



SELA's Report of Activities related to CELAC's Action Plan for 2014

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Sistema Económico
Latinoamericano y del Caribe

Latin American and Caribbean
Economic System

Sistema Econômico
Latino-Americano e do Caribe

Système Economique
Latinoaméricain et Caribéen



SELA's Report of Activities related to CELAC's Action Plan for 2014

Intra-Regional Relations

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INTRODUCTION

The Permanent Secretariat of the Latin American and Caribbean Economic System (SELA) takes its actions in accordance with the decisions of its highest organ of the Organization, the Latin American Council, which is made up of one ministerial-level representative from each one of the 28 Member States of SELA, which, in turn, are all members of the Community of Latin American and Caribbean States (CELAC).

SELA's activities related to the mandates of CELAC are based on Decisions No. 527 and 539 of the Latin American Council. Decision No. 527, dated October 2011, in its sole article, provides for the Permanent Secretariat of SELA, in implementing its Work Programme, to attach priority to the activities of CELAC, in accordance with the decisions adopted by the Heads of State and Government of the region during the Summit of Latin America and the Caribbean held in Caracas on 2 and 3 December 2011, particularly as set forth in the Caracas Action Plan 2012. Meanwhile, Decision No. 539, dated October 2012, requested the Permanent Secretariat, when implementing its Work Programme for 2013, to provide the technical support and collaboration required by CELAC for conducting its activities. The Latin American Council has ratified these Decisions.

This document is a follow-up to the report submitted by the Permanent Secretariat in April 2014 (SELA-CELAC/Di N° 1-14) and summarizes the activities conducted by SELA to support CELAC's Action Plan for 2014, upon a request of its Pro Tempore Presidency and pursuant to the "Matrix of Actions according to the priorities set by each organization", adopted by the III Meeting of Integration Mechanisms and Organizations of CELAC.

It should be noted that the studies carried out by the Permanent Secretariat that are referred to in this report were timely submitted to the Pro Tempore Presidency of CELAC.

I. PARTICIPATION IN MEETINGS OF CELAC

1. The Permanent Secretariat of SELA participated in the III Meeting of Integration Mechanisms and Organizations of CELAC, held in San José, Costa Rica, on 2 and 3 December 2013, which adopted the "*Matrix of Actions according to the priorities set by each organization*". Said Matrix included the activities to be conducted by the Secretariats in CELAC's productive, economic, social and cultural areas, in compliance with the mandates of its Action Plan for 2013. On that occasion, the Permanent Secretariat of SELA explained in detail the contents of the projects and activities of its Work Programme for 2014 that were considered to be linked to the activities of CELAC.
2. The Permanent Secretariat of SELA, responding to an invitation issued by the Pro Tempore Presidency of CELAC, participated in the II Presidential Summit of CELAC, held in Havana on 28 and 29 January 2014, in which the Havana Declaration and the CELAC Action Plan for 2014 were adopted.
3. Upon an invitation of the Pro Tempore Presidency of CELAC, the Permanent Secretariat participated in the VIII Meeting of National Coordinators of CELAC, carried out on 9 and 10 April 2014 in San José. There, it submitted the document "SELA's Report of Activities to support CELAC's Action Plan for 2014" (SELA-CELAC/Di N° 1-14), which comprised the following areas: productive and industrial development, intra-regional trade, public policies for small and medium-sized enterprises, trade facilitation, dialogue and cooperation with extra-regional partners, food security and creation of CELAC's subportal on SELA's Web site. The report highlighted both the activities fulfilled up to 30 March 2014 and those under preparation by that date.

