



LATIN AMERICAN
AND CARIBBEAN
ECONOMIC SYSTEM

Fortieth Annual Report of the Permanent Secretariat

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INTRODUCTION

The Permanent Secretariat of SELA presents hereby its Fortieth Annual Report of Activities, for the period October 2015 - September 2016, in which it provides an account of the compliance with the Work Programme for the year 2016, as approved by the XLI Regular Meeting of the Latin American Council (Caracas, 25 to 27 November 2015), through Decision No. 551, as well as other tasks and activities carried out by the organization.

Following the guidelines of Decision 440, adopted by the XXVIII Regular Meeting of the Latin American Council (Caracas, 07 to 09 April 2003), the activities contained in the Work Programme for 2016 are grouped into three major thematic areas: **Intra-Regional Relations, Economic and Technical Cooperation, and Extra-Regional Relations.**

It should be noted that in executing the Work Programme for 2016, the Permanent Secretariat continued to promote communications, cooperation, articulation, coordination, complementarity and synergy with others regional and international organizations, and with the various regional and subregional integration mechanisms, particularly with the Pro Tempore Presidency of the Community of Latin American and Caribbean States (CELAC).

During this year, in the area of **Intra-Regional Relations**, the Permanent Secretariat deepened its studies on long-terms issues of interest for its Member States, conducting various research works, workshops, seminars and documents that allow for assessing the integration processes from different perspectives, such as: a) economic and structural, b) strategic and institutional, and c) empirical and conceptual.

In the group of activities associated with **economic and structural** aspects, the following activities stand out: i) a study on the structural characteristics of foreign trade in Latin America and the Caribbean, taking as a sample the period 1995-2014, which represents a significant contribution to understanding the main trends in the region in terms of the behaviour of its trade flows; ii) a study and a meeting on the so-called "middle income trap", which is an extraordinary opportunity to discuss about the conditions that will allow for reaching higher stages of industrial sophistication and the production of goods with higher technological contents; and iii) during the last quarter of this year, SELA will present a series of indicators for early warning about external shocks that will facilitate the design of counter-cyclical policies, which can be very useful for identifying systemic risks.

In turn, the studies associated with **strategic and institutional** aspects include: i) an assessment of the frameworks for protection of Intellectual Property Rights in Latin America and the Caribbean and their degree of adaptation to the dynamics of modern economy; ii) a regional meeting to assess the economic and cooperation relations among Central America, the Caribbean and Mexico, which was organized by the Permanent Secretariat of SELA jointly with the Secretariat of the Caribbean Community (CARICOM) and the government of Guyana, through the Ministry of Business, and was held in Georgetown, on 15 and 16 June 2016; and iii) continuing with an important initiative which can have an impact on productivity and trade flows in the region, a regional Latin American and Caribbean meeting on Foreign Trade Single Windows is scheduled to be held during October in El Salvador.

With respect to **empirical and conceptual** aspects, the Permanent Secretariat finishes this year with three ambitious activities: i) first, it prepared a definition of "asymmetries" that can serve as a reference to determine the progress of each country with respect to their peers in the various

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integration mechanisms; ii) second, an outstanding empirical work is the integration index of Latin America and the Caribbean, which will be presented in October and allows for quantifying the achievements of integration within each mechanism and in comparative terms; iii) and third, the study on the “assessment of convergence in the dynamics of the main macroeconomic variables of Latin American and Caribbean nations” was submitted in Dominican Republic during the Seminar on Integration Schemes. With these three studies SELA is contributing to both the theoretical and the empirical understanding of integration processes.

In 2016, the Permanent Secretariat expects to further consolidate its contributions in the field of dissemination of knowledge and creation of networks through the “Seminar on integration schemes and regional challenges of globalization”, to be held in October. This event sets a milestone in SELA’s activities as it offers opportunities for regional training with a holistic vision, which can also be replicated in other countries in the region. The issue of the first Follow-up Reports on Subregional Integration Mechanisms stands out among SELA’s efforts in 2016, along with the Case Studies on regional integration and the report on the regional integration process that will be submitted in October. In addition, throughout the year, SELA will continue with Phase II of the Programme for the Creation of the Network of Digital and Collaborative Ports.

In the area of **Information and Communication Technologies and Knowledge Society**, the following activities were planned: i) Upgrade and enhancement of the database and economic statistics on SELA’s Web site, as well as Management and Coordination of specialized Web portals; ii) Management and maintenance of the specialized Web portal on the Community of Latin American and Caribbean States (CELAC); iii) Management and maintenance of the specialized Web portal on International Cooperation Directors for Latin America and the Caribbean: Promotion of South-South Cooperation; iv) Management and maintenance of the specialized portal on Public-Private Partnerships for Disaster Risk Reduction in Latin America and the Caribbean; v) Management and maintenance of the specialized Web portal on Free Trade Zones in Latin America and the Caribbean; vi) Management and maintenance of the specialized portal on SELA-SMEs; vii) Design, construction and maintenance of the specialized Web portal on the Network of Digital and Collaborative Ports; and viii) Development of an interactive system for management of databases and economic statistics on SELA’s Web site.

In complying with its functions to support **Economic and Technical Cooperation among Latin American and Caribbean countries**, SELA planned: i) a Workshop on the implementation of the Index of Public Policies for SMEs in Latin America and the Caribbean (IPPALC); ii) the Meeting of International Cooperation Directors for Latin America and the Caribbean on Cooperation in Science, Technology and Innovation in Latin America and the Caribbean; iii) the Regional Meeting on Public-Private Partnerships for Disaster Risk Reduction in Latin America and the Caribbean; iv) the Annual Meeting of the Working Group on Trade and Competition of Latin America and the Caribbean; v) the Regional Latin American and Caribbean Programme for small and medium-sized enterprises (SELA-SMEs Programme); vi) the Seminar-Workshop on Internationalization of SMEs; vii) the Pilot Workshop on adoption of innovation processes in SMEs; viii) the Seminar-Workshop on Entrepreneurship; ix) the Seminar on Strategies and Methodologies for Productive Articulation: “Clusters” and export consortiums; and x) the Seminar on Strategic Support to micro and traditional enterprises.

Finally, in the **Area of Extra-Regional Relations**, the Permanent Secretariat continued to deepen knowledge and analysis on the scope of linkages of Latin America and the Caribbean with other economic blocs, in order to take advantage of opportunities in trade, investment and cooperation. This area highlights the activities to monitor and analyse the new preferential trade agreements

signed between countries outside the region which could influence their economic relations, trade and investment with countries of Latin America and the Caribbean, including the Multilateral Free Trade Agreement called the Trans-Pacific Partnership (TPP), the Transatlantic Partnership for Trade and Investment (TTIP), and the Association of Southeast Asian Nations (ASEAN).

Through the activities of the Work Programme for 2016, the Permanent Secretariat of SELA complied and maintained its commitment to contribute to strengthening the process of Latin American and Caribbean integration. Thus, it continued to provide Member States with the necessary tools to facilitate decision-making that favours the development of the region and increases regional integration.

I. EXECUTION OF THE WORK PROGRAMME**AREA I. INTRA-REGIONAL RELATIONS****PROGRAMME: INTEGRATION PROCESS AND ECONOMIC GROWTH IN LATIN AMERICA AND THE CARIBBEAN****Activity I.1.1. Evaluation of structural characteristics of the international trade in goods in Latin America and the Caribbean**

This activity consists of a study to assess the structural characteristics of foreign trade in Latin America and the Caribbean in a series of countries that form part of integration mechanisms, during the period 1995-2014. The resulting document will contain variables and indicators that allow for assessing the position of the region as regards trade concentration, complementarity, specialization and diversification, transcending a merely temporal analysis. This document was started with the review and collection of existing economic literature on the matter; also, the Permanent Secretariat is conducting an exhaustive search for statistical data and it is processing the relevant quantitative data, which will lead to a consistent and robust result. This document is expected to be concluded by September.

As part of the results, the study is expected to identify production and export diversification, and determine the levels of productivity and the region's insertion in international markets. In addition, the study shows the current status of the position of Latin America and the Caribbean in terms of productive and commercial complementarity vis-à-vis other regions with greater relative economic development, according to the statistics, highlighting main markets of origin, destination and type of traded products. With this study, it is also possible to establish sectoral analysis multipliers.

Activity I.1.2. Production trap and middle-income trap in Latin America and the Caribbean

This activity foresees the conduction of a study and of a Regional Meeting. The study includes an assessment to determine the current situation of those countries in the region that are considered to be going through what the economic theory calls the "middle-income trap," a situation in which their economies, despite the fact that have experienced sustained growth, fail to grow at sufficiently accelerated rates to exceed a certain income threshold in a given period of time.

Similarly, the study evaluates whether such situation is associated to the prevalence of certain productive patterns, characterized by the production of goods with low technological sophistication and low added value, which locate those countries in the group going through the so-called "production trap" as well.

Based on the results of this study, a classification of those countries that are below any of the mentioned thresholds, or both, can be outlined.

The study resulting from this research will be submitted at a Regional Meeting scheduled to be held in December, for which the Permanent Secretariat has requested support from the government of Colombia through joint sponsorship. To date there has been no response to this request.

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The meeting has the following objectives: i) Explain how to identify, based on the empirical criteria established by the economic theory, those countries in the region that are immersed in the middle-income trap; ii) Analyse the performance of exports from the countries of the region in terms of diversification, built-in technological contents, homogeneity, ubiquity, connectivity and route, which will help recognize those nations that have fallen in the trap of production; iii) List those countries in the region that are going through both situations: the middle-income trap and the production trap; iv) Assess the main opportunities and challenges of the countries of the region to overcome these two situations limiting the potential growth of countries; and v) Submit policy recommendations to promote the transformation of the productive structures of the region in order to leave behind these thresholds, which condition economic development and hence the social well-being of the population.

Representatives of the Member States of SELA, regional cooperation and integration organizations, international organizations and experts in the field will be invited to this event. The conclusions and recommendations stemming from this activity will be included in the corresponding final report.

Activity I.1.3. Frameworks for the protection of intellectual property rights in Latin America and the Caribbean: Accelerators or brakes for the productive transformation of the region?

The document envisaged in this activity aims to analyse frameworks for the protection of intellectual property rights in Latin America and the Caribbean and to assess their updates and degree of adaptation to the modern economic dynamics for the creation of a productive and exporting region. The study, covering the period 2010-2015, includes the 27 Member States of SELA and makes emphasis on the groupings resulting from subregional integration agreements or mechanisms.

The document deals with the following issues: i) The importance of intellectual property with a view to a productive transformation of Latin America and the Caribbean, as demanded by the so-called Knowledge Society; ii) The evolution of the different types of intellectual property (patents, trademarks, copyrights, industrial design and geographical indications) in the region; iii) The link between the evolution of the various types of intellectual property and a series of indicators and the variables associated to the measurement of development in the countries, considering such term in an integral and multidimensional way. Among the dimensions to be taken into consideration are: economic performance, human capabilities, social capital, research and innovation, and environmental impact; iv) A comparison between performances at the regional and the global levels; and v) An assessment of successful cases and lessons learned with a view to offering considerations for the region.

For drafting this document, an external consultant was hired. The study is expected to be concluded by November.

PROJECT I.2. Assessment of Latin American and Caribbean integration processes**Activity I.2.1. Assessment of asymmetries in Latin America and the Caribbean and their impact on subregional integration processes**

In order to evaluate asymmetries in the region, this activity explored part of the economic literature on this subject, in search for a homogeneous definition that has been globally agreed upon. For this purpose, the Permanent Secretariat of SELA prepared, internally, the study "Defining asymmetries in Latin America and the Caribbean through a quantitative approach", which established a definition stemming from a theoretical-empirical research on the issue. Such definition is expected to serve as a referential framework and support for the work of researchers and specialists in the area of regional integration.

SELA's research resulted in two important contributions. Firstly, a compilation of a series of definitions drawn from various analyses associated with the evaluation of the factors conditioning integration was made. Although the review was made on a representative sample, it does not necessarily contain the totality of the economic literature related to the subject. However, based on the literature consulted, in general terms, an agreement was reached to classify asymmetries as follows: i) structural asymmetries, which are divided into economic, environmental and social asymmetries; and ii) policy asymmetries, including public policy and integration asymmetries. The document details each one of these types of asymmetries and their ultimate disaggregation.

Based on this bibliographic review, it is possible to note that there is no consensus as regards a definition that serves as a referential framework and contributes to quantify asymmetries in the analysis of regional integration. Commonly, the studies about asymmetries make emphasis on describing the types of asymmetries or limit themselves to a simple classification, overlooking their conceptualization. Somehow, it is assumed that an asymmetry is merely a difference between two economies, in terms of some variable or relevant dimension, but the quantitative nature of such difference is not determined, thereby making it very difficult to establish comparisons without making subjective or speculative analyses.

Secondly, the Permanent Secretariat, aware of the lack of a theoretical definition, has made a proposal on the basis of statistics. Thus, the study states that a specific economic, social or geographical dimension is symmetrical, in a group of countries, when the variables that quantify it are within some ranges or thresholds that can be determined by using statistical criteria. Such criteria are established for the maximum and minimum levels of acceptance of the non-asymmetry hypothesis, depending on the variability of the data for the group of countries. Symmetry emerges when the difference of a particular variable, with respect to its most likely or average behaviour, can be considered significant. Obviously, it is possible to dynamically characterize the behaviour of the asymmetries. When the variable in question approaches, in the long term, to the most representative values of the group of countries, it can be said that the asymmetries are reducing, and vice versa.

For the purpose of illustrating the use of the proposed definition, the document makes a descriptive analysis of the main macroeconomic variables of the Pacific Alliance, a mechanism used as an example. With this analysis it becomes clear that Colombia and Mexico are asymmetrical in terms of their inflation rates, openness to trade and employment rates, whereas Peru and Chile are asymmetrical considering their GDP per inhabitant. Of course, this characterization does not indicate if these asymmetries will be reduced or not through time, an issue that can be explored through an analysis of the time series of the relevant variables. However, even in such case, it is

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difficult to make forecasts about the probable behaviour of asymmetries because results are conditioned, both by the series of policies applied and the nature of the external shocks experienced by each economy.

The definition of asymmetry suggested in this document is simple and easily applicable to different variables. On that basis, it is possible to quantify synthetic indicators on degrees of asymmetries and determine the dimensions that could strongly influence the integration process of a specific group of countries. In general, this tool allows for focusing attention on the most relevant aspects that should be taken into consideration when analysing the similarity of economies that differ in their productive structures, demographic or institutional aspects.

This study was started in mid-January and concluded in April, and forms part of the material to be submitted at the Seminar on Integration Mechanisms to be held in Dominican Republic in October.

Activity I.2.2. Integration Index of Latin America and the Caribbean

For this activity, the Permanent Secretariat is preparing, internally, a study based on the creation of an indicator whose main objective is to quantify the grade 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 will be submitted at the Regional Meeting on the Integration Index for Latin America and the Caribbean, organized by the Permanent Secretariat of SELA jointly with the Secretariat of Central American Economic Integration (SIECA), which will be held on 11 October at the Centre of Studies for Economic Integration (CEIE) of SIECA, in Guatemala City, Guatemala, in the headquarters of that institution.

The study entailed the creation of an indicator with regular update, with which it is possible to quantify the performance at the various stages of integration identified in the economic theory, in addition to establishing and describing the phases of integration in which each one of the subregional mechanisms is positioned. Based on this analysis it will be possible to monitor compliance with the agreements according to the explicit objectives of each treaty, while assessing the opportunities and challenges faced by each economy in its path towards integration.

The indicator is built as a composite index by using simple indices that incorporate different levels of disaggregation, so that they contain variables of each one of the economic, social, political, environmental and cultural sectors, and which are also associated with regional integration, for a sample covering the period 1990-2014. With the development of this indicator we have a tool to monitor regional progress in the area of integration.

The dimensions selected for the development of the Integration Index consist of variables and indicators that account for the impact that the integration processes have had in each area; therefore they are classified and summarized as follows: i) Economic: It includes the main indicators of economic activity related to trade in goods and services, the mobility of capital, financial capacity, as well as the convergence of the income per inhabitant and the rate of inflation; ii) Social: This dimension covers indicators regarding the level of poverty, income and the situation of the labour market; iii) Political: This dimension evaluates the status of the institutions in each country, it also values the treaties and agreements that facilitate the mobility of productive factors; iv) Cultural: This

dimension provides access to media through which it facilitates the dissemination of culture; and v) Environmental: It collects data on the form of coordination among the countries in their policies for the conservation of the environment and sustainable growth.

In turn, the main objective of the Regional Meeting on “The Integration Index for Latin America and the Caribbean” will be to present the study internally conducted by the Permanent Secretariat, as well as the progress in the creation of the Regional Index of Central American Economic Integration on which SIECA is working. In the event the methodology used by both institutions to analyse the degree of integration among the countries of the region will be explained.

Invitations to this the event will be extended to the authorities responsible for economic integration issues of the Member States of SELA, of regional and subregional cooperation and integration organizations, international agencies and experts in the field. The conclusions and recommendations stemming from this activity will be contained in the corresponding final report.

This Index will be also presented at the Seminar on Integration Mechanisms that will be held in Dominican Republic in October.

Activity I.2.3. Assessment of convergence in the dynamics of the main macroeconomic variables of Latin American and Caribbean countries

This activity will develop an internal study on the long-term dynamics that have undergone some fundamental macroeconomic variables associated with different trading blocs of countries of Latin America and the Caribbean, in order to assess their evolution in the search for certain levels of similar future performances that bring them closer to convergence. Mainly, an analysis will be made of the Gross Domestic Product (GDP), the real exchange rates and the external debt.

This study will assess the behaviour of these variables in the search for similar patterns in the performance of economic fundamentals in the long term. It will seek to identify the existence of “convergence groups” in the region, defined as specific spaces in which there is evidence of a trajectory towards higher degrees of integration and reduction of disparities among nations, regardless of the subregional integration mechanism to which they belong or are associated.

Thus, the study uses a methodology that combines the economic theory on convergence, based on the theory of economic growth and development of Robert J. Barro and Xavier Sala-i-Martin (2004),¹ and the empirical models based on the econometric formulation.

This study will be also presented at the Seminar on Integration Mechanisms that will be held in Dominican Republic in October.

Activity I.2.4. External vulnerability in Latin American and Caribbean countries

This activity will focus on an internal document that outlines a system of economic indicators to determine the external vulnerability of the countries of the region. The purpose is to help understand the economic fundamentals describing the operation of open economies and that expose them to shocks of an external, transient or permanent nature. In conducting this study, the

¹ Robert J. Barro y Xavier Sala-i-Martin (2004), *Economic Growth*. Second edition, Massachusetts Institute of Technology.

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following variables will be used: indebtedness profiles, composition of the debt (external-internal), ratio between external debt and exports, external debt to Gross Domestic Product (GDP), ratio between debt and international reserves, reserves of imports in months, and credit quality.

The document will generate and register profiles of potential threats from external origin to the Member States of the integration mechanisms of Latin America and the Caribbean that may lead to asynchronies in the economic activity cycles and may slow down the effective progress in the integration processes in the region.

It should be noted that these indicators will be regularly updated, so that the countries of the region can count on a set of indicators that allow them to identify early warning signals of external shocks and to facilitate the design of counter-cyclical economic policies.

Activity I.2.5. Follow-up reports on subregional integration mechanisms

These reports offer readers synthesized information on the region's dynamics, with emphasis on the analysis of the macroeconomic environment and the external sector of the region. Specific follow-up reports have been prepared for each one of the subregional integration mechanisms: 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).

These reports are published on a quarterly basis. The first one was published on 29 July and covered the quarter from January to March. It should be noted that the primary information is usually reviewed before being officially published, once the quarter has concluded. Therefore, for some countries the information of the report might present a delay.

The first report was divided into three parts. A first section, of a descriptive nature, which included major developments of interest occurred during the quarter as well as the current position of the mechanism with respect to the region as regards population, life expectancy, size of the economy and per capita income. The second part describes the facts regarding the performance and macroeconomic developments of each one of the mechanisms during the period between 2010 and the first quarter of the year 2016, analysing variables such as economic growth, the composition of the Gross Domestic Product (GDP) considering expenditure by way of domestic aggregate demand (consumption and investment, based on the fundamental identity of the GDP), inflation and unemployment. The last section of the report was based on an analysis of the performance of the external sector, highlighting variables such as the trade balance, total exports and imports, direct foreign investment in flows and balances, public external debt and international reserves.

Given the importance of these reports, the Permanent Secretariat expects to continue to update them on a quarterly basis.

Activity I.2.6. Case studies for integration

This activity involves presentation-type reports whose objective is to highlight recent experiences as regards practices for promoting cooperation, coordination and articulation among nations and between intra-regional and extra-regional integration mechanisms. Case studies are,

on average, five to seven pages long, and are designed to show the reader a quick overview on the current situation of regional integration.

Case Study No. 1 referred to the experience with the implementation of the Index of Public Policies for SMEs in the Association of Southeast Asian Nations (ASEAN). This adaptation of the index includes the following eight dimensions: i) Institutional and Regulatory Frameworks; ii) Access to Support Services; iii) Operating Environment and Simplification of Procedures; iv) Access to Financing; v) Innovation, Technology Adaptation and Technology Transfer; vi) Internationalization of SMEs; vii) Promotion of Entrepreneurial Education; and viii) Effective Representation of SMEs' Interests. In view of the characteristics of this group of countries, the implementation of the index has an approach favouring innovation and adaptation of technologies.

Case Study No. 2 focuses on the description of the Migrant Integration Policy Index (MIPEX) created by the European Community. This is a long term project which evaluates and compares efforts at the government level to promote migration within the Member States of the European Union.

Case study No. 3 is expected to deal with issues related to convergence and its reversal in the European Community.

Activity I.2.7. Report on the regional integration process

This activity envisages the internal conduction of a report that compiles and complements the quarterly reports on integration that were drafted during the year, and that include short-term information. They analyse both the performance of the economies throughout the year and the events occurred at the end of the period under analysis. The possibility has been considered to include in these reports the recommendations and timely remarks of end users, as they arise.

This report will be drafted during October and will be submitted at the XLII Regular Meeting of the Latin American Council.

Other activities of the Programme Integration Process and Economic Growth in Latin America and the Caribbean

1) Regional Meeting on an Assessment of the Economic and Cooperation Relations of Central America, the Caribbean and Mexico (Foreseen in the Work Programme for 2015)

The "Regional Meeting on an Assessment of the Economic and Cooperation Relations of Central America, the Caribbean and Mexico", organized by the Permanent Secretariat of the Latin American and Caribbean Economic System (SELA), jointly with the Secretariat of the Caribbean Community (CARICOM) and the collaboration of the government of Guyana, through the Ministry of Business, was held in Georgetown, Cooperative Republic of Guyana, on 15 and 16 June 2016.

The fundamental objectives of this regional meeting were: to analyse the economic relations developed in the area comprising Mexico, Central America and the Caribbean, taking into consideration their potentials for coordination and convergence, and to evaluate the existing or potential mechanisms and modalities that allow for fostering and diversifying such relations.

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The Permanent Secretariat contributed with the following analytical documents to encourage the debates: i) ["Assessment of the economic and cooperation relations between Central America, the Caribbean and Mexico"](#) (SP/REREC-CA-CARIBE-MEX/DT N° 04-16); ii) ["Analysis of trade flows between SICA and Latin America. Policy recommendations for their promotion, stabilization and diversification"](#) (SP/REREC-CA-CARIBE-MEX/DT N° 03-16); and iii) ["Analysis of trade flows between CARICOM and Latin America. Policy recommendations for their promotion, stabilization and diversification"](#) (SP/REREC-CA-CARIBE-MEX/DT N° 02-16).

Participants in the event included delegations from the following Member States of the Latin American and Caribbean Economic System (SELA): Barbados, Belize, Brazil, Colombia, Costa Rica, Cuba, Guatemala, Guyana, Jamaica, Mexico, Nicaragua, Dominican Republic, Suriname and Venezuela, as well as representatives from regional and international organizations such as the Association of Caribbean States (ACS), the Caribbean Community (CARICOM), the Central American Integration System (SICA), the Organization of Eastern Caribbean States (OECS), the United Nations Development Programme (UNDP) and the Permanent Secretariat of the Latin American and Caribbean Economic System (SELA).

The main conclusions and recommendation stemming from this Regional Meeting are included in the [Final Report on the Regional Meeting on an Assessment of the Economic and Cooperation Relations of Central America, the Caribbean and Mexico](#) (SP/REREC-CA-CARIBE-MEX/IF-16). This activity was included in the Work Programme of the Permanent Secretariat for 2015, but due to coordination problems with CARICOM it had to be rescheduled for 2016.

2) Seminar on integration schemes and regional challenges of globalization (Requested by the government of Dominican Republic)

At the request of the Ministry of Foreign Affairs of Dominican Republic, which currently holds the Pro Tempore Presidency of the Community of Latin American and Caribbean States (CELAC), the Permanent Secretariat of SELA organizes the "Seminar on integration schemes and regional challenges of globalisation" at the headquarters of the Institute of Higher Education in Diplomatic and Consular Training "Dr. Eduardo Latorre Rodríguez" (INESDYC) in Santo Domingo, Dominican Republic, to be held from 3 to 5 October.

The seminar is aimed at training officials from Dominican government institutions on the various regional and subregional integration schemes, which will serve as a platform for future projects in this thematic area, thus contributing to strengthening of integration ties in Dominican Republic. Its contents included two subjects: the regional integration efforts and the measurement of regional integration in Latin America and the Caribbean.

The first subject provides a description of the organizations that promote integration and cooperation among the countries of the region and a thorough analysis of the various subregional integration mechanisms. The participation of the organizations that fall under this category stands out. They include: the Latin American and Caribbean Economic System (SELA), the Community of Latin American and Caribbean States (CELAC), the Association of Caribbean States (ACS), and the Union of South American Nations (UNASUR). A description is made of the mission and vision that originated their creation and details are provided about the activities undertaken to favour Latin American integration. Additionally, this first subject offers a broad overview of the integration mechanisms and analyses the current situation of each integration scheme, as well as the evolution of their Member States. Participants will include representatives of the Caribbean Community (CARICOM), the Central American Integration System (SICA), the Andean Community (CAN), the

Common Market of the South (MERCOSUR), the Bolivarian Alliance for the Peoples of our America- Peoples Trade Agreement (ALBA-TCP) and the Pacific Alliance (PA).

The second subject deals with some forms of measurement of regional integration in Latin America and the Caribbean, from the perspective of the Permanent Secretariat of SELA. In this connection, a presentation is made on how regional asymmetries and convergence are conceived based on the results obtained in studies carried out internally, which attempt to standardize the foundations within the conceptual framework of integration.

The meeting will also present a measuring tool of integration: the Integration Index for Latin America and the Caribbean (IINTALC), which provides the possibility to quantitatively evaluate the degree and stage of the integration process in which each integration mechanism is located.

In addition, an analysis is made of events with a regular occurrence as part of the economic situation of the countries, making a follow up of the integration mechanisms, which provides an idea of their progress and current status. Finally, the case studies present different experiences, lived by both regional and extra-regional blocs, which allows for drawing useful lessons for the countries of the region.

The papers and presentations of this seminar will be compiled in a document that will be published on SELA's Web portal.

PROJECT I.3. Productive and Industrial Development in Latin America and the Caribbean

Activity I.3.1. CELAC: Regional Meeting of business organizations on productive and industrial development in Latin America and the Caribbean

In January, contacts with CAF-development bank of Latin America and ECLAC were resumed, by sending communications submitting the draft preliminary Agenda and the list of temporary guests for this meeting, in order to reach a consensus on both proposals and define the budgetary contribution of each organization.

On 20 January, a response from CAF-development bank of Latin America was received, inviting the Permanent Secretariat to a meeting at its headquarters to discuss the details concerning CAF's participation in the event. That meeting was held on 3 February, and as a result thereof, a preliminary agenda was agreed upon and the list of guests was completed. Additionally, CAF announced it would support the organization of the meeting through a contribution for financing the participation of five guests.

Also, arrangements were made with ECLAC to consult on the draft agenda and the list of guests. On 1 April, the Permanent Secretariat sent a formal note to the General Secretariat of ECLAC recalling the mandate of CELAC to carry out this activity, in order to know the support and contribution of this organization, but no response was received on this issue.

Moreover, arrangements were undertaken with the Ministry of Foreign Affairs of Dominican Republic, in its capacity as holder of the Pro Tempore Presidency of CELAC, in order to propose the conduction of the activity in Santo Domingo, agree on the Draft Agenda and the list of guests, and

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inform it about the contributions and the financial support to be provided by the Permanent Secretariat of SELA and CAF-development bank of Latin America.

In this connection, Dominican Republic's Pro Tempore Presidency of CELAC began a process of consultations and evaluation for the conduction of the activity in Santo Domingo, for which it made contact with the Association of Industries of Dominican Republic (AIRD) and the Association of Industrialists of the North Region (AIREN) so as to get them involved with this initiative and give it the necessary private and entrepreneurial support.

On 8 August, the Vice-Ministry of Foreign Affairs for Economic Affairs and Trade Negotiations of the Ministry of Foreign Affairs of Dominican Republic informed the Permanent Secretariat that since the activity responded to the mandates of CELAC of 2013 and 2014, and considering that there was not much receptivity in the consultations made to Dominican business associations, it was deemed necessary to cancel the meeting.

Activity I.3.2. Regional Meeting on productive and industrial development in Latin America and the Caribbean: Public and private sectors

The objective of this meeting is to create a space for encounter to stimulate public-private dialogue on the process to design and adopt industrial policies that contribute to the productive development of the countries of CELAC, and to exchange ideas, proposals and experiences on the priority areas of the agenda of productive and industrial development of Latin America and the Caribbean.

This meeting is programmed to be held, tentatively, in December in Caracas.

PROGRAMME: TRADE FACILITATION

PROJECT I.4. Regional Meetings on Foreign Trade Single Windows

Activity I.4.1. VIII Latin American and Caribbean Regional Meeting on Foreign Trade Single Windows

The First Latin American and the Caribbean Regional Meeting on Foreign Trade Single Windows was conducted in 2010, jointly with the Ministry of Trade, Industry and Tourism of Colombia. Since then, the Permanent Secretariat of SELA has systematically promoted these annual regional meetings with the purpose of promoting concertation processes to contribute to digital integration within the framework of the regional integration processes, and to promote a permanent and proactive debate on relevant issues related to Foreign Trade Single Windows, in regulatory, technical, technological and governance matters, and to disseminate internationally validated best practices for the development of this tool for trade facilitation.

The VIII Latin American and Caribbean Regional Meeting on Foreign Trade Single Windows will be held jointly with the Central Bank of Reserves and the Ministry of Economy of the Republic of El Salvador, on 13 and 14 October 2016 in San Salvador. As was the case with prior meetings, with this VIII Regional Meeting on Single Windows, the Permanent Secretariat promotes the analysis of strategic elements and relevant experiences on this matter, with a view to disseminating best practices and draw recommendations that will contribute to consolidate programmes for the

optimization of processes that facilitate and boost foreign trade in the countries that have adopted this tool and that, in parallel, support the efforts aimed at consolidating Single Windows throughout Latin America and the Caribbean, as part of the strategies for trade facilitation and e-government.

This meeting will focus on trade facilitation and support to information systems, emphasizing the necessary incorporation of informatics solutions that comply with internationally accepted technical and technological standards, the balance that must occur between controls and trade facilitation and, of course, the dissemination of the achievements and challenges faced by Single Windows in the countries of Latin America and the Caribbean.

The main conclusions stemming from this activity will be included in the corresponding final report, which will be published on SELA's Web site (www.sela.org).

PROJECT I.5. Programme on the Latin American and Caribbean network of digital and collaborative ports: Strengthening logistic port communities, service standards and technological innovation

Activity I.5.1. Programme on the Latin American and Caribbean Network of digital and collaborative ports. Phase II: Expansion and institutionalization of the Network

During 2014, progress was made with the first phase of the [Programme for the Creation of the Latin American and Caribbean Network of Digital and Collaborative Ports: Strengthening port logistics communities, standards of service and technological innovation](#), within the framework of the Non-Refundable Technical Cooperation Agreement signed between CAF-development bank of Latin America and the Permanent Secretariat of SELA. This phase included the participation of the ports of Manzanillo and Veracruz, in Mexico; Buenaventura and Cartagena, in Colombia; Callao, in Peru; San Antonio and Valparaiso, in Chile; and Balboa and Colon, in Panama.

In August 2015, a new non-refundable technical cooperation agreement was signed between the Permanent Secretariat of SELA and CAF-development bank of Latin America, for the amount of US\$ 166,412, in order to continue with Phase II of this programme, whose objective was to expand and institutionalize the Network. The implementation of Phase II started in September 2015 and will be concluded on 3 November 2016.

In this second phase of the programme, activities were carried out to further the collaborative aspects of pioneering port communities and countries, and to move forward with actions in port systems that joined the Network in this second phase. Thus, to date, countries and their port communities participating in the Programme for the Creation of the Network of Digital and Collaborative Ports are: i) Mexico: port systems of Manzanillo, Veracruz and Altamira; ii) Costa Rica: Puerto Limón; iii) Panama: port systems of Balboa and Colon; iv) Colombia: ports of Buenaventura and Cartagena; v) Trinidad and Tobago: Port of Spain; vi) Ecuador: Guayaquil port system; vii) Peru: port systems of Callao and Paita; viii) Chile: port communities of Valparaíso and San Antonio; and ix) Uruguay: port system of Montevideo. Thus, a total of 9 countries and 15 port communities are already participating in the Programme for the creation of this Network.

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In Phase II of the Programme, in addition to making progress with the preparation of the terms of reference, convening and hiring of a consultant for a study, field-based activities were carried out to provide technical support to participating port communities, from the first phase of the programme and the new ones that were added to the Network.

The technical collaboration work with these communities, fundamentally, had the following objectives: i) Support their projects to implement and improve their clusters of organizations; ii) Perform measurements leading to establishing the degree of implementation of the Reference Model for Competitiveness of the Port Logistics Chain, including training activities for the industry (Course on Administration of the Port Logistics Chain), and iii) Support the design of the working plan for applied research of the Methodological Support Groups (MSG) and training activities for researchers (Course on Business Process Analysis of the United Nations).

With respect to the new port communities, several technical visits to port facilities and meetings with the main public, private and academic actors related with the port systems were conducted with the purpose of informing them about the Reference Model for Competitiveness of the Port Logistics Chain, designed and promoted by this Programme, and raise awareness about the need for greater inter-institutional cohesion. Also, technical workshops were carried out on "Digital and Collaborative Challenges of Logistics Port Communities", based on the opportunities for improvement and "clustering", in accordance with the Model designed and promoted by the Programme.

Two technical instruments that are essential for the dissemination of the best practices promoted by the Programme on the Network of Digital and Collaborative Ports were also designed. Firstly, strides were made with the development and implementation of the Web portal of the Network, which will allow for keeping closer contact with port communities, the Methodological Support Groups, public and private institutions, and the public in general, who are linked to the Programme. Secondly, activities were conducted leading to the design, development and application of the Implementation Guide of the Reference Model for Competitiveness of Port Logistics Chains, which provides the guidelines and the gradual steps to incorporate the best practices in each of the four pillars for competitiveness promoted in the Reference Model, and incorporates an instrument for measurement of the degree of implementation of the measures promoted by the Reference Model in each port community and country. Thus, it is possible to generate, for each participant and for the port community, a roadmap of the degree of progress in each pillar and, in this way, to make comparative analyses with the other participants in the measurement.

Additionally, a technical document was drafted with approaches about the possibilities for sustainability of the Network, as the base document for the First Latin American and Caribbean Meeting of Logistics Port Communities, held from 14 to 16 July 2016 in Panama City, and organized by the Permanent Secretariat of SELA with the support of CAF-development bank of Latin America, the enterprises SOGET and Crimson Logic, and the Authority of the Panama Canal.

At the aforementioned event, the transition scheme for the formation of the Network of Digital and Collaborative Ports proposed in the Study on Sustainability, which includes a Memorandum of Understanding, was submitted and discussed. This is an instrument for cohesion, which provides the minimum necessary agreements to provide a collaborative framework for a proposal on Phase III, which will be undertaken as a transitional period leading to the effective conformation of the Network.

The transition phase and the Memorandum of Understanding being proposed were subject to validation during the months following the First Latin American and Caribbean Meeting of Logistics Port Communities. Accordingly, it would enter into force depending on the agreements that can be reached between the Permanent Secretariat of SELA and CAF-development bank of Latin America in order to make progress with Phase III of the Programme for the Creation of the Network of Digital and Collaborative Ports, and on the ratification of the Memorandum by, at least, one-third of the participants in the First Meeting.

PROGRAMME: INFORMATION AND COMMUNICATIONS TECHNOLOGIES (ICTs) AND KNOWLEDGE SOCIETY

PROJECT I.6. Strengthening the statistical information system on SELA's Web site

Activity I.6.1. Development of an interactive system for the management of databases and economic statistics on SELA's Web site

This activity was developed through the modernization and expansion of the database and statistics of SELA's Web site, as well as the inclusion of dynamic tools that optimize the handling and display of data. For implementing this activity, the Permanent Secretariat worked together with Ikel's Consulting, a regular provider of Web services to SELA. To start the supply of statistical figures of the countries for the first stage, a selection was made of variables displayed in quarterly reports on integration and on exports and imports of the region, classified by technological degree.

In addition, the data is shown by sub-regional integration mechanism, including the Pacific Alliance (PA), the Common Market of the South (MERCOSUR), the Central America Integration System (SICA), the Andean Community (CAN) and the Caribbean Community (CARICOM).

This database is constantly updated with the input contained in the studies carried out during the year, as well as their indicators.

PROJECT I.7. Management and coordination of specialized portals

In 2016, progress was made with an evaluation process of the specialized portals that are included on SELA's Web site, under the sela.org domain. This evaluation includes both quantitative and qualitative aspects. With regard to the quantitative analyses, the Permanent Secretariat used Web Trends, a tool that allows to statistically analyse traffic or use of a Web site, by making an "x-ray" examination of the activity that occurs in the interaction with users of the Web site. In general, some aspects are expected to be changed in a new phase within the process of continuous improvement of SELA's Web site and its specialized portals.

Activity I.7.1. Management and maintenance of the specialized portal on the Community of Latin American and Caribbean States (CELAC)

The creation of this specialized portal is envisaged in Decision No. 527 "Support of the Permanent Secretariat of SELA and its Work Programme to the establishment of the Community of Latin American and Caribbean States (CELAC)" and contributes to disseminate the activities and intellectual production of CELAC. To date, this tool is the most complete Web portal in terms of

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the information generated by CELAC, including the Declaration of Caracas – signed during the ceremony of its creation on 3 December 2011–, the documents stemming from the CELAC summits and the EU-CELAC summits held thus far, as well as the documents derived from the Meetings of National Coordinators and others instances of the Community.

Activity I.7.2. Management and maintenance of the specialized portal on International Cooperation Directors for Latin America and the Caribbean: Promotion of South-South Cooperation

The Permanent Secretariat updates this specialized portal with the collaboration and support of national focal points for international cooperation of the Member States of SELA, as well as the Latin American and Caribbean institutions specialized in this field. Particularly, it includes relevant information for this subject from the Community of Latin American and Caribbean States (CELAC), the United Nations System, the Economic Commission for Latin America and the Caribbean (ECLAC), the United Nations Development Programme (UNDP) and, particularly, the Perez-Guerrero Trust Fund (PGTF) of the Group of 77 (G77).

In 2016, the portal was regularly updated, having incorporated new features in terms of studies, and work relating to international cooperation and official development assistance, which are available to the interested public, with information coming from the portals of various regional and international organizations and national institutions linked to national systems for international cooperation of the Member States of SELA.

The Permanent Secretariat plans to optimize the retrieval of information by integrating the portal into the new Content Management System (CMS) of sela.org, as part of the next phase of improvements to SELA's Web portal. As such integration takes place, search capabilities will be implemented that will point to the Documentary Database, thus allowing for a more efficient retrieval of documents.

Activity I.7.3. Management and maintenance of the specialized portal on Public-Private Partnerships for Disaster Risk Reduction in Latin America and the Caribbean. Directory of companies committed to risk management

The Permanent Secretariat works on the issue of disaster risk management with emphasis on forging strategic alliances between the public and the private sectors. In this connection, the portal specialized in risk management functions as a digital space for disseminating information on the regional and subregional efforts for the purpose of encouraging the construction of strategic partnerships between the public and private sectors at the regional level.

The portal offers information on events carried out by the Permanent Secretariat in this area, provides the base documents produced for each one of these events as well as updated information prepared by Latin American and Caribbean institutions for disaster risk management, the national focal points and private companies. It also has a directory of national focal points in charge of disaster risk management, enterprises and private associations committed to this issue, as well as news, documents and reports on best practices.

The Permanent Secretariat plans to integrate this portal into the Content Management System (CMS), of the sela.org domain, for its next phase of improvements.

Activity I.7.4. Management and maintenance of the specialized portal on Free Trade Zones in Latin America and the Caribbean

The portal on Free Trade Zones