the region.

In 2016, three topics of special relevance were developed for the understanding of the integration process in the region, namely: 1) Assessment of asymmetries; 2) Integration Index of Latin America and the Caribbean; and 3) Assessment of convergence. These three studies allowed to construct a quantitative and comparative diagnosis of the reality of the different integration schemes.

The aforementioned studies paved the way for the Permanent Secretariat to consider the design of a tool to generate different reference scenarios of the medium and long-term outlook of the different integration schemes studied.

On 6 and 7 March 2018, the Permanent Secretariat held the "Seminar: Prospective vision of Latin American and Caribbean integration" at the subregional headquarters of ECLAC in Mexico, in which it presented the document *A prospective vision of Latin American and Caribbean integration* (SP/SE No. 2-18) of the institution's *Series Económicas*. This research study delved into the medium-and long-term vision of integration through different scenarios and assessed some of the gaps and asymmetries in the various subregional integration mechanisms. The seminar also served to explain and disseminate tools and different methods for measuring integration from the perspective of SELA, as well as from that of other regional institutions, such as ECLAC, OECD, and CAF-development bank of Latin America, among others.

As a result of this event, and after the proposal made by the Permanent Secretariat, the multilateral organizations attending the seminar expressed their interest in continuing the debate on the progress of subregional integration processes and maintaining a coordinated and common among the groups of experts in the matter, within the main integration promotion agencies in the region. This will make it possible to provide support tools, in each of their areas of action and expertise, contributing to the analysis and evaluation of the prospects for the integration process in the long term.

B. Objectives

1. Assess trends of integration mechanisms in the long term;

10

2. Monitor and evaluate the possibilities for the region to achieve higher levels of convergence; and
3. Provide support tools for the development of public policies related to the regional integration process.

C. Expected results

The conduction of two round tables to evaluate the progress of Latin American and Caribbean integration processes, analyze the measurement techniques and design a route to follow, with a view to preparing a proposal on public policies oriented towards the reinforcement or redirection of the regional integration process. As a result of these activities, the Permanent Secretariat is expected to prepare a document that generates policy recommendations and reinforces our understanding of the regional integration processes.

Activity I.1.2. Universal health coverage as a mechanism to facilitate regional integration

A. Background and justification

The Latin American and Caribbean countries have been characterized by the design of institutional mechanisms that enable better coordination of matters of interest to the region. These initiatives have been weak, since they have not reached the level of political and economic integration that has been achieved in other integration mechanisms in other parts of the world, such as the European Union or ASEAN.

In this connection, the integration process in Latin America and the Caribbean has the peculiarity of having subregional segmentations and giving priority to economic and commercial aspects over political issues. However, over the last 25 years, efforts have been made to promote initiatives that improve the living conditions of the inhabitants of the region through an approach of broad social welfare policies, as a consequence of the economic growth that benefitted Latin America and the Caribbean and has allowed the region to address, thanks to the financial contribution of countries, the extensive socio-economic inequalities afflicting the continent.

Despite the economic and commercial progress, inequalities in the area of health persist, both at the country and regional levels. This has led to the need for the national health systems of the countries in the region to develop solutions that are capable of responding to this problem without compromising the political and financial sustainability of governments. At present, it remains a pending issue on the regional development agenda.

Some advances in this area have been achieved through universal health coverage (UHC), which has been at the centre of the global public health agenda recently. Its adoption allows national health systems to have mechanisms for evaluating health inequities in a cost-effective manner. An example of this is the World Bank (WB), which adopted UHC as one of the cornerstones in its mission to eradicate extreme poverty by the year 2030. In addition, the Pan American Health Organization (PAHO) adopted in 2014 a regional strategy for UHC, which reflects the commitment, among the Member States of PAHO, to strengthen national health systems and ensure that they provide quality services, to guarantee financial protection to users and to promote public policies that address the socio-economic determinants that have an impact on health systems in the region.

Achieving universal health coverage (UHS) for 2030, as set forth in the Sustainable Development Goal (SDG) Number 3: *Good health and well-being*, will require Latin American and Caribbean countries to join efforts and undertake to design and implement the best institutional and public policy mechanisms needed to achieve this goal, which will inevitably require better coordination and cooperation among the countries in the region, in order to harmonize policies and measures.

This activity is aimed at discussing regional and international experiences in the implementation of actions that strengthen the capacity of national health systems to boost UHS in Latin America and the Caribbean, making emphasis on the results achieved and recognizing the main challenges and opportunities identified. In addition, the following topics will be considered: financial protection for access to health services, improvement of the health system infrastructure and quality measurement mechanisms for these services.

B. Objectives

1. Share a comparative view of policies and programmes for universal health coverage in Latin America and the Caribbean;
2. Characterize the epidemiological and demographic transitions in Latin America and the Caribbean and their implications for universal health coverage in the region;
3. Assess the role of the regional governance infrastructure that ensures universal health coverage in Latin America and the Caribbean; and
4. Identify opportunities for South-South cooperation (SSC) in the health sector as a mechanism to promote regional integration.

C. Expected results

To hold a meeting with specialists in public policies related to the health sector.

This initiative aims to: i) review the public policies implemented so far for the strengthening of health systems to promote universal health coverage in Latin America and the Caribbean; ii) promote universal health coverage as an area of convergence of the regional integration agenda and its various mechanisms; and iii) strengthen South-South cooperation (CSS) in the health sector to advance regional integration efforts.

The project will be implemented by the Permanent Secretariat of the Latin American and Caribbean Economic System (SELA), jointly with the World Health Organization (WHO), the Pan American Health Organization (PAHO), the Economic Commission for America Latin America and the Caribbean (ECLAC) and the bodies specialized in health of subregional integration mechanisms.

This initiative will involve the national authorities responsible for health policies in the Member States of SELA, representatives of regional and international organizations, experts and academics linked to the problems of the social dimension of integration in the region.

12

Activity I.1.3. Follow-up reports on subregional integration mechanisms

A. Background and justification

In 2016, the Permanent Secretariat began to publish the *Follow-up Reports on Integration Mechanisms*. These reports provide readers with synthesized information on the regional dynamics of Latin America and the Caribbean, making emphasis on the analysis of the macroeconomic environment and the variables of the external sector of the five subregional integration mechanisms, namely: the Pacific Alliance (PA), the Common Market of the South (MERCOSUR), the Central America Integration System (SIICA), the Andean Community (CAN), and the Caribbean Community (CARICOM).

Published every six months, these reports gather updated statistics of the regional situation, offering a description of the main events of interest occurred during the half, as well as the situation of the mechanism with respect to the region in terms of population size, life expectancy, size of the economy and per capita income. In addition, they analyze the main facts about the macroeconomic performance of each mechanism, using variables such as economic growth, the composition of the Gross Domestic Product (GDP) according to the approach, expenses (specifically consumption, investment, public spending, and exports), inflation and unemployment. They also summarize the performance of the external sector through the analysis of the behaviour of the trade balance, foreign direct investments (both in flows and balances), the external public debt as a percentage of GDP, and the net international reserves.

The data published in the report come from the official institutions of each country, and they are appropriately supplemented with information provided by qualified institutions in the survey of socio-economic data at the regional level, such as ECLAC and the IMF. In 2019, the Permanent Secretariat will continue to update these reports on a regular basis, in accordance with the accessibility and availability of official data from the countries.

B. Objectives

1. Prepare biannual reports that analyze the situation of key economic variables, within the framework of each subregional integration mechanism.
2. Build a consistent database of such variables for economic monitoring.
3. Keep the Member States, and the public in general, updated about the economic situation of the countries in the region, through the electronic portal of SELA.

C. Expected results

Biannual reports on the economic performance of subregional integration mechanisms to regularly update the regional dynamics and prospects. These reports will add value to the portfolio of SELA by allowing the Permanent Secretariat to expand its base of readers.

D. Budget

This activity will be executed internally by the Permanent Secretariat.

Activity I.1.4. Case studies for integration**A. Background and justification**

The case studies for integration are short articles based on an in-depth analysis, written in a less academic tone. The logic behind these reports is to submit the decision-makers of the region various intra and extra-regional initiatives, which show experiences, best practices and themes of interest to the economies of Latin America and the Caribbean.

In 2018, these reports were designed as a complementary product of SELA's database. Their structure is appropriate to develop a variety of topics in an easy-to-read format aimed at the general public.

The Permanent Secretariat intends to continue publishing these case studies with the same purpose as in years before.

B. Objectives

1. Identify new initiatives to evaluate the economic situation;
2. Promote debate to generate proposals for high-impact, innovative initiatives that contribute to the promotion of integration in the region; and
3. Keep the Member States and the general public updated about the economic situation of the countries in the region.

C. Expected results

Quarterly reports that describe the initiatives and situations of interest linked to the promotion of cooperation, coordination and articulation among nations and among integration mechanisms, which could serve as a reference and current information, for the benefit of the regional integration process.

Activity I.1.5. Report on the regional integration process**A. Background and justification**

Regional integration is a matter of paramount interest to Latin America and the Caribbean. From 1960 to date, at least seven economic integration projects have been launched, mainly focused on deepening intra-regional trade relations. In addition, several supranational organizations have been created with the purpose of offering spaces for coordination and cooperation among the countries in the region. In this context, regional integration is expected to continue to play an important role on the public agenda both inside and outside the region.

Despite the efforts made by various regional organizations to understand the integration process in Latin America and the Caribbean, today's challenges stress the need for a regular and rigorous analysis of the regional economic and social dynamics. In this connection, frequent monitoring of the evolution of integration in Latin America and the Caribbean makes it possible to orient the formulation and implementation of action strategies, both jointly and individually, by the countries in the region, by providing a detailed knowledge of trends and the context of intra-regional economic and social relations.

14

The report on the regional integration process in Latin America and the Caribbean provides a detailed technical report on the annual changes in the regional situation in terms of business inter-relations, movements of capital and labour, coordination of economic policies, development of common regional institutions, among other issues related to regional integration. The Member States of SELA and the general public will count on a regular consultation document, prepared according to the leading methodological practices in this area and on the basis of updated statistical information and documents that are relevant to the countries in the region.

B. Objectives

1. Describe, in a clear and rigorous manner, the evolution of the social and economic integration process in Latin America and the Caribbean;
2. Provide the Member States of SELA with useful and up-to-date information for decision-making in the field of extra-regional and intra-regional economic and social relations in Latin America and the Caribbean;
3. Submit for consideration of the Member States of SELA possible lines of action for making progress in the regional integration process and achieving an optimal development of the economies in the region; and
4. Position SELA as a leading organization in the analysis, coordination and cooperation related to the integration of its Member States, in particular, and of Latin America and the Caribbean, in general.

C. Expected results

A technical report that will analyze the changes that have occurred in Latin America and the Caribbean over the last year in terms of business inter-relations, movements of capital and labour, coordination of economic policies, development of common regional institutions, among other topics related to regional integration

Activity I.1.6. Integration Index of Latin America and the Caribbean

A. Background and justification

In 2016, the Permanent Secretariat began to develop an indicator whose main objective is to quantify the degree of integration among the various integration mechanisms of the region, namely: the Pacific Alliance (PA), the Common Market of the South (MERCOSUR), the Central American Integration System (SICA), the Andean Community (CAN), and the Caribbean Community (CARICOM). This study (*Integration Index for Latin America and the Caribbean (IINTALC)* (SP/RRIIALC- DT N° 2-16) served as the basis for the exchange of opinions and discussion at the "Regional Meeting on the Integration Index for Latin America and the Caribbean", which was held in Guatemala on 11 October 2016 at the headquarters of the Secretariat for Central American Economic Integration (SIECA). On that occasion, the Permanent Secretariat of SELA presented the proposed methodology for the construction of said indicator, which facilitates the measurement of the stage of integration at which each subregional mechanism is located and quantifies the behaviour at the different stages of integration identified in economic theory and the evolution over time.

In 2017, the indicator was updated, but the methodological structure developed in 2016 was maintained and some improvements were incorporated into the method for rescaling it, in order to improve the reading of the indicator for public policy-makers.

In 2018, the Permanent Secretariat made the methodological revision of the indicator, based on three cornerstones: 1) Reduction in the number of indicators used as input for the calculation of the index, as well as the replacement of some indicators for those that collect more efficiently the behaviour of the integration mechanisms in the established dimensions; 2) use of new statistical techniques for the calculation of the index; and 3) implementation of different methods for the graphic representation of the results, in order to facilitate the reading of the index.

These methodological improvements or modifications point to the optimization in the calculation process, enhancing robustness to the index. The evaluation and follow-up of each dimension making up the index (political, social, economic, environmental and cultural) will pave the way for the development of public policies aimed at guiding policy-makers on the control variables they can use and should incorporate with a view to using the instruments that will help them achieve the objectives, which in this case is greater regional integration.

For 2019, the indicator will be updated according to the availability of statistical information and the discussion will take place at the expert level, in order to continue improving and authenticating the index.

B. Objectives

1. Update the IINTALC up to the last year statistics were available; and
2. Provide public policy makers with a useful tool that contributes to the improvement of subregional integration processes.

C. Expected results

A document that explains the methodological changes and the statistical update of the IINTALC of Latin America and the Caribbean.

Activity I.1.7. Vulnerability index. Update and evaluation of results for Latin America

A. Background and justification

The Work Programme of the Permanent Secretariat for the year 2017 included the creation of an indicator that allows timely identification of episodes of high speculative pressure that could lead to the occurrence of a crisis in the countries of the region. As a result, it published the study *Early Warning Indicators for Central America: A tool for times of crisis*. Then, among the activities of the Work Programme for 2018 was the update of indicators used for creating the External Vulnerability Index (EVI) and the assessment of the evolution of this indicator, whose main purpose is to optimize the time available for countries to forecast the occurrence of a crisis or episodes of high speculative pressure.

For 2019, given the relevance for the countries in the region to rely on tools that allow them to predict external shocks that can compromise compliance with debt obligations and hamper their economic performance, SELA proposes to continue the work of updating this indicator. Although the study presented in 2017 was applied to Central American countries, this update of indicators includes the incorporation of the member countries of the Pacific Alliance (PA). The continuation of these measurements contributes to the creation of coordinated policies that help mitigate external shocks and their effects on economies. It should be noted that one of the fundamental functions

16

of the EVI is to identify the moment when a crisis could start, in order to take measures on time to prevent it or minimize its impact.

B. Objectives

1. Update the indicators used for the construction of the External Vulnerability Index (EVI) for Central America and the countries of the PA;
2. Estimate the future behaviour of the External Vulnerability Index (EVI) for the countries that were analyzed; and
3. Update and produce aggregate indicators that allow countries to identify a profile of potential external challenges with the purpose of contributing to the progress of regional integration processes.

C. Expected results

Update of the External Vulnerability Index (EVI) for Central America and the countries of the PA.

Activity I.1.8. Trade Introversion Index (TII). Update and follow-up of trade linkages in Latin America

A. Background and justification

Intra-regional trade in Latin America and the Caribbean has reported a progressive decline since 2008. Figures published by the IMF show a loss of dynamism in trade in the region since that year, from 20.3% in 2008 to 16.4% in 2016.

Despite the efforts made in the region to increase intra-regional trade, the commercial link among them seems to grow at lower than expected rates, with this slowdown exacerbating over time. In addition, many indicators used for calculating trade integration tend to yield wrong results and misinterpretation due to the biases inherent in the calculation method.

In this context, the Permanent Secretariat proposed the creation of an indicator that relies on the intrinsic characteristics of regional data and produces a measurement of commercial links between Latin America and its partners inside and outside the region. Thus, in 2018, according to the methodology proposed by Iapadre (2004), the Permanent Secretariat created the Trade Introversion Index (TII), which has the property to mitigate the limitations or bias showed by traditional indicators that quantify trade links between countries and regional blocs. The calculation results seem to indicate that there are different levels of commercial links in the integration mechanisms evaluated: the Pacific Alliance (PA), the Andean Community (CAN), the Common Market of the South (MERCOSUR) and the Central American Integration System (SICA).

In 2019, the Permanent Secretariat will continue to update the IICO in order to assess the current situation of intra-regional trade and monitor progress, both in aggregated and disaggregated terms, of the main exporting products by country. Thus, the organization could give impetus to actions that stimulate the exchange of those products that encourage productive capacity-building and more complex activities for the productive articulation of the region.

B. Objectives

1. Update the introversion index for the countries of the PA, CAN, MERCOSUR and SICA;
2. Calculate commercial links by industrial sectors and products; and
3. Give inputs to the methodology for identifying productive niches at the regional level.

C. Expected results

An update of the indicator for the countries making up the various integration mechanisms: PA, CAN, MERCOSUR and SICA. In addition, the TII will include new calculations by industrial sectors and products.

PROJECT I.2. Analysis of productive structures and economic growth in the region**Activity I.2.1 Productive transformation in the digital era: an opportunity for SMEs in Latin America and the Caribbean****A. Background and justification**

The constant changes in the current economic dynamics force companies, governments and societies to generate and constantly build capacities for adaptation, resilience and reinvention. At the global level, the phenomenon of the fourth industrial revolution has rapidly transformed productive processes, the relationship between suppliers and demanders, educational systems and mechanisms for social interaction, with emphasis on four priorities: cost reduction, optimization in the use of time, increased quality and wide range of solutions to needs.

In this industrial revolution, the digitization has become the cornerstone of innovation, supporting major changes in other areas of knowledge such as nanotechnology, robotics, artificial intelligence and the Internet of Things, which have resulted in the creation of new goods and services, the generation of new circuits of international trade and the formation of new productive chains. For these reasons, digitisation offers great opportunities to promote the performance of the regional economy with emphasis on SMEs, and is no longer an option but a necessity. Through it, it is possible to optimize production processes, facilitate communication with suppliers and customers, and explore new markets faster and at a lower cost.

Empirical evidence has confirmed the positive impact of digitization on economic growth and productivity. According to The Boston Consulting Group (BCG), SMEs that implement technological solutions see their revenues increase at a rate 15% higher and create jobs twice more quickly than those that rejected the technological advances. In addition, according to estimates, the use of data analysis techniques for decision-making has enabled gains of 6% to 8% in productivity in the OECD countries.

At present, Latin America and the Caribbean suffer from low levels of productivity and international competitiveness. This lag is much more pronounced in small-sized enterprises, whose labour productivity level is six times lower than that of the large ones, in contrast to the OECD countries where large companies are two times more productive than the smallest ones.

To face up to this reality, the countries in the region have undertaken productive transformation and diversification programmes to generate profound changes in their economic structures. Innovation, the adoption of new technologies and digitization are part of the cross-cutting themes that are being addressed with special emphasis for SMEs.

18

Despite the efforts made, big challenges have arisen and prevent full exploitation of benefits of the digital industry, such as the development of significant institutional changes to regulate the activities of the Industry 4.0, the training of skilled labour to accompany this kind of projects, the creation of mechanisms that ensure the financing required for this type of investment whose returns are uncertain, and the promotion of optimum security and privacy measures.

Thus, with a view to contributing to greater synergy in this thematic area, a proposal is made to hold a meeting that would serve as a space for presenting and discussing regional and international experiences in the implementation of a digital agenda for productive transformation, with emphasis on policies aimed at small and medium-sized enterprises.

B. Objectives

1. Generate a space for discussion on the main challenges and opportunities of the countries in the region in the transformation efforts of their productive matrices;
2. Gain knowledge about the status of implementation of a regional digital agenda that promotes growth and productivity with special emphasis on SMEs; and
3. Assess the impact of digitization on the inclusion of SMEs in business linkages programmes.

C. Expected results

The conduction of a regional meeting to present and analyze regional and international experiences in the implementation of policies that support the productive transformation process in the digital era, with special emphasis on SMEs.

PROGRAMME: TRADE FACILITATION

PROJECT I.3. Programme for the creation of the Latin American and Caribbean Network of digital and collaborative ports: Towards strengthening logistic port communities, standards of services and technological innovation

Activity I.3.1. Programme for the creation of the Latin American and Caribbean Network of digital and collaborative ports. Phase IV: Network associativity and regional deployment of port logistics public policies

A. Background and justification

The Latin American and Caribbean Economic System (SELA), in conjunction with CAF-development Bank of Latin America and its CAF-LOGRA Programme, launched in 2014 the "Programme for the creation of the Latin American and Caribbean Network of digital and collaborative ports: Towards strengthening logistic port communities, standards of services and technological innovation for a globalized, logistically competitive and sustainable foreign trade" (hereinafter, the D&C Ports Network Programme). Its objective is to suggest the creation of a new system of inter-institutional collaboration and specialized technical cooperation that promotes the strengthening of public policies for the national port sector and encourages the implementation of technical recommendations at the local level, in each port system, so as to increase the competitiveness and sustainability of the port logistics chain.

One of the port modernization mechanisms promoted by the D&C Ports Network Programme is the effective and permanent implementation of the public-private and academic partnerships called Logistic Port Communities. Through a new approach to strategic thinking and long-term common vision among the stakeholders of a port zone, they emerge as a tool for management and coordination among the various actors that interact in the processes of export and import of goods, alluding to the public-private collaborative work along the port logistics chain. As a challenge, these logistic port communities have to become industrial clusters that not only are focused on their value chain, but also must strengthen their links with local productive linkages, science and technology, and healthy development in harmony with the environment.

The RED programme currently includes (Phase III 2017-2018) thirteen (13) countries, namely: Mexico, Guatemala, Costa Rica, Panama, Jamaica, Trinidad & Tobago, Colombia, Ecuador, Peru, Chile, Argentina, Uruguay and Brazil, which cover a total of 27 port systems.

The central strategy of the Programme is to encourage and assist in the development of support networks, at country and regional levels, for the logistic port communities that begin to consolidate as more mature ports, such as Mexico and Chile, and be established in Costa Rica, Panama, Colombia and Peru: (i) At the country level, established by national or local authorities as Ministries of Transport and Public Works, Ministries of Industry and Commerce, maritime authorities, national port authorities and local port administrations; private institutions, such as logistical associations, technology companies, consultants and chambers of commerce; and academia, such as universities and research centers. (ii) at the Latin American and Caribbean regional level, the programme has begun to expand the technical cooperation network, which starts with CAF and SELA, but has managed to integrate other multilateral organizations with institutional strength that complements the different challenges of logistic port communities, such as ECLAC (Economic Commission for Latin America and the Caribbean), BASC (Business Alliance for Secure Commerce) and ALADI (Latin American Integration Association), among others.

In March 2017 the Network established its own governance together with its collaborating members, which will enable it to carry out a work programme in the scientific and technological fields, management and sustainability of logistic port communities and public policies related to transport and trade for port development and logistics.

The programme has so far made different technical cooperation actions and internal work in collaboration with the various stakeholders of each logistic port community, including:

- Local technical visits, in which in-depth interviews were conducted with relevant stakeholders of each logistic port community, as well as a contact with local and national authorities of the Ministries of Transport, Trade and Infrastructure.
- International technical visits, which includes technical visits and in-depth interviews to key stakeholders of reference port systems, such as Singapore, Malaysia, Australia, France, Belgium, Germany, Holland and Spain, which has resulted in a survey of the state of the art in management and governance, infrastructures, technologies and service standards in the port logistics chain.
- Strategic diagnostics workshops, with the aim of opening a first dialogue with the community of logistics service users about global and local issues related to the main pillars of competitiveness and management of the port logistics chain.
- Conformation of Methodological Support Groups (MSG), made up of professors, researchers and local consultants in the fields of logistics, foreign trade and ports. The objective is to

20

create local and national work density focused on these issues and to support the implementation of technical support projects for logistic port communities. Funding for these projects has been provided by various sources, either public or private institutions. Today, the programme has a working relationship with 30 universities in the region.

- Perception surveys and competitive benchmarking through the implementation of measuring instruments such as perception surveys, which enables a benchmarking analysis of the elements of competitiveness of the port logistic chain.
- Training workshops for the industry (workshop), with the aim of delivering and disseminating knowledge about port logistics (landside operations), foreign trade and logistical technologies among stakeholders of the port logistics chain of each seaport. This activity is planned for two days and includes a technical visit of participants to port, transport and container handling facilities. Universities will provide a certificate of attendance.
- Regional meetings on logistic port communities. These events are aimed at representatives of each participating logistics community in the Network, which includes national and local authorities, as well as experts from multilateral institutions and academics participating in the MSG. To date, three meetings have been held: the first in Panama City, Panama, in July 2016; the second in the city of Cartagena de Indias, Colombia, in July 2017; and the third in Lima, Peru, in 2018.
- Dissemination in international events. A series of seminars of government, industry and academia have been held with the purpose of disseminating the results of the programme and promoting the best practices in management of the port logistics chain.
- Drafting of the mission, vision and strategic lines of action of the Network in the 2017 II Regional Meeting.
- Support to the conformation of seven new port communities, totaling at October 2018 thirteen formalized port communities or at advanced stages of formalization: Manzanillo, Veracruz, Lázaro Cárdenas, Kingston, Panama Atlántico, Cartagena, Buenaventura, Guayaquil, Callao, Mejillones, Valparaíso, San Antonio, Talcahuano.

Each organization attached to the Network is linked by the signing of a Memorandum of Understanding (MOU) with SELA for the transition stage, which summarizes the rights and duties of both parties within this associativity.

The next steps of the Network aim to consolidate its internal functioning, develop its strategic objectives and continue collaborating in the major task of improving regional integration through the incorporation, as strategic partners, of existing economic blocs in the region, such as the Pacific Alliance, MERCOSUR, CARICOM and SIECA.

B. Objectives

1. Technical cooperation at the government and local levels. At the government level, to organize a workshop that enables the preparation of Strategic National Plans for Port Logistics, working sessions with public and private representatives of the thirteen countries making up the Network of digital and collaborative ports. At the local level, to coordinate with CAF-development bank of Latin America technical actions aimed at developing the roadmaps detected for the 27 port systems of the Network;
2. Fully implement the quantitative benchmark for all ports and communities of the Network;

3. Carry out a strategic and technical feasibility study to interoperate Port Community System platforms among ports in the region. Start of the study with ports of the Pacific Alliance. Collaboration agreement with countries representing the Pacific Alliance-SELA;
4. Design a technical guide for developing land interface productivity studies in four ports of the Network (container movement and truck productivity census). Collaboration with the Port Authority of Fremantle-Australia through the Collaboration Agreement between SELA and Australia;
5. Carry out legal studies and sustainability model to formalize the associativity of the Network of digital and collaborative ports. Formalize the Network with at least five countries and the technical Secretariat from SELA (a scheme similar to that of ALADI and the Latin American Association of Logistics); and
6. Conduct the IV Regional Meeting of Logistic Port Communities in the city of Port of Spain, Trinidad and Tobago, with the support of port authorities in Port of Spain and Point Lisas through a financial collaboration agreement.

Activity I.3.2 IV Latin American and Caribbean Regional Meeting of Logistic Port Communities

A. Background and justification

In accordance with the Work Programme of the Permanent Secretariat for 2018, the III Regional Meeting of Logistic Port Communities was held in Lima, Peru, from 16 to 18 August of this year and was attended by industry executives, ministry officials and public agencies, consultants, and researchers from 13 countries and 27 port systems. On that occasion, the central objective of the event was to develop a regional agenda for trade facilitation and transport, with emphasis on the role of ports as articulators of competitiveness of logistics corridors for economic integration. This event became a space for the encounter of ministries of transport, national port authorities, logistics communities and international technical cooperation, so that the D&C Ports Network and its members could define their future as a regional partnership.

On this occasion, participants discussed the role of public policies in the promotion and facilitation of logistic port communities (cases of Chile, Peru and Colombia) and their potential impact on industry. The major regional port systems presented their vision on ports of the future in matters of governance, community technology, sustainability, and logistical integration corridors. In addition, the results of the qualitative and quantitative studies were presented to measure the level of competitiveness of the port logistics chain in the main port systems.

Prior to the III Latin American and Caribbean Meeting of Logistic Port Communities, the "II Colloquium of scientific research in port logistics chain" took place. Participants discussed the *Importance of networks in scientific collaboration in regional port logistics*, and shared views on some applied research projects in the port logistics chain.

B. Objectives

1. Invite representatives of each participating logistics community in the Network, which includes national and local authorities, as well as experts from multilateral institutions and academics involved in the Methodological Support Groups (MSG);
2. Present the characteristics of the new partnership, directory, SELA as technical secretariat and its regulations;

22

3. Discuss integration of logistics and port services by trade blocks, with the incorporation of the Pacific Alliance (AP), the Common Market of the South (MERCOSUR), the Secretariat of Central American Economic Integration (SIECA) and the Community of the Caribbean Communities (CARICOM);
4. Present the collaborative work of the Network: quantitative benchmark of ports and the result of strategic workshops on national port logistics plans;
5. Continue the debate in port communities, including medium and long-term strategic definitions, and strengthen the work with multidisciplinary teams according to competitiveness and sustainability priorities; and
6. Present the results of the collaborative work by three technical committees and the Transitional Steering Committee.

C. Expected results

Conduction of the IV Latin American and Caribbean Regional Meeting of Logistic Port Communities, as part of the strategies of cohesion and dissemination of the work carried out during the implementation of Phase IV of the Programme, whose final objective is to achieve the effective formation of the Network of Digital and Collaborative Ports. The IV Meeting provides for the participation of the representatives of port systems linked to the Programme, as well as ministerial authorities related to this topic and other organizations interested in contributing to the collaborative work being carried out in this context.

Activity I.3.3. Presentation of the Latin American and Caribbean Network of digital and collaborative ports

A. Background and justification

After four years of work, the Network of Digital and Collaborative Ports has become a reference model for the management of community initiatives with prospects for growth in the use of technologies that promote innovative solutions, thus encouraging technical cooperation in each port linked to the Programme. Such is the case of strategic diagnosis workshops, formation of Methodological Support Groups (MSG), and training workshops for the industry.

Therefore, as more countries and port communities join real networks of trade and transport facilitation, with emphasis on the reference model for competitiveness of the port logistics chain, designed within the framework of this Programme, it is necessary to advance in minimizing structural failures in the region.

The Network has been able to identify a new space for development of international technical cooperation, in port environments, that traditional multilateral organizations have not addressed in a comprehensive, dynamic and results-oriented manner. In a short period of time, it has captured the attention of 27 port systems that need to adapt their management approach in order to make a quantitative leap in competitiveness, adopt technological changes and work collaboratively with the maritime business, import and export value chains, logistics user community and transport public policies. Today ports should move quickly in collaborative business and innovation networks, so as not to lag behind and miss opportunities to grow as port cluster, and thus boost the economic and social development of their port cities and foreign trade competitiveness.

Despite the advances and consolidation of the Programme, based on the background that is considered today, the status of the Program for the creation of the Network of digital and

collaborative ports stands out for the incipient formalization of logistic port communities in the ports of each country related to the Programme. Therefore, a proposal is made to structure the organization of the D&C Ports Network towards its sustainability, based on: (1) the reaffirmation and commitment by its members to the activities of the Network; (2) balanced and representative corporate governance; and (3) adequate funding to implement its activities in the medium term. Based on the information collected during all phases of the Programme, articulation of coordinated actions is expected from CAF, SELA and the organizational structure of the Network (committees) with a view to developing some strategies for the formulation of short and long-term agendas, focused on the institutional strengthening of the Network, permanent measurement of the evolution of regional competitiveness, and dissemination of national and regional public policies on logistics-port modernization.

In addition, and in order to provide greater visibility and be able to disseminate, transfer and share knowledge and information generated within the framework of the Programme for the creation of the Network of Digital and Collaborative Ports, in this meeting a presentation will be made of the improved D&C Ports Network portal, which is expected to become a key element for digital support at the stage of institutionalization of the Network of Digital and Collaborative Ports promoted by SELA.

For this purpose, the Transitional Steering Committee presented the work plan for each of the technical committees and the group of experts, highlighting among its fundamental objectives the formalization of the Network, and a roadmap was generated to define the future of the Network as a regional non-profit association.

B. Objectives

1. Present a formalized Network as a regional non-profit association;
2. Offer the materialization of legal and technical studies to legitimize SELA as technical secretariat of the Network; and
3. Present the new facilities of the specialized portal of the Network of Digital and Collaborative Ports as a functional tool for the collaborative work of the community.

C. Expected results

A meeting for the presentation of the Network of Digital and Collaborative Ports, formalized with regulations and a technical secretariat and linked to a specialized portal as a functional tool for its institutionalization and collaborative work of its members.

PROGRAMME: INFORMATION AND COMMUNICATIONS TECHNOLOGIES AND KNOWLEDGE SOCIETY

PROJECT I.4. Promotion of innovation and technological development

Activity I.4.1. Electronic commerce and its development in Latin America and the Caribbean. Status and prospects

A. Background and justification

Since the end of the 20th century, electronic commerce has acquired an increasingly relevant role on the world economic stage. According to data collected by the United Nations

24

Conference on Trade and Development (UNCTAD), in the United States, between 2002 and 2012, the participation of business income from e-commerce doubled from 15% to 30% of the total income of companies in that country. In turn, companies in Asia, such as Alibaba Group (China) or Rakuten (Japan), have assumed the leadership in the provision of electronic commerce services in the region, which has enabled them to achieve milestones such as providing the greatest volume of goods in the world (in terms of their market value) and offer electronic mechanisms for placement of Asian goods in markets of other regions of the world.

In Latin America and the Caribbean, e-commerce also has gained spaces in regional economic relations, although unevenly and on a smaller scale in comparison with other countries of the world. In this connection, it has been reported that Brazil, Mexico and Argentina accumulate nearly 65% of e-commerce between businesses and final consumers in the region. Also, it has been reported that Argentina, Chile and Uruguay accumulate the largest proportions of online shoppers, reaching values close to 70% of Internet users in those countries.

Despite the challenges existing in the field of digital media in Latin America and the Caribbean, electronic commerce has the potential to become a very useful tool for the empowerment of the participation of small and medium-sized enterprises of Latin America and the Caribbean in international markets. The use of online trading mechanisms is accompanied by a significant reduction of the transaction costs incurred by both firms and consumers, in view of the presence of economies of scale derived from the flexibility in the flows of information without additional costs. Therefore, Internet trade offers a path outward to companies with scales of production so small that they could not take up the typical costs of export through traditional mechanisms.

As part of SELA's activities regarding the digital economy and the use of information and communications technologies for trade, the meeting *E-Commerce in Latin America and the Caribbean: Opportunities and Challenges for the internationalization of SMEs* seeks to take a first step in addressing the concerns of small and medium-sized enterprises with export potential in the region. Through this meeting, both business leaders as public policy makers will get a picture of the usefulness of electronic commerce as a tool for internationalization, and will envisage concrete solutions in this area, in accordance with the needs faced by small and medium-scale enterprises in the region.

B. Objectives

General objective

Identify the specific opportunities and challenges that must be addressed by the countries of Latin America and the Caribbean for the use of electronic commerce as a tool for the insertion of small and medium-sized enterprises into international markets.

Specific objectives

1. Identify the specific opportunities and challenges that must be addressed by the countries of Latin America and the Caribbean for the use of electronic commerce as a tool for the insertion of small and medium-sized enterprises into international markets.
2. Define a concrete framework of public policies for the use of electronic commerce in the insertion of small and medium-sized enterprises of the region into international markets.

C. Expected results

A regional meeting in which the issue will be discussed on the basis of the objectives proposed, and a document outlining the use of e-commerce as a mechanism for the internationalization of small and medium-sized enterprises in Latin America and the Caribbean.

Activity I.4.2. Intra-regional value chains based on the digital economy

A. Background and justification

The need to generate sustainable growth and decent employment through trade remains an important political goal for many developing countries. According to the International Trade Centre, 80% of world trade takes place within the value chains, and around 60% of this trade is of intermediate goods. Productive articulation of value chains allows SMEs in developing countries to benefit from participation in world trade

Globalization, coupled with the rapid advance of new technologies and their disruptive business models, poses a series of challenges and opportunities for the internationalization of SMEs on a large scale, since the agreements of Bali in 2014 will allow for rules of the game aimed at trade and transport facilitation.

According to the *Digital Agenda for Latin America and the Caribbean (e-LAC 2018)*, derived from the V Ministerial Conference on the Information Society (ECLAC, 2015), as Internet and other information and communications technologies (ICTs) permeate all the economic and social fields, their relevance in terms of innovation, growth and development takes on a new dimension.

After more than one decade of ICT policies, Latin America and the Caribbean shows progress in the establishment of legal frameworks, the levels of coverage of telecommunication services (mobile telephony and the Internet, mainly), the implementation of programmes in social areas (especially education and health) and the development of e-government. However, the countries of the region continue advancing at different speeds, with gaps within and between them, as well as differences vis-à-vis more developed economies.

The pillar of the digital economy on the Agenda promotes the development of the ICT industry, increases growth based on innovation and productivity, enhances e-commerce, and strengthens the regional digital entrepreneurship ecosystem. Countries have begun to adopt the guidelines of the Regional Digital Agenda, where one of the bets is to achieve efficient integration between the ICT industry and traditional and exporting companies, and each country bases its capacity for trade integration at the regional and global levels.

Such is the case, for example, of the Smart Industries programme, which is being developed by the Production Development Corporation (CORFO) in Chile, and aims to create an ecosystem of integration between ICT suppliers and the research and innovation centres, in strategic alliance with traditional exporting sectors, such as mining, salmon farming and agribusiness industries. Such integration is based on improving governance skills among public, private and innovation stakeholders, as well as on strengthening marketing, promotion and improvement processes.

In Latin America and the Caribbean, there is a significant lag with respect to the adoption of technologies in companies. According to the results of the Digitization Index (DIGIX), which is

26

measured by the Research Team of the BBVA Bank (Cámara and Tuesta, 2017), there is a poor performance in the region.

The DIGIX evaluates factors and behaviours of the agents and institutions that allow a country to take advantage of ICTs in order to increase their competitiveness and the welfare of the nation. The DIGIX is structured around six main dimensions, namely: (1) Infrastructure, (2) Adoption in households, (3) Adoption in enterprises, (4) Costs, (5) Regulations and (6) Contents. Each dimension is, in turn, divided into a number of individual indicators, for a total of 21 indicators.

A smart value chain is defined as an international supply chain involving suppliers, producers, networks of logistics services, distributors and final consumers, who have achieved a degree of exchange of information based on digital enablers and allow them to reduce their response times to markets, take advantage of shared resources, minimize the carbon footprint from their operations, and continually improve their products in two-way collaboration with the final customer.

In its mission to support trade and investment, SELA aims to facilitate the internationalization of SMEs in intra-regional value chains and their integration in the ecosystem of the digital economy and smart technologies. For this purpose, it is necessary to undertake technical cooperation activities focused on the dissemination of global best practices in matters of regional integration of value chains, promotion of sectoral and transnational governances that integrate the ICT industry, innovation and entrepreneurship according to the current and future needs of the internationalized SMEs, and strengthening of public policies for the promotion of such collaboration actions.

B. Objectives

1. Identify the best international practices of “enterprises-digital platforms-government-innovation” governance;
2. Characterize the main challenges, gaps and opportunities for a pilot group of intra-regional value chains, to then accompany them in their evolution within smart development ecosystems.
3. Promote collaborative work among providers of digital platforms (ICT companies, innovation centres and entrepreneurs), the internationalized SMEs, and decision-makers in governments and development institutions;
4. Develop a series of new instruments or reference models to promote smart value chains in the region, increasing trade among nations and raising the standards of employment and sustainability.

C. Expected results

A regional seminar and a document dealing with possibilities for international technical cooperation with a view to strengthening a new ecosystem of collaboration among SMEs participating in intra-regional value chains, new service platforms based on the digital economy and public policies that generate the regulatory framework for promoting these new forms of collaboration.

PROJECT I.5. Strengthening the statistical information system on SELA's Web site**Activity I.5.1. Development of an interactive system for the management of databases and economic statistics on SELA's Web site****A. Background and justification**

The design and publication of statistical indicators for the analysis of the various economic and social phenomena that occur in the world has gained importance in the academic and public policy spaces in recent years. Thanks to the development of information technology, processing and storage of large volumes of information are carried out at an increasingly lower cost in terms of space, time and money. In addition, the evolution of the internet has fostered the dissemination of information at very high speeds, along with the creation and implementation of new strategies for data distribution, based on the pillars of openness and transparency of information.

Following the current global context, international organizations have taken on the challenge of creating various statistical indicators and using tools for a more efficient dissemination of data, with the purpose of offering an accurate picture of our environment and contributing to the creation of solutions for contemporary information-based challenges.

A first example can be found in the experience of the World Bank, which has expanded its range of statistical indicators on poverty, inequality and economic and social development in general, in addition to offering search tools and online access to its databases. For its part, the Inter-American Development Bank has made available a series of easy-access, online specialized databases, which share indicators covering extensive areas, such as public policies for the development of skills or social security systems in Latin America. Other organizations are also taking similar actions, which points towards the consolidation of large information networks driven by national and international public institutions in the next few years.

In this connection, the *Interactive Portal of Statistical Indicators* of SELA aims to strengthen the dissemination of information on the social and economic integration in Latin America and the Caribbean, by offering an interactive space that provides access to the various statistical products prepared by the organization. Through this tool, the Member States and other users can timely access statistical information on the regional integration process and other economic and social relations among the countries in the region.

B. Objectives

1. Offer the statistical indicators prepared by SELA through a simple, interactive platform;
2. Provide an interactive and dynamic environment for visualization of statistical information produced by SELA;
3. Provide a tool for access and download of estimated indicators in the organization, together with their relevant statistical information base;
4. Facilitate the work of disseminating the quantitative information arising from the activities conducted at SELA.

28

C. Expected results

A Web site consisting of an interactive visualization environment and an advanced tool for search and download of quantitative indicators, which will work on the basis of a detailed statistical information database collected and/or estimated at SELA and to be hosted on the network.

PROJECT I.6. Management and coordination of specialized portals

Activity I.6.1. Management and maintenance of specialized portals

A. Background and justification

In order to optimize the contents of its Web site related to institutions and the development of integration in Latin American and Caribbean economies, in 2018 SELA continued the work of updating its specialized portals, through which some issues of the utmost importance on the agenda of the organization have been addressed, namely: disaster risk reduction in Latin America and the Caribbean, South-South cooperation, free trade zones, SMEs, and digital and collaborative ports (D&C Ports).

It should be noted that in the field of SMEs, through the portal dedicated to the SELA-SMEs Programme, the Permanent Secretariat supported cooperation actions for the creation and strengthening of micro, small and medium-sized enterprises in the region. For that purpose, the portal is becoming a reservoir of information which, in addition to facilitating access to regional legislation by countries, keeps a network of contacts with public and private entities up-to-date, facilitating interaction with the authorities responsible for public policies, as well as with representatives of the sector in the Member States. For 2019, the Permanent Secretariat plans to include new facilities and strengthen the existing ones in the portal.

As regards digital and collaborative ports, the Permanent Secretariat is building the portal dedicated to the Network of Digital and Collaborative Ports (D&C Ports Network). Thus, SELA contributes to the strengthening of ports and their communities to address the challenges of the growing volume of foreign trade and the strategies of the major international stakeholders in ports of the region. In addition, it gives a boost to facilitation of intra and extra-regional trade of Latin America and the Caribbean and guarantees, especially exporters and importers and relevant authorities, a space for them to timely access key information for their activity, based on the competitiveness and management indicators of the port logistics chain to improve decision-making.

Designed on the basis of collaborative work, this site includes a technical-administrative environment of limited access for staff of the D&C Ports Network and a public environment to which end users can access for their query. It should be noted that the users registered in the private environment will be able to share, in real time, documents, tasks, agenda and allocation guidelines for meetings with other users of the same group or Steering Committee and, even, with members of other groups or Steering Committees. In addition, they will be able to share data for research, identify regional projects, establish strategies for technological development, coordinate of regional meetings, access new knowledge with benchmark through the promotion of studies and comparative analyses, among other benefits.

In addition to the documentary information that this Web site is scheduled to facilitate to users, it is expected to incorporate a directory of contacts of ministries and authorities that participate in the Network, as well as the dissemination of studies, projects and public policies of the countries linked to the subject.

In 2018, the Permanent Secretariat has continued working on the coordination of the structuring of the portal, which is shared responsibility of several authorities linked to the 27 logistic port communities making up the D&C Ports Network. This tool will be available to the public at the end of the second half of 2019.

B. Objectives

Maintain and enrich the offer of specialized information that the Permanent Secretariat makes to the Member States, through the various tools in its Web site, optimizing its access and consultation.

C. Expected results

Optimized portals, converted into authentic reservoirs of relevant and up-to-date information, related to key aspects of development and integration processes of Latin America and the Caribbean, reflected in this Work Programme.

AREA II. ECONOMIC AND TECHNICAL COOPERATION

PROGRAMME: SUPPORT TO ECONOMIC AND TECHNICAL COOPERATION AMONG LATIN AMERICAN AND CARIBBEAN COUNTRIES

PROJECT II.1. Strengthening economic and technical cooperation in Latin America and the Caribbean

Activity II.1.1. XXX Meeting of International Cooperation Directors for LAC: coordination and efficiency of international cooperation vis-à-vis the occurrence of natural disasters in Latin America and the Caribbean

A. Background and justification

During the course of the last ten years for which there are consolidated statistics on disasters (2008-2017), 3,460 natural disasters have occurred around the world that have caused 675.511 human losses. If we add to that figure the number of displaced and wounded persons, a total of 1.9 billion people have been affected. In addition, in view of the potential increase in natural phenomena due to climate anomalies expected for the coming years, in conjunction with the trends of population growth in areas that are prone to natural disasters, it is necessary to count on international cooperation for the development of capacities in this area

Official Development Assistance (ODA) flows in humanitarian assistance in the case of disasters of such kind cover a low percentage of the economic cost of natural disasters. Moreover, they are primarily focused on the process of attention to emergencies, thus neglecting prevention and

30

restoration assistance. For instance, in 2016, a total of US\$ 22,965 million were disbursed for attention to emergencies globally, which accounted for 15.5% of the total cost incurred due to natural disasters in that year (US\$ 147,278 million), whereas assistance for prevention, preparedness and reconstruction reached US\$ 1,472 and US\$ 1,493 million, respectively, which together accounted for 2% of the total cost.

This scenario supports the fact that, in terms of natural disasters, domestic and international cooperation policies must be directed towards long-term prevention and recovery. In addition, being prepared for the occurrence of these events implies identifying and reducing the risk of disasters, mitigating financial costs and building resilient societies.

In Latin America and the Caribbean, there are institutions dedicated to emergency care, risk management and disaster prevention. Countries in the region have accumulated an experience in policies and programmes for emergency care and risk management. However, it is necessary to give greater impetus to the coordination, articulation and convergence efforts of these institutions in order to maximize the exchange of information and experiences, the definition of concerted action strategies and the strengthening of inter-institutional cooperation, so as to facilitate the design and implementation of really effective programmes for prevention, mitigation, response, recovery and reconstruction.

In this connection, the various specialized multilateral mechanisms and development banks promote an effective framework for disaster risk management, which consists of five (5) pillars, namely: i) risk identification, ii) risk reduction, iii) preparedness and training, iv) financial protection, and v) recovery and resilient reconstruction.

The Latin American and Caribbean Economic System (SELA), as organization that promotes intra-regional cooperation, in order to accelerate the economic and social development of its members, and provide a permanent system of consultation and coordination for the adoption of common positions and strategies on economic and social matters, will make the necessary efforts to maximize the efficiency of international cooperation in disaster risk reduction (RRD) by optimizing the management of resources used to support initiatives aimed at minimizing the impact of natural disasters on national development policies, which will require a growing level of coordination and convergence among the various institutions involved.

This project aims to strengthen and promote cooperation in the field of natural disasters in Latin America and the Caribbean, in order to support joint strategies for the consolidation of initiatives that improve national and regional programmes for adaptation and mitigation of the impacts of natural disasters. This regional meeting is expected to generate synergies and boost the discussion of such a critical issue for the region. In addition, it will encourage specialized regional and subregional institutions to schedule other related meetings that promote the exchange of experiences, exchange of offers and requests for cooperation, and develop inter-institutional agreements in areas of mutual interest.

The Member States have expressed their interest in addressing the issues of international cooperation and disaster risk reduction, and in the past seven years they have expressly mandated the Permanent Secretariat to include specific activities in the Work Programme of the organization, which has been innovative in dealing with the topic of disaster risk reduction in the region. To that end, it has held an annual meeting on Public-Private Partnerships (PPPs) with the support of the United Nations Office for Disaster Risk Reduction in the Americas (UNISDR) and

other regional organizations, thus demonstrating the existing interest and commitment to maintaining the issue of natural disasters on the regional work agenda.

B. Objectives

1. Submit a general assessment of the main initiatives developed by the Member States of SELA and specialized international organizations to contribute to the consolidation of coordinated and efficient cooperation vis-à-vis adaptation and mitigation of effects of natural disasters;
2. Promote best practices of international cooperation in cases of disasters and strategies for adaptation and mitigation of their impacts that are susceptible to replication in different geographical and demographic contexts; and
3. Disseminate and exchange information on protocols of action for the efficient management of international cooperation in cases of natural disasters.

C. Expected results

1. Conduct the XXX Meeting of International Cooperation Directors for Latin America and the Caribbean: coordination and efficiency of international cooperation vis-à-vis the occurrence of natural disasters in Latin America and the Caribbean;
2. Provide up-to-date knowledge on the status of progress of international cooperation protocols in cases of disasters;
3. Allow international cooperation directors to know the potential of assistance that can be offered by the Regional Logistical Centre for Humanitarian Assistance (CLRAH) in Panama;
4. Create a team of public and private allies for the projection and strengthening of the initiatives developed by the Regional Logistics Centre for Humanitarian Assistance (CLRAH) in Panama; and
5. Identify proposals and mechanisms for better use and coordination of international cooperation in the field of natural disasters, and how to make it more effective and efficient.

This project will be supported by the Government of Panama, through the Ministry of Foreign Affairs (MIRE), the Ministry of Government and the Regional Logistical Centre for Humanitarian Assistance (CLRAH), in addition to the United Nations System, particularly the United Nations Office for Disaster Risk Reduction (UNISDR), the United Nations Office for the Coordination of Humanitarian Affairs (OCHA), the World Food Programme (WFP), the International Federation of the Red Cross (IFRC) and the European Commission's Humanitarian Aid Office (ECHO).

Activity II.1.2. Cultural and creative industries: New opportunities for regional development

A. Background and justification

Cultural and creative industries make up a classification that includes a set of productive sectors associated with visual arts, performing arts and the dissemination of the cultural and historical wealth of peoples. Specifically, sculpture, painting, photography, music, crafts, design, theatre, dance, cuisine and traditional festivals are examples of activities considered in this economic branch.

32

These industries have also been defined with different terms, such as creative economy, cultural economy, leisure industry, and entertainment industry, which highlight the high innovative and cultural contents of these productive sectors.

According to the recognized expert in this subject area John Howkins, cultural and creative activities accounted for 6.1% of world GDP in 2005, and their dynamism has intensified exponentially with the support of digitization and information and communications technologies (ICTs). In addition, these sectors have been characterized by their capacity for resilience during adverse exogenous events, which enabled them to report a faster recovery after the global financial crisis in 2009, and have emerged as an alternative in economic diversification processes.

In essence, these industries have an interconnected offer that works in a dynamics of clusters with strong productive articulations capable of stimulating activities such as tourism, manufacturing, transport and trade. They also offer great opportunities for the materialization and strengthening of regional integration, expanding cultural and trade links through the exchange of creative contents.

However, to ensure full exploitation of their potential, it is necessary to advance in multiple aspects of public actions, in order to build a strong network of focused support and promote citizen awareness for improved performance. In this connection, the development of a reliable statistical information system will be essential, through mapping, satellite accounts and monitoring indicators, to gain knowledge about its composition, location and real contribution to economy and employment.

At the institutional level, the creation of national and regional legal instruments and agencies is required to encourage and protect this sector's productive activity. Thus, through laws, it is possible to guarantee intellectual property rights, boost the generation of cultural infrastructure, and promote the inclusion of workers in pension and social protection systems.

In addition, through legal mechanisms, it is possible to promote the financial support to this sector by structuring innovative instruments and creating tax incentives tailored to its needs.

In the educational area, there is evidence of the need for rethinking the programmatic contents in order to incorporate cultural training, digital training and creative education, which will accompany science and literature, into the whole learning process of students. Thus, students could have the necessary capabilities to undertake a creative business with large individual and collective benefits.

The foregoing poses major challenges for the public sector in terms of formulation and implementation of policies. Activities in this sector are applicable to the entire government structure, demanding an intersectoral and multidisciplinary effort, in partnership with the private sector and the academia, for the creation of mechanisms for joint work that capitalize on the creative effort of these industries in regional development.

B. Objectives

1. Create a space for discussion on the main challenges and opportunities for the cultural and creative industries in Latin American and Caribbean countries; and

2. Promote the exchange of regional and international successful practices in the implementation of actions that promote joint work between the public and private sectors and the academia for the benefit of cultural and creative activities.

C. Expected results

The conduction of a regional meeting to analyze the opportunities offered by the cultural and creative industries for productive diversification and regional development, addressing the challenges in the formulation and implementation of policies within the context of a collaborative work between the public and private sectors and the academia.

Activity II.1.3. VIII Meeting on Public-Private Partnerships for Disaster Risk Reduction in Latin America and the Caribbean

A. Background and justification

Since 2010, the promotion of public-private partnerships for risk management, continuity of government and continuity of business and operations amid disaster situations have been priorities of the Permanent Secretariat, based on the mandates issued by the Latin American Council and the renewal of the Memorandum of Understanding to promote cooperation and coordination in the area of disaster risk reduction in Latin America and the Caribbean 2015-2020, signed with the United Nations Office for Disaster Risk Reduction (UN/ISDR).

The Permanent Secretariat of SELA continues to work jointly and in coordination with UN/ISDR in facilitating spaces to continue to promote the creation of partnerships in order to promote disaster risk reduction, especially, focusing on the recommendations of the Sendai Framework 2015-2030.

The "VII Meeting on Partnerships for Disaster Risk Reduction in Latin America and the Caribbean: Building resilient infrastructures" is scheduled to be held in 2018 (Mexico City, 20 and 21 November). It is being organized jointly with the United Nations Office for Disaster Risk Reduction (UN/ISDR), the Ministry of Foreign Affairs of Mexico (SRE), Cementos Mexicanos (CEMEX) and the Inter-American Conference on Social Security (CISS).

The global goals of the Sendai Framework are as follows: reduce economic losses caused directly by disasters; substantially reduce the damages caused by disasters on vital infrastructure and the disruption of basic services, such as health and educational facilities, and even develop their resilience; and significantly increase the number of countries with strategies for disaster risk reduction at the national and local levels.

In view of the above, for the year 2019, the Permanent Secretariat of SELA, together with the UNISDR, will organize the VIII Regional Meeting on Partnerships between the Public and Private Sectors for Disaster Risk Reduction in Latin America and the Caribbean", which will address issues that are defined as priorities by the national authorities in charge of disaster risk reduction in the Member States.

B. Objectives

1. Continue to promote the formation of public-private partnerships to promote disaster risk reduction, with the help of governmental focal points and private entities in the region, as

34

well as the implementation of actions in this connection, together with the United Nations Office for Disaster Risk Reduction (UN/ISDR);

2. Continue to foster continuity of government and business, and operations amid disaster situations, through the exchange of knowledge and experiences among the various actors in the field of risk management; and,
3. Continue to support compliance with the goals adopted within the Sendai Framework 2015-2030 regarding issues related to resilience, damage reduction and international cooperation, among others.

C. Expected results

Conduct the VIII Regional Meeting on Partnerships between the Public and Private Sectors for Disaster Risk Reduction in Latin America and the Caribbean.

Activity II.1.4. IX Meeting of the Working Group on Trade and Competition. Joint UNCTAD-SELA project

A. Background and justification

The Latin American Council of SELA, through Decision N° 519 (2010), agreed to support the establishment of the Working Group on Trade and Competition (WGTC) with the purpose of achieving the institutional strengthening of the countries of the region in trade and competition, by facilitating exchanges of knowledge and experiences, promoting regional consultations, and pursuing economic and technical cooperation from both within the region and from international organizations related to the matter.

Similarly, through Decision N° 530 (2011), the Council instructed the Permanent Secretariat of SELA to continue with the technical support for organizing and conducting activities of regional interest related to trade and competition as determined by the Working Group, which operates in cooperation with UNCTAD.

The Working Group, in coordination with the General Secretariat of UNCTAD and the Permanent Secretariat of SELA, acting as their Executive and Technical Secretariats, respectively, met in Bogotá, Colombia (July 2011); Lima, Peru, (June 2012); Buenos Aires, Argentina, (September, 2013); in Punta Cana, Dominican Republic, (November, 2014); in the city of Manta, Ecuador, (December, 2015); on the island of Roatán, Honduras (November, 2016); in San Salvador, El Salvador (October, 2017) and in Brazil (2018).

B. Objectives

1. Exchange experiences and best practices among authorities in charge of trade and competition in the Member States as regards priority issues on the regional agenda, stemming from the debates among trade and competition authorities in the region; and,
2. Conduct an analytical study on the subject to be determined by the authorities in charge of trade and competition in the region by consensus.

C. Expected results

Conduction of the IX Annual Meeting of the Working Group on Trade and Competition in Latin America and the Caribbean (WGTC).

PROJECT II.2. ECONOMIC AND SOCIAL DEVELOPMENT**Activity II.2.1. Advances in public policies for poverty reduction in Latin America and the Caribbean: a multidimensional approach****A. Background and justification**

Estimates of the Economic Commission for Latin America and the Caribbean (ECLAC) on poverty and extreme poverty corroborate that, between 2002 and 2014, both phenomena were considerably lower in the regional aggregate, although at a declining pace. In 2015 and 2016, figures reveal an increase in the overall levels of regional poverty and extreme poverty, even though they continued to decrease in most countries.

In this connection, the region is still characterized by a high vulnerability that also affects the rising middle class. More specifically, according to estimates by the Inter-American Development Bank (IDB, 2015), 65% of people who receive a daily income between US\$4 and US\$10, and 14% of the middle class, have suffered poverty during the last ten years. In addition, chronic poverty continues to be widespread, with extreme and moderate poverty accounting for 91% and 50%, respectively (IDB, 2015).

Also, the differences between urban and rural areas are substantial. Urban areas concentrate the majority of vulnerable people and in moderate poverty, and are characterized by a higher income, with an upward trend.

Such scenario has led to the emergence of different methodologies for measuring poverty, which have generated different indicators according to the particular characteristics of the people in poverty situation. In general terms, poverty measurements can be classified into two groups: 1) those using income level as an indicator to identify people in poverty; and 2) indicators of multidimensional poverty that characterize poor people by using the absence of a certain living standard as a parameter.

It should be noted that both poverty measurement groups are complementary when it comes down to designing and implementing efficient and effective public policies that address such problem. Therefore, the design of sustainable social security networks in time should combine long-term interventions aimed at the chronically poor, especially in rural areas, with flexible short-term support for a large number of people in situation of transient poverty and vulnerability, particularly in urban areas.

Within this context – and understanding the different dimensions of poverty – it is necessary to study it more thoroughly, developing new measurement methods and indicators that clearly reflect the characteristics of the people in such situation, as well as coordination between national authorities, international organizations and institutions with technical, operational and financial competences in the field, for the design and implementation of public programmes and policies to combat poverty with greater efficiency and effectiveness and progressively eradicate it, while improving living conditions of the people.

The Permanent Secretariat will coordinate the training process of government officials in charge of social policy, along with experts from academic institutions and multilateral organizations such as ECLAC, IDB and the World Bank.

36

B. Objectives

1. Train officials in charge of planning and social development in the management of the concepts and methodologies used for multidimensional poverty measurement;
2. Disseminate best practices and experiences of successful programmes and social policies for poverty reduction in Latin America and the Caribbean; and,
3. Facilitate better coordination among national authorities in Latin America and the Caribbean responsible for social development, multilateral organizations and regional development banks in the design and implementation of public policies and programmes for poverty reduction in the region.

C. Expected results

Conduct the "Meeting on progresses of public policies for poverty reduction in Latin America and the Caribbean: A multidimensional approach". Its objectives are: i) promote methodologies to analyze the phenomenon of poverty from a multidimensional vision among public policymakers in Latin America and the Caribbean; ii) support the creation of a national index, by country, that reflects multidimensional poverty in Latin America and the Caribbean; iii) create a meeting space for relevant focal points in Latin America and the Caribbean, which allows for reflection on the causes and determining factors that guarantee the success or failure and the sustainability of public policies for poverty reduction; and iv) establish regular channels that facilitate technical cooperation among national authorities of Latin America and the Caribbean, multilateral organizations and regional development banks in order to overcome technical, operational and financial problems in the design and implementation of poverty reduction programmes and policies in Latin America and the Caribbean.

Participants in the meeting will include the national authorities of SELA Member States responsible for public policies focused on the areas of health, youth employment and education, as well as representatives from regional and international organizations, experts and academicians linked to public policies for poverty reduction in Latin America and the Caribbean, from a multidimensional approach.

Activity II.2.2. Food and nutrition security in Latin America and the Caribbean: treatment of food losses and waste

A. Background and justification

According to estimates, there are more than 925 million people suffering from hunger in the world. Therefore, this subject forms part of the United Nations 2030 Agenda and its Sustainable Development Goals, whose Goal 2 is to "end hunger, achieve food security and improved nutrition, and promote sustainable agriculture".

In addition, the United Nations Food and Agriculture Organization (FAO) points out that food losses are equivalent to close to 1,300 million tons per year and represent a waste of the resources and inputs used for food production.

SELA has analyzed the issue of Food Security at various regional meetings, namely: the Regional High-Level Meeting on Food Security in Latin America and the Caribbean, in May 2008; the Meeting for Consultation and Coordination on the Price of Food and Food Security in Latin America and the Caribbean, in September 2009; and the XXIII Meeting of International

Cooperation Directors for Latin America and the Caribbean: Regional Cooperation in the field of Food Security, in October 2012.

The aforementioned meetings made recommendations that at present are still very important, for instance: treat food and nutrition security and hunger eradication as national priorities, incorporating them as central elements of State policies and the cooperation and integration agendas with a regional scope, and commit all national authorities, including the private sector and government entities, subregional integration mechanisms, and international organizations specialized in strategies to ensure food and nutrition security.

In addition, proposals were also made for creating a Regional Cooperation Programme on Food Security, with the following objectives: contribute to the possible establishment of an Action Committee on Food Security with the interested SELA Member States; assess the convenience of creating a network of regional research institutes specialized in food security; promote the establishment of a Special Fund to assist countries in their food contingency programmes; and study the possible benefits of a Regional Agreement on Priority Food Supply for the region.

In 2019, the Permanent Secretariat of SELA hopes to retake this issue, of high priority for the region, and hold a regional meeting to bring together the focal points in charge of cooperation of the Member States of SELA, regional and international organizations interested in the matter, and experts, to address the treatment of losses and waste of food in terms of food security.

B. Objectives

1. Assess the scenario for Food Security in Latin America and the Caribbean, especially the progresses made and the policies to reduce hunger;
2. Study the consequences of food losses and waste in the region; and,
3. Promote experiences and best practices on the treatment of food losses and waste in the region.

C. Expected results

Conduction of the Regional Meeting on Food Security in Latin America and the Caribbean: Dealing with food losses and waste.

Activity II.2.3. Migratory challenges in Latin America and the Caribbean: Analysis in the light of the theory of networks 1995-2017

A. Background and justification

Migration, together with birth and mortality rates, modify the population structure and dynamics of a territory, and therefore these issues must be analyzed as a dynamic and ever-changing social fact.

The different migratory patterns show the multi-dimensional complexity of this phenomenon, understood as the result of the inter-relation of social, economic, ecological and political processes of any given society where they may occur.

In Latin America and the Caribbean, migratory processes form an essential part of its history and the formation of their national States. For decades, it was a region that received immigrants coming from different contexts and circumstances. Later on, as a result of economic and political

38

changes, some countries began to experience emigration processes, which led to think, at the regional level, that such experiences were concentrated in a group of countries.

However, since the 1980s, important changes have occurred in the region, which are manifested in new migratory forms and patterns. Migrations not only intensified, but they spread throughout the region. Countries that once were receivers became ejectors and vice versa. Diversity in patterns, types and flows is increasingly more associated to development and its various dimensions. It is worth mentioning that population movements do not occur only for economic reasons, associated with employment, but they are also linked with issues such as violence, violation of civil and political rights, environmental factors and scientific and technological exchanges, among others.

On the current world scenario, mass migrations constitute one of the most difficult phenomena to deal with. In the coming years, migrations in the region will be complex and will face challenges that will require to determine their triggering factors, and foresee their consequences in the light of the development of the countries and the region as a whole.

B. Objectives

1. Determine patterns of the macrostructure of migration to and from Latin America and the Caribbean during the period 1995-2017, based on the graphs derived from the theory of networks;
2. Describe and analyze the role of the different nodes in the functional structure of the network of regional migration during the period 1995-2017;
3. Assess the correlation of migrations with a series of multidimensional indicators of development;
4. Estimate coefficients of the theory of networks for regional migration during the period 1995-2017; and,
5. Contrast the different theoretical approaches on migration with the results of the study.

C. Expected results

A document that:

1. Highlights the main theoretical approaches to the study of migrations;
2. Identifies the sources of migration data, pointing out their strengths and limitations;
3. Develops the graphs and calculations of coefficients resulting from the regional migration networks;
4. Identifies relevant nodes in migrants networks; and
5. Correlates the regional migration networks and the multidimensional development indicators.

Activity II.2.4. Seminar on impact evaluation of public policies in Latin America and the Caribbean. Policies for disaster risk reduction

A. Background and justification

The systematic and regular evaluation of public management contributes to strengthening the role of the State since it is the instrument *par excellence* to ensure democratic governance and governability, and along with them, collective well-being. In turn, the evaluation of public

management necessarily hinges on the analysis and evaluation of the policies that support it. The objective is to achieve a systematic appreciation of the design, the implementation and, especially, the results and impact of such policies on society, with a view to developing better plans for optimization of public management.

In August 2017, the Permanent Secretariat of SELA organized the "Regional Seminar: Introduction to the Evaluation of the Impact of Public Policies and Programmes", whose objective was to train participants in the management and mastery of the necessary tools for the management, monitoring and evaluation of the impact of public policies, and exchange experiences on the process of formulating public programmes, in order to consolidate capacities for the use of impact assessment as an instrument for accountability and as a tool for the continuous improvement of public policies and programmes. The premise of this seminar was the certainty that only on the basis of impact assessment it is possible to determine what would have happened to the beneficiaries of a programme in the absence of it, because this methodology not only allows for a cause-effect analysis, but – as part of the public policy process – it also encourages learning of successful or failed cases and the accountability to citizens and the competent authorities, as the case may be.

To ensure continuity of this effort, the Permanent Secretariat organized in September 2018 the "Seminar on assessment of the impact of public policies for micro, small and medium-sized enterprises (MSMEs) in Latin America and the Caribbean" and, for the year 2019, it has planned to organize another seminar on the same topic, making emphasis on disaster risk reduction (DRR).

In the field of disaster risk reduction, the assessment of the economic, social and environmental effects of disasters – i.e. the assessment of damages from a disaster – is a well-established practice. However, one of the conclusions of the aforementioned seminar points out that "impact assessment is not a common use methodology in public administrations and governmental instances in the countries of Latin America and the Caribbean; therefore, emphasis was made on the exceptional and very valid quality of this niche in order to carry out technical cooperation initiatives for the Member States of SELA." For this reason, the Permanent Secretariat of SELA has deemed it pertinent and useful to organize the "Seminar on impact assessment of public policies in Latin America and the Caribbean on disaster risk management and reduction", so that experts and decision makers in the área of DRR discuss about the subject, strengthen their technical capacities and promote its use in the region.

This project is being developed by the Permanent Secretariat jointly with the Latin American Centre for Development Administration (CLAD), CAF-development bank of Latin America, and the Center for Learning and Evaluation of Results of Latin America and the Caribbean (CLEAR-LAC). In 2019, the United Nations Office for Disaster Risk Reduction (UNISDR) will also start to participate in this project.

B. Objectives

1. Train participants in the seminar in the design, implementation and evaluation of public policies for disaster risk management and reduction;
2. Disseminate best practices and experiences in this respect, and,
3. Promote technical cooperation among disaster risk reduction focal points.

40

C. Expected results

Conduction of the Seminar on evaluation of the impact of public policies in Latin America and the Caribbean with a view to: i) identifying technical tools that allow for an appropriate design and experimental implementation of public policies; and ii) adopting a methodology for impact evaluation that contributes to greater efficiency in executing public policies.

Activity II.2.5. Strong and inclusive labour markets: Challenges and prospects for Latin America and the Caribbean

According to the International Labour Organization (ILO), the performance of labour markets in Latin America and the Caribbean has experienced a marked deterioration after the international financial crisis, largely undermining the progress achieved during the super cycle of raw materials. In 2017, and despite a slight recovery of the economic activity, the regional employment rate maintained its contractionary trend as unemployment continued to rise and only the rate of participation reported a small indication of recovery.

A more detailed vision of this reality reveals that young people and women are the segments in which unemployment and low participation persist more strongly, and they are also the least favoured groups in their wage consideration. As for the quality of employment, self-employment and informality continue to rise, while real wages rebound due to a greater control of inflation levels and because they are not accompanied by increases in productivity.

Coping with this situation is a prime task for the region. Labour markets in Latin American countries reflect the structural reality of their economies, where the strong influence of external conditions has resulted in periods of constant instability. Therefore, emphasis has been made on the importance of taking diversification and productive transformation actions in order to promote activities with greater added value, knowledge and productivity, which allows for creating stable, decent and quality employment.

But generating greater opportunities for the working class does not only involve the task of structural changes and economic growth. The region has a long way to go in boosting formalization in the exercise of productive activity. ILO figures show that, at present, 127 million people are working in conditions of informality, without social protection coverage, without employment-related benefits and with tax-evading productive units.

Although it represents an option to poverty and need, informality has become the root of major economic and social problems. By acting outside the law, informal workers do not provide resources to the tax revenue for executing public works and financing social programmes. This foments corruption and weakens the institutionality, distorts the functioning of markets through unfair competition, deepening inequality, perpetuating poverty and threatening productivity and growth.

The complexity of this phenomenon has transcended the efforts of business formalization and, in essence, it has become a problem of social inclusion. According to ILO statistics, out of the total non-agricultural informality rate, 65% are employees working in informal enterprises, 11% domestic employees and 24% workers in formal enterprises which do not comply with their legal obligations. Young people, women, the poor and migrants are the social segments that are most exposed to this scourge.

For these reasons, the countries of Latin America and the Caribbean must move ahead with an agenda of profound transformations in order to obtain stronger and more inclusive labour markets, within a context also marked by globalization, digitization of productive processes and constant demographic changes.

The implementation of improvements in education and training systems, to enhance the capacities of the workforce and to increase their skills, the promotion of institutional strengthening through the design and optimization of control actions and labour and tax inspection, the promotion of the effectiveness of social protection systems, the unemployment transfer programmes and the income redistribution mechanisms for the benefit of the most vulnerable, are some of the main aspects of the work required.

A. Objectives

1. Generate a space for synergy and reflection on the main challenges and opportunities of labour markets in the region within the context of globalization, digitization and profound demographic changes;
2. Promote the exchange of regional and international best practices in the implementation of policies for the formation of solid and inclusive labour markets; and,
3. Promote the creation of a regional work agenda to undertake actions for formalization and inclusive growth.

B. Expected results

Conduction of a regional meeting to promote synergies and exchanges of regional and international best practices and to allow for shaping up a regional work agenda that favours formalization and inclusive growth.

Activity II.2.6. Multidimensional indicators of development. Database in support of public policies

A. Background and justification

For more than one century, the countries have outlined public policies for the purpose of achieving development – a concept that is fraught with complexity in view of its multidimensional nature. Thus, it is a challenge to measure the fulfillment of the proposed goals.

Despite its complexity, the notion of development has been incorporating perspectives and angles to encompass them within a concept with multiple dimensions, both in their form and contents, which consider economic, political, social, cultural, technological and ecological aspects.

However, this entails an abundance of indices of various types, with each one attempting to measure conditions and/or variables present in various dimensions of the development of countries, some broader, others more specific, but, definitely, all relevant.

Having a space that allows for access to all these measurements is of great value for researchers and policymakers, avoiding doubling efforts in the creation of measurements that may have already been developed and promoting the intensive use of the existing ones.

42

B. Objectives

The objective of this project is to compile a series of about 80 multidimensional indicators classified according to the following aspects: i) environment; ii) development and/or well-being; iii) freedom, democracy and institutionality; iv) innovation, science and technology; and v) demographics. The purpose is to make a database available to public policy makers and researchers, especially from Latin America and the Caribbean.

C. Expected results

A document explaining the methodology to shape up the indicators and databases of multidimensional development indexes that can be consulted from SELA's Web portal, and help to visualize its activities and support to public policies in the countries of the region. The activity will be divided into two phases in which forty (40) indicators will be obtained in each phase.

PROGRAMME: SELA-SMEs

PROJECT II.3. Latin American and Caribbean Regional Programme for Small and Medium-sized Enterprises

Activity II.3.1 Productive articulation programme for the strengthening and development of small and medium-sized enterprises (SMEs) in the region

A. Background and justification

In its Work Programme for the year 2018, the Permanent Secretariat of SELA structured several activities aimed at promoting value chains, which facilitate productive articulation and the export capacity of enterprises, while encouraging the development of greater productivity and promoting their sustainable growth. For this project in particular, which hinges on a non-refundable technical cooperation agreement signed with CAF-development bank of Latin America, three specific priority areas for the development of SMEs have been addressed.

The first area includes issues related to the training of the officials directly linked to decision-making and the formulation of public policies: a) training of the relevant technical staff in the design, implementation and evaluation of impact of public policies for SMEs; b) dissemination of best practices and intra-regional experiences related to the design, implementation and evaluation of impact; and c) promotion of technical cooperation among the governmental focal points in charge of SMEs in the region.

In the second area, actions are intended to: a) review policies and programmes for the formalization of SMEs in Latin America and the Caribbean; b) identify successful practices of financial inclusion related to financing schemes oriented to the needs of SMEs; and c) create a common space that facilitates the exchange of ideas and initiatives for the design of financing schemes.

The third area of action includes: a) develop a series of indicators to assess and track trade and the degree of interdependence of national and regional markets; and b) draw up a map of productive niches.

In order to carry out all these activities, the Permanent Secretariat programmed the conduction of strategic diagnosis workshops, the creation of methodological support groups and the training workshops. In this regard, the participation and technical support of the various organizations related to SMEs, business associations and the public sector is expected, especially those related to the formulation, evaluation and follow-up of public policies.

In this first year of execution, the project was divided into three stages, some of which have already been implemented:

Stage I. Preparation of an information database. At this stage, an empirical evaluation will be made based on the existing information to design new indicators, starting with a macroeconomic level to move on to the microeconomic specificity with the constitution of the data on production, exports and imports of each participating enterprise. This will give rise to a database with inputs from the companies in the countries of the region and which will be available for direct consumption.

Stage II. Workshops to shape up work teams, and training activities aimed at government agencies and institutions that promote the development of SMEs.

Stage III. Starting the construction of the information network and the matrices to create the productive niches – previous mapping – in competitive sectors of the different economies that make up the pilot group.

In 2019, the Permanent Secretariat will continue with the activities planned together with the work teams formed in 2018 and will focus on the execution of the third stage for identifying competitive productive niches in a certain economy. However, even though there are already existing methodologies to identify value chains, the Permanent Secretariat will propose a new methodology that takes as reference the theory of productive capacities developed by Hausmann and Hidalgo (2013).

In a first phase, the study was carried out for the case of El Salvador. However, the objective is to replicate it for the rest of the countries of the region that expressed their decision to participate in this project, taking into account the availability of statistical data for each one of them. Thus, it will be possible to obtain a mapping of productive niches that allows for developing a network of strategic alliances that leads to strengthening the productive linkages so as to promote productive articulation at the regional level.

B. Objectives

1. Make a survey of statistical information by countries and industrial sectors taking into account the information resulting from the Index of Commercial Introversion by products;
2. Identify potential productive niches by countries through the methodology proposed by SELA; and,
3. Promote the design of strategies for the creation of the Network of Strategic Alliances at the regional level.

C. Expected results

1. Technical reports on the execution of the aforementioned stages.

44

2. Publications organizing the documentary information generated by the activities carried out, which should serve as guides for outlining public policies to increase the productive articulation of SMEs in Latin America and the Caribbean.
3. Create a directory of SMEs that serves as a means to forge strategic partnerships among enterprises in the region.

Activity II.3.2 Public Policy Index for MSMEs in Latin America and the Caribbean (IPPALC). Presentation of the results of the IPPALC project applied to the member countries of the Pacific Alliance, Argentina, Ecuador and Uruguay

A. Background and justification

Since 2015, after the presentation of the document *Methodological considerations for developing an index of public policies for SMEs in Latin America and the Caribbean (IPPALC)* at the "Regional Meeting on Public Policies for Promotion and Support of SMEs", held in Cartagena de Indias, Colombia, the Permanent Secretariat proposed the implementation of the IPPALC in the region, suggesting a conceptual and methodological adaptation of the similar indicator developed by the OECD in 2006, with emphasis on the promotion of productive articulation and transformation.

As a result, in 2016 two regional meetings were held in coordination with the OECD. The first one was the Regional Meeting on the Update Study on the Public Policy Index for MSMEs in Latin America and the Caribbean (IPPALC), held in San José, Costa Rica. The second one was entitled "Workshop on the Implementation of the Public Policy Index for SMEs in Latin America and the Caribbean", which was held in Panama City. Both events were aimed at promoting the implementation of this tool, and allowed for identifying the countries interested in adopting such Index as part of their strategies to support MSMEs.

After these meetings, letters of interest were received from Argentina, Ecuador, Uruguay and from the Pro Tempore Presidency of the Pacific Alliance, in charge of Chile, in which they expressed the willingness of their member countries to develop the IPPALC.

In May 2017, the "Workshop to launch the Public Policy Index for MSMEs in Latin America and the Caribbean: Pacific Alliance and South America" was held in the state of Jalisco, Mexico. This was the pilot project of the IPPALC in the countries of the Pacific Alliance (Chile, Colombia, Mexico and Peru), Argentina, Ecuador and Uruguay, in a joint work between the OECD and SELA, counting on the support of CAF-development bank of Latin America.

As part of this pilot project, an agreement was reached on the execution timeframes and responsibilities of the organizations involved and the national coordinators of the countries. Thus, during the months of July, August and September 2017, the questionnaires corresponding to the evaluations of the IPPALC were answered and sent back to the technical team (OECD-SELA-CAF). With this information and that provided by independent evaluators during the period October-January, the team proceeded to evaluate the results obtained and to prepare a preliminary report for each country.

In July 2018, the "Workshop on the Validation of the Public Policy Index for MSMEs in Latin America and the Caribbean (IPPALC): Pacific Alliance, Argentina, Ecuador and Uruguay" was held in July 2018 in Bogotá, in order to discuss and validate the proposed scores for the dimensions and

sub-dimensions of the IPPALC, as well as the preliminary conclusions obtained for each one of the participating countries.

Finally, on the occasion of the conclusion of this pilot project and the official presentation of the final report, a subregional meeting will be held in 2019, with the participation of high-level national and regional authorities, which will also serve as the platform to build a joint work agenda that facilitates the adoption of policies and reforms in a scheme of regional cooperation and synergy.

B. Objectives

1. Present and disseminate the final results of the IPPALC implemented in the countries of the Pacific Alliance: Argentina, Ecuador and Uruguay; and,
2. Promote the drafting of a joint work agenda to follow up the reforms and the exchange of experiences.

C. Expected results

Conduction of a subregional meeting that will present and disseminate the Final Report on the *Public Policy Index for MSMEs in Latin America and the Caribbean (IPPALC)*, applied in the Member States of the Pacific Alliance: Argentina, Ecuador and Uruguay.

Activity II.3.3 Launch of the Public Policy Index for MSMEs (IPPALC) project in the Central American subregion

A. Background and justification

In 2015, with the presentation of the document *Methodological considerations for developing an index of public policies for SMEs in Latin America and the Caribbean (IPPALC)*, within the framework of the "Regional meeting on Public Policies for Promotion and Support of SMEs", the Permanent Secretariat of SELA started a methodological and conceptual adaptation of the index developed by the OECD, with emphasis on the promotion of the productive articulation and transformation of the countries of the region.

During 2016, SELA organized two regional meetings in coordination with the OECD. The first one was the Regional Meeting on the Update Study on the Public Policy Index for MSMEs in Latin America and the Caribbean (IPPALC), held in San José, Costa Rica. The second one was entitled "Workshop on the Implementation of the Public Policy Index for SMEs in Latin America and the Caribbean", which was held in Panama City. Both events were aimed at promoting the implementation of this tool, and allowed for identifying the countries interested in adopting such Index as part of their strategies to support MSMEs.

Later on, in October 2017, the "Technical Workshop on the Public Policy Index for SMEs in Latin America and the Caribbean (IPPALC): Central America" took place in San Salvador, with the purpose of gaining knowledge about the national visions to promote the launch of the IPPALC project in Central America, taking into account its specific needs and characteristics.

This workshop gave rise to letters of interest from Belize, El Salvador, Guatemala, Honduras, Panama and Dominican Republic, through which the authorities responsible in the area of MSMEs informed about their commitment to develop the IPPALC. Similarly, the Regional Centre for the Promotion of MSMEs in SICA countries (CENPROMYPE), through an official communication,

46

informed about its institutional interest in supporting the process to create the index for the subregion.

Thus, on this occasion, the Permanent Secretariat of SELA, together with the Organization for Economic Cooperation and Development (OECD), will organize a subregional meeting to serve as a platform for launching this index, while providing a space for a technical discussion about the dimensions related to its implementation.

B. Objectives

1. Support Central American countries in their processes to determine and evaluate the objectives related to the development of policies for SMEs;
2. Offer a space to share national visions within the context of the adoption of the IPPALC;
3. Optimize the procedural framework designed by the Permanent Secretariat for the successful implementation of the IPPALC; and,
4. Review and validate the assessment questionnaires for each dimension of the IPPALC in response to the needs and structural characteristics of the countries.

C. Expected results

Conduction of a subregional meeting to launch the *Public Policy Index for MSMEs (IPPALC)* in the Central American subregion.

Activity II.3.4 Seminar-Workshop on experiences of formalization of MSMEs in Latin America and the Caribbean

A. Background and justification

MSMES account for a major force in economic development, especially for emerging economies. In terms of their contribution to international trade, it has been noted that they: i) form part of the value chain of large local exporters; ii) export products and services to more specialized market niches; iii) import and distribute products from foreign MSMEs; and iv) provide support services in the chain of international trade transactions (logistics, offices, etc.). Moreover, they promote entrepreneurial activity, they promote innovation and diversification, and encourage employment growth. In Latin America and the Caribbean, MSMEs account for 90% of enterprises, generate more than half of the jobs and one-quarter of the GDP. However, they contribute little to exports from their countries and tend to specialize in products with low added value.

In addition to the difficulties experienced by MSMEs to access a comprehensive financing system, it has been recognized that another obstacle restraining their development is the informal economy in which many of them operate. Therefore, some governments in the region are concerned with outlining public policies to promote the formalization of MSMEs.

The concept of informality has evolved into the definition of informal economy. Since informal labour is also present in registered MSMEs, the policies to promote the formalization of MSMEs should make emphasis on the adequacy of regulations and the incentives to their formalization, and on improving the capacity to enforce such rules.

The formalization process is one of the biggest obstacles faced by MSMEs due to the high transactional costs of the process, the absence of counselling, the traditional registration models, and the lack of incentives. An effective strategy for formalizing these companies must simultaneously combine measures to reduce the regulatory burden and the costs of formality, as well as incentives for their formalization and improvements in fiscalization.

It has been determined that an effective strategy for the formalization of these companies should include aspects such as economic growth with quality employment, an improvement of the regulatory environment, promotion of social dialogue, organization and representation, while promoting equality and combating discrimination, supporting entrepreneurship, developing professional skills and financing, as well as expanding social protection and local economic development (ILO Regional Office for Latin America and the Caribbean).

In 2019, the Permanent Secretariat of SELA intends to convene focal points in charge of promoting MSMEs in SELA's Member States, business associations and experts in the area to attend a Seminar-Workshop for reflection on the present and the future of the formalization of MSMEs in Latin America and the Caribbean, which will highlight the most significant experiences in this area. The Seminar-Workshop is scheduled to be held in February 2019, and will be organized by SELA jointly with the Ministry of Industry, Trade and MSMEs (MICM) of Dominican Republic.

B. Objectives

1. Share a comparative vision of the policies and programmes for formalization of MSMEs in Latin America and the Caribbean; and,
2. Promote the most important experiences in Latin America and the Caribbean in the area of formalization of MSMEs.

C. Expected results

Conduction of the Seminar-Workshop on experiences in the formalization of MSMEs in Latin America and the Caribbean.

Activity II.3.5 Seminar: Perspectives of internationalization of SMEs in Latin America and the Caribbean

A. Background and justification

In Latin America and the Caribbean, numerous small and medium-sized enterprises (SMEs) are emerging every year. At present, 47% of the labour force in the region is used by 99% of the SMEs. These enterprises make up 90% of the region's business, and account for 28% of its GDP. Unfortunately, there are also many SMEs that cease to exist very soon. Only 45% survive more than two years. The luckiest ones cease to operate before their fourth year. The reasons for this situation have been explained in terms of the traditional constraints that have affected the development of SMEs, namely, among others: i) severe difficulties to access sources of financing; ii) poor training of human resources; and, iii) lack of access to technology.

Those SMEs that manage to overcome the obstacles hindering their growth face a huge challenge: to develop their export potential and achieve a level of competitiveness that facilitates their insertion into international markets, which is the only guarantee to grow beyond local and national borders. This means that they have to become Exporting Small and Medium-sized Enterprises

48

(PYMEX)¹, and for this purpose they have to successfully insert themselves into regional and global value chains (GVCs).

The internationalization of SMEs is a key element to spur the productive diversification that is crucial for a country's economic progress. In the case of Latin America and the Caribbean, their development could be more balanced insofar they count on a diversified export sector that includes a meaningful participation of SMEs. This is one of the most important challenges for the region, and for this reason the creation of a suitable regulatory framework must be encouraged so as to facilitate the instruments required to leverage the internationalization process of SMEs and thus strengthen export capabilities of these enterprises.

In 2019, the Permanent Secretariat, through the SELA-SMEs Programme, intends to carry out actions aimed at supporting the internationalization of these companies. For such purpose, in 2018 SELA signed with Extenda-Andalusian Agency for Overseas Promotion a framework collaboration agreement which, among other things, envisages consultations on the development and internationalization of SMEs, the conduction of joint activities and the exchange of information. This agreement will serve as a platform to make progress with some joint initiatives in this field, as is the case of the "Seminar: Prospects for the Internationalization of SMEs in Latin America and the Caribbean", whose purpose will be to discuss and outline the visible horizon for SMEs as regards their internationalization and export capabilities, with a view to generating proposals in order to achieve a better positioning of Small and Medium-sized Enterprises in international markets.

In addition, the Permanent Secretariat has scheduled for 2019 a meeting entitled "E-commerce in Latin America and the Caribbean: Opportunities and challenges for the internationalization of SMEs", which will discuss the use and development of e-commerce as a mechanism for the internationalization of SMEs in Latin America and the Caribbean.

B. Objectives

1. Analyze the public policies developed in LAC and in Spain to promote the internationalization of SMEs;
2. Gain knowledge about the initiatives to support and provide advice from public and private entities in order to support SMEs in their internationalization process;
3. Gain knowledge about the methodologies to develop instruments that allow for determining and fostering the export potentials of SMEs in LAC, with a view to their inclusion into international markets; and,
4. Analyze and systematize best practices and most successful experiences in the internationalization efforts of SMEs, with a view to their dissemination and eventual adoption.

C. Expected results

1. Conduction of the "Seminar: Prospects for the internationalization of SMEs in Latin America and the Caribbean".
2. Identification of some lines of action to continue supporting the internationalization of SMEs and the sharing of knowledge between the private and the public sectors and the academia.

¹ Definition found in: Urmeneta, Roberto (2016). *Dinámica de las empresas exportadoras en América Latina: el aporte de las PYMES*. Santiago, ECLAC. p. 7.

3. Consolidation of the SELA-Extenda partnership to leverage the internationalization process of SMEs in LAC.

Activity II.3.6 Academia, entrepreneurship and business success: Discovering the formula for Latin America and the Caribbean

A. Background and justification

Globally, there are many successful ventures that have been started at the universities and during the academic studies of their creators. That is the case of enterprises such as Facebook, Dropbox and Instagram, whose ideas were developed by university students and have become leading brands with great value in the markets.

Greater access to knowledge, the expansion of social networks and globalization have promoted the creation of innovative goods and services that respond to the new needs of an ever-changing world.

College students are aware that their academic training can help them to get included into the business world and transcend the limits of traditional work for an already established company. According to a survey conducted by the agency specialized in market research IPSOS, aimed at 9,000 university students from 19 countries, 12% of the students plan to start a business at the end of their careers.

Therefore, the academia plays a fundamental role in the development of skills and abilities for the emergence of new companies and business models. In addition to imparting the knowledge corresponding to each area, educational institutes must become spaces for synergy and encounter of the actors that may contribute to the success of the ideas.

In partnership with private enterprises and public entities, academic institutes have created programmes to promote competitiveness of students to grab the attention of investors who supply them with seed capital and provide market opportunities to develop their products. Similarly, the academia has materialized changes in the subject matter of its careers to favour the formation of entrepreneurs and multiply their leadership skills, negotiation skills and skills for the formulation of projects.

The region has still many challenges to overcome in the construction of solid transmission mechanisms between the academic training and business success. Educational institutes must remain in constant feedback with businesses to build, together, a work platform that supports entrepreneurship and strengthens research and applied development systems in enterprises, with tangible results for society.

B. Objectives

1. Create a space for discussion on the main challenges and opportunities for the countries of the region in strengthening the capacities of the academia to support entrepreneurship and business activity; and,
2. Promote the exchange of regional and international best practices in the implementation of actions to promote collaborative work between the public and private sectors and the academia.

50

C. Expected results

A regional meeting which studies the main opportunities and challenges of the joint work between the academia, the government and the business sector and that serves for exchanging regional and international best practices aimed at promoting its strengthening.

AREA III. EXTRA-REGIONAL RELATIONS

PROGRAMME: EVALUATION AND PROMOTION OF EXTRA-REGIONAL ECONOMIC RELATIONS OF LATIN AMERICAN AND CARIBBEAN COUNTRIES

PROJECT III.1 Follow-up and analysis of preferential trade agreements signed among extra-regional countries that could influence their economic, trade and investment relations with Latin American and Caribbean nations

Activity III.1.1 Analysis of economic, trade and cooperation relations of Latin America and the Caribbean with India

A. Background and justification

In recent years, India has grabbed the attention of analysts, entrepreneurs and policy makers from various countries of the world. This country has posted an economic growth rate higher than most developed and developing countries, with annual growth rates higher than 6% since 2000, well above the rates of 2% and 4% in developed and developing countries, respectively, during the same period. Such growth rate has allowed India to become an important market on the global scene and it is now the seventh largest world economy, only surpassed by the United States, China, Japan, Germany, the United Kingdom and France. In addition, this development process has been accompanied by a significant structural change that has turned India into an important global centre of service provision, as evidenced by the concentration of economic activities of little more than 50% in the tertiary sector of that country (ECLAC, 2016).

Despite the significant performance of the Indian economy, relations between that country and Latin America and the Caribbean are still in an incipient stage. While trade links between India and Latin America and the Caribbean have increased in recent years, the Latin American and Caribbean region represents only a small share of the international market of goods and services involving India, absorbing only 4.1% of exports from that country and 5.5% of the imports required from the Indian market. In addition, out of the Latin American and Caribbean countries with which India has forged business alliances, only Argentina, Brazil and Chile have a substantial share. In the field of investments among countries there is still a long way to go, as shown by the data on foreign direct investment (FDI) which indicate that the shares of annual FDI flows between these two regions do not exceed 0.5% (ECLAC, 2016).

Both India and Latin America and the Caribbean have economic characteristics that could give rise to important alliances to favour economic and social development in both regions. As shown in the report *Strengthening the relationship between India and Latin America and the Caribbean* by ECLAC (2016), Latin America and the Caribbean has advantages in the provision of certain foodstuff, raw materials and energy, which have been essential import products for India in recent times.

Due to its large population, India is expected to require an important volume of food to overcome the nutrition challenges still faced by that country. In view of the productive transformation of the Indian economy, substantial requirements of raw materials and energy (both renewable and non-renewable sources) are projected in the years to come. On the other hand, India has an important advantage in service supply, mainly in the areas of telecommunications, informatics and business services, which has granted the country a strong surplus position in the balance sheet of trade services. The advantage achieved in this area is such that, today, India is one of the world's leading service providers, which could significantly contribute to an increased connectivity of Latin American and Caribbean companies with distant markets.

Therefore, within the framework of the promotion of small and medium-sized enterprises (SMEs), SELA proposes the conduction of the first meeting between India and Latin America and the Caribbean, under the motto *towards the birregional rapprochement of small and medium-sized enterprises*. With this event, the Permanent Secretariat seeks to establish connections between SMEs in both regions, in view of the evident relevance of this type of business for achieving a dynamic and inclusive economic development, both in Latin America and the Caribbean and in India.

B. Objectives

1. Present concrete opportunities to shape up business and cooperation agreements between SMEs in India and Latin America and the Caribbean;
2. Define a base agenda for cooperation between the governments of India and Latin America and the Caribbean in the area of development of SMEs in both regions; and
3. Create a group to follow up economic relations between India and Latin America and the Caribbean to monitor and collaborate in the materialization of possible alliances between SMEs in India and Latin America and the Caribbean.

C. Expected results

A regional meeting that brings together policy makers, public officials and SMEs leaders from both regions, around working tables by economic sectors in order to analyze opportunities for business and cooperation and take the first steps towards the formation of bi-regional alliances.

Activity III.1.2 The Eurasian Economic Union and Latin America and the Caribbean: Cooperation for greater inter-regional integration

A. Background and justification

On 24 May 2018, the Permanent Secretary of the Latin American and Caribbean Economic System (SELA), Ambassador Javier Paulinich, and the Minister for Integration and Macroeconomics of the Eurasian Economic Union (EEU), Ms. Tatiana Valovaya, signed a Memorandum of Understanding in order to promote inter-institutional cooperation between the two regions. It should be noted that the EEU is a supranational organization of the economic area of Eurasia, comprising Armenia, Belarus, Kazakhstan, Kyrgyzstan and Russia.

The main objective of the EEU is to develop a single market through the free movement of goods, capital, services and persons. The EEU is seen as an energy power. In 2012, it produced 20.7% of

52

the natural gas and 14.6% of the oil and natural gas condensate in the world, so the bloc is the largest global producer of these raw materials.

The EEU also produces 9% of the electrical energy world and 5.9% of carbon, which makes it the third and fourth world producer, respectively. In Kazakhstan, energy is the main economic sector. The country has about 4 billion tons of proven recoverable oil and 2 thousand cubic kilometres of gas reserves. Kazakhstan is the 17th largest exporter of oil in the world and the 23rd exporter of natural gas. Russia has the largest reserves of natural gas in the world.

In this connection, there is a large space for cooperation between Latin America and the Caribbean and the EEU, because both regions accumulate great know-how in the production and exploitation of natural resources and therefore both regions can draw on best practices and promote the exchange of technology.

Understanding the competitive advantages of both region and their similarities, the main pillars of the cooperation agreement are regional integration and inclusive economic growth. Note that this agreement forms part of the achievement of the Sustainable Development Goals of the 2030 Agenda, adopted through Resolution 70/1 (*Transforming our world: The 2030 Agenda for Sustainable Development*) of the United Nations General Assembly, adopted on 25 September 2015.

Based on these pillars, the intention is to exchange best practices with regard to economic integration, intra-regional trade, development of labour markets, competitiveness, regulatory frameworks and consumer protection; as well as the joint development of methodologies for measuring the progress of the regional integration processes.

This agreement was signed after the presentation of SELA's activities and the inter-regional agenda of priorities during the event Intercontinental Dialogue on Economic Cooperation between EEU and Latin America and the Caribbean, held at the headquarters of the EEU with the participation of Latin American ambassadors accredited to Russia.

In particular, both the EEU and SELA have recognized the potential of an alliance between them to leverage inter-regional trade in goods and services. In order to move towards the development of such potential and the materialization of such mutually convenient alliance, SELA included in its Work Programme for the year 2019 a space aimed at strengthening cooperation ties to promote the best opportunities in both regions.

B. Objectives

1. Present concrete opportunities to shape up business and cooperation agreements between SMEs in the EEU and Latin America and the Caribbean;
2. Define a base agenda for cooperation between the governments of the EEU and Latin America and the Caribbean in the area of SME development in both regions; and
3. Create a group to follow up economic relations between the EEU and Latin America and the Caribbean to monitor and collaborate in the materialization of possible alliances between SMEs in India and Latin America and the Caribbean.

C. Expected results

A regional meeting that brings together policy makers, public officials and SMEs leaders from both regions, around working tables by economic sectors which analyze opportunities for business and cooperation and take the first steps towards the formation of bi-regional alliances.