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4. The Permanent Secretariat participated in the I Meeting of Regional and Subregional Integration Mechanisms to prepare CELAC's Strategic Agenda for Regional Cooperation in the Social Area, organized by the Executive Secretariat of the Bolivarian Alliance for the Peoples of our America-People's Trade Agreement (ALBA-TCP) and held at SELA headquarters from 18 to 20 June 2014. The meeting was intended to discuss and agree on a cooperation and action agenda in the social area within the context of CELAC, with a view to accomplishing objectives of great significance for the region, such as the fight against inequality and social exclusion, poverty reduction, improvement of the quality of education and greater effectiveness in the implementation of public health policies.
5. The Permanent Secretariat participated in the II Meeting of CELAC's Working Group on "Infrastructure for Physical Integration of Transport, Telecommunications and Border Integration", held in Montevideo on 5 and 6 December 2014. At the request of the group, taking into consideration the previous contributions of SELA in the area of border integration, the Permanent Secretariat submitted the documents "Regional Cooperation in the area of Border Integration" (SP/XXIV-RDCIALC/DT N° 2-13) and "Regional Cooperation in the area of Border Integration: A Caribbean perspective" (SP/XXIV-RDCIALC/DT N° 3-13).

II. SPECIFIC ACTIVITIES

1. Productive and industrial development

Upon an invitation of the Pro Tempore Presidency of CELAC and the Ministry of Economy, Industry and Trade of Costa Rica, the Permanent Secretariat participated in the Meeting of Ministers of Industry and Economy of CELAC on 10 and 11 April 2014, submitting the study "Productive and Industrial Development Policies in Latin America and the Caribbean" (SELA-CELAC/DT N° 1-14), which served as the basis for discussions among the Ministers. This document was drafted by the Permanent Secretariat on the basis of the conclusions and recommendations of the "Meeting of High-Level Officials on Productive and Industrial Development in Latin America and the Caribbean, held at SELA headquarters on 3 and 4 October 2013.

As a result of the meeting, the Ministers presented to the National Coordinators of CELAC a proposal to create a Working Group, coordinated by the Pro Tempore Presidency, on productive and industrial development so as to monitor the implementation of the mandates of the Heads of State and Government of CELAC in this matter, as well as the mandates stemming from the meetings of Ministers of Economy and Industry. In complying with its objectives, the Working Group may request the collaboration of international, regional and subregional organizations in the areas within their competence.

In its Action Plan for 2014, CELAC expressly requested SELA to organize (with the support of ECLAC and CAF-development bank of Latin America) "a regional meeting of business organizations on the productive and industrial development of Latin America and the Caribbean, so that guilds and representatives of the private sector in the region may contribute their analysis and proposals to the process of drawing up productive and industrial development strategies within CELAC and promote that investment promotion agencies and development banks adopt or expand financing mechanisms for the development of infrastructure and investment related to the productive integration programmes".

For such purposes, the Permanent Secretariat conducted the relevant consultations with the Pro Tempore Presidency of CELAC, and the authorities of ECLAC and CAF, to outline the agenda for the meeting, select the guilds and business organizations to be invited, the venue and make other

logistic arrangements. Once these aspects were clear, it proceeded to convene the Regional Meeting for 13 and 14 November 2014 in San José, Costa Rica.

However, since the number of participants who confirmed their attendance was not sufficient, after consulting with the co-organizers, a decision was made to postpone the event for the first half of 2015. At the time of preparation of this report, the necessary consultations were under way for the conduction of this important event in the first half of 2015.

2. Evolution and coordination of subregional integration mechanisms

Within the context of the "*Matrix of Actions according to the priorities set by each organization*", adopted at the aforementioned III Meeting of Integration Mechanisms and Organizations of CELAC, in December 2013, the Permanent Secretariat drafted the following studies: "Evolution of the Andean Community (CAN)" (SP/CL/XL.O/Di N° 6), "Evolution of the Caribbean Community (CARICOM)" ([SP/CL/XL.O/Di N° 7](#)), "Evolution of the Common Market of the South (MERCOSUR)" (SP/CL/XL.O/Di N° 8), and "Evolution of the Central American Integration System (SICA)" (SP/CL/XL.O/Di N° 9). All of them are based on similar terms of reference, which include an analysis of the phases gone through by the mechanism, the evolution of the economic and social indicators of its member countries, a review of its institutional development, a characterization of the coordination and convergence of the economic policies adopted within the mechanism – including regulatory, competition and macroeconomic policies – as well as a study on the regulations and institutional framework for dispute settlement.

As far as the new integration modalities are concerned, the Permanent Secretariat updated the studies on the Bolivarian Alliance for the Peoples of our America-People's Trade Agreement (ALBA-TCP) (SP/CL/XL.O/Di N° 10) and the Pacific Alliance (SP/CL/XL.O/Di N° 11), highlighting their status, executed or ongoing projects and programmes, the commercial and economic importance that they are gaining and their eventual contribution to the regional convergence and cooperation process.

The creation of a *common Latin American and Caribbean economic space* is a high priority issue for the Permanent Secretariat of SELA, within the framework of the Caracas Declaration of CELAC, dated 3 December 2011. In view of the characteristics of the region, the creation of such common economic space would be structured on the basis of subregional markets. Therefore, examining the opportunities and challenges for an effective coordination of the various subregional integration mechanisms is of fundamental importance.

In this connection, and in accordance with one of the fundamental objectives of SELA – "to support the integration processes of the region and encourage coordination among them, or with Member States of SELA, particularly with respect to those activities aimed at promoting greater harmonization" and convergence among them – the Permanent Secretariat prepared the study "Opportunities and challenges for coordination and convergence of subregional integration mechanisms in Latin America and the Caribbean" ([SP/CL/XL.O/Di N° 12](#)), which contains analyses and proposals on this subject.

3. Analysis of trade flows

The Permanent Secretariat also drafted the studies "An analysis of trade flows between SICA and the rest of Latin America and the Caribbean. Policy recommendations for their promotion, stabilization and diversification" (SP/CL/XL.O/Di N° 13) and "An analysis of trade flows between

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CARICOM and Latin America. Policy recommendations for their promotion, stabilization and diversification" ([SP/CL/XL.O/Di N° 14](#)).

These studies, which complement two documents on trade flows drafted in 2012 – the first one on trade flows among South American countries and the second on flows between the Caribbean Community and Central America – and another one on flows between Cuba and the rest of Latin America and the Caribbean, prepared in 2013, make special emphasis on the importance of overcoming structural and institutional limitations, as well as hurdles to trade facilitation affecting the countries' competitiveness, expanding exports offer, and attracting new investment in order to take advantage of both subregional markets and the new opportunities that may arise as a result of regional and extra-regional trade agreements.

4. Trade facilitation

The activities of the Permanent Secretariat of SELA to support trade facilitation among the countries of CELAC have focused on the development of Foreign Trade Single Windows and a project on port logistics chains being carried out with the support of CAF-development bank of Latin America.

As regards Single Windows, the Permanent Secretariat conducted the following activities:

- The "VI Latin American and Caribbean Regional Meeting on Foreign Trade Single Windows" was held in October 2014. Through this activity, SELA continued its policy to contribute to the regional consultation for the implementation and full development of this instrument in all countries of the region;
- The "Comparative study to identify best practices in managing foreign trade procedures in Latin America and the Caribbean" was conducted. The results of this document were presented at the VI Regional Meeting on Foreign Trade Single Windows;
- At the request of the Pro Tempore Presidency of the Inter-American Network of Single Windows (RedVUCE), the Permanent Secretariat undertook the task of re-engineering contents, design and administration of the Network's Portal since 4 July 2013. As a result of this initiative, SELA developed the RedVUCE portal with the technical and financial support of the Inter-American Development Bank (IDB).

This portal offers concepts related to RedVUCE, identifies the active Single Windows in the region by country, and includes information on some Single Windows outside the region. In addition, it provides information on advances in the region and includes sections with statistical data, documents, publications and links to different capacity builders on the subject, as well as a section of links classified by topic, such as trade facilitation, customs facilitation, e-government, and e-regulations, among others. It also includes a section of events that covers the various regional meetings on Single Windows, meetings of the Inter-American Network and workshops on Single Windows.

Such effort has boosted the network's visibility and has contributed to a wider dissemination of the subject, with particular reference to the practical and theoretical advances that occur in the region and the impact of such developments on trade facilitation. The portal was presented by the Permanent Secretariat of SELA at the V Meeting of the Inter-American Network of Single Windows (RedVUCE), held in Cartagena de Indias, Colombia, on 29 and 30 May 2014.

5. Innovation and port efficiency

Another activity of SELA is the "Programme for the creation of the Latin American and Caribbean Network of digital and collaborative ports: Strengthening logistic-port communities, service standards and technological innovation for a globalized, logistically competitive and sustainable trade". This Programme follows current trends, according to which it is advisable to turn ports and port areas into true critical links in the global supply chains as new drivers of competitiveness in a globalized foreign trade.

This Programme was implemented in January 2014, and during that year the following blocks of activities were carried out:

Block 1 – "Exploration activities": Benchmarking in international ports (European ports, such as Le Havre in France, Barcelona and Valencia in Spain; Australian ports, including Sydney, Melbourne and Fremantle; and the Asian ports of Singapore and Malaysia), and technical visits to the nine participating port communities in the first year of the Programme in Mexico, Panama, Colombia, Peru and Chile.

Block 2 – "Design activities": Consultancy work for the design of methodological instruments to support the diagnosis work and proposals for improvement in port communities of Latin America and the Caribbean. These instruments include the design of a "Reference Model for competitiveness of the port logistics chain," which aims to build institutional and technological lines of action that contribute to closing gaps in logistical competitiveness and sustainability; and the design of an "Institutional and technological self-assessment manual," which identifies the current state of competitiveness of port communities in the region. In addition, a design was made of a "Model for comprehensive and collaborative management of the port logistics chain," which provides for three perspectives: a governance model to modernize the institutional structures, a model for operation of infrastructure services and a model for collaborative logistics coordination. These instruments were subsequently validated with different port communities and experts participating in the first year of operation of the Network of digital and collaborative ports of Latin America and the Caribbean.

Block 3 – "Pilot project activities": Conduction of technical workshops with the first nine port communities of the Programme, where the proposed Reference Model could be validated and the future work on the issues that offered opportunities for improvement could be coordinated. Each port community adopted a way forward, which includes the support of local universities that will facilitate the systematization of opportunities and establishment of the most appropriate institutional way for each port.

Block 4 – "Dissemination activities": The progress, foundations and proposals of the Programme were spread to a broad group of stakeholders and decision makers in foreign trade and logistics. The dissemination was carried out in seminars and international forums in Guatemala, Panama, Trinidad and Tobago and Peru.

It should be noted that the next Meeting of International Cooperation Directors for Latin America and the Caribbean, organized by SELA, will be held in Punta Cana, Dominican Republic, on 23 and 24 April 2015, and will be focused on "Port cooperation in Latin America and the Caribbean: Digital ports: Status and prospects."

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6. External economic relations of Latin America and the Caribbean

In this area, the Permanent Secretariat of SELA has continued with its programme for monitoring, analysis and preparation of proposals to promote the region's external economic relations and participation in the global economic agenda, in line with the mandates of CELAC.

- i. The Permanent Secretariat prepared the study "Economic and cooperation Relations between Latin America and the Caribbean and United States" ([SP/CL/XL.O/Di N° 31](#)), which will serve as the basis for a regional meeting on the subject. Its objectives are to keep monitoring and analyzing the economic dynamics in the United States, as well as its trade policy and cooperation actions, which could have an impact on Latin American and Caribbean countries, in the aftermath of the financial crisis in that country. The meeting will take place in the Republic of Panama in the first quarter of 2015, ahead of the VII Summit of the Americas, which will be held in the United States.
- ii. The Permanent Secretariat carried out the "Regional Meeting to monitor and analyze the economic situation of the European Union and its impact on the countries of Latin America and the Caribbean", in preparation for the II CELAC-European Union Summit 2015. This Regional Meeting was held in the headquarters of SELA in Caracas on 3 November 2014. Its objectives were as follows: i) Analyze and discuss the document prepared by the Permanent Secretariat entitled "Economic and cooperation relations between Latin America and the Caribbean and the countries of the European Union: Status and prospects ahead of the II CELAC-EU Summit 2015" (SP/RRSASEUEIPALC/DT N° 2-14); ii) Make progress with the monitoring and analysis of the current situation and prospects of economic and cooperation relations between Latin American and Caribbean countries and the European Union; and iii) exchange ideas and proposals on policies and regional strategies vis-à-vis the II CELAC-EU Summit in 2015. The conclusions and recommendations stemming from this activity are included in the Final Report on the meeting (SP/CL/XL.O/Di N° 32). In May 2015, a revised version of the aforementioned study will be forwarded.
- iii. The Permanent Secretariat has continued with its analyses of the economic and trade relations of Latin America and the Caribbean with the People's Republic of China, by conducting the study entitled "Status of the economic and cooperation relations between China and the countries of Latin America and the Caribbean" (SP/RRREC-CHINA-ALC/DT N°4-14). A Regional Meeting on the subject was held on 16 October in Caracas, which contributed suggestions for actions to the Member States in order to consolidate, promote and deepen relations with China.

For this purpose, the study focused on the following aspects: Current situation of the Chinese economy and its share in the world market and foreign direct investment (FDI) flows; changes in China's economic policy and their impact on the region; characteristics of trade exchanges between China and Latin America and the Caribbean, and policies to expand and diversify them; FDI flows towards Latin America and the Caribbean and policies to promote their use for financing productive and industrial development in the region; and, finally, identifying new areas for cooperation between China and Latin America and the Caribbean and suggestions as regards mechanisms and procedures to promote them. The main conclusions and recommendations of the meeting are included in the Final Report (SP/CL/XL.O/Di N° 33).

- iv. The Permanent Secretariat continued monitoring and analyzing the economic and trade relations of Latin America and the Caribbean with the Pacific Rim, India and Africa, and held a

Regional Meeting on this subject at SELA headquarters on 9 and 10 October 2014. The objectives of this meeting were: i) Submit and discuss the studies and analytical documents prepared by the Permanent Secretariat on the relations with those regions, and ii) Make progress with the follow-up of the current status and prospects of economic and trade relations of Latin America and the Caribbean with the Pacific Rim, India and Africa, which are regions with growing importance for the global economy.

For this meeting, the Permanent Secretariat prepared three documents with analyses and proposals: i) "Relations between Latin America and the Caribbean and the Pacific Rim: Society, politics, enterprises and technology" ([SP/RRRECALCPIA/DT N° 4-14](#)); (ii) "Relations of Latin America and the Caribbean with India: A window of opportunity" ([SP/RRRECALCPIA/DT N° 2-14](#)); and (iii) "New modalities for economic and cooperation relations between Latin America and the Caribbean and Africa" ([SP/RRRECALCPIA/DT N° 3-14](#)). The main conclusions and recommendations stemming from this activity are included in the Final Report (SP/CL/XL.O/Di N° 34).

7. Directory of congresses, fairs and other activities in the agri-food area

Through a note dated 20 February 2014, the Vice-Minister of Foreign Affairs of Costa Rica was forwarded a file containing the "Directory of International Congresses, Fairs and Food Exhibitions, Supplies, Instruments, Equipment and Agricultural and Agri-Food Industry Technologies in the countries of CELAC". SELA was requested to make this compilation, in cooperation with the FAO Regional Office for Latin America and the Caribbean (FAO/RCL), by the National Coordinators of CELAC at their V Meeting, held in Havana, Cuba, on 9 and 10 May 2013. An Excel file containing the technical specifications for the compilation of the directory was also sent to the Vice-Minister.

The aforementioned request made by CELAC refers to two directories. The first one is a compendium or inventory of the "*Needs for technologies and cooperation of the Member countries of CELAC*". The second one is a compendium or inventory of "*International Conferences, Fairs and Food Exhibitions, Supplies, Instruments, Equipment and Agricultural and Agri-Food Industry Technologies in the countries of CELAC*". As a result of the interaction between FAO/RCL and the Permanent Secretariat of SELA, an agreement was reached that SELA would prepare the directory of the events and that FAO/RCL would be in charge of the directory of the needs for technologies and cooperation.

8. CELAC's Web page on SELA's Web site

The development of a specialized subportal dedicated to CELAC is under way in the "sela.org" domain. The purpose is to present CELAC on SELA's portal with an identity of its own, with its own structure as regards information, mechanisms and access to contents. Note that with this new tool, SELA will make available to the users of its Web site a compendium of documents and information about meetings and other significant aspects of CELAC since its creation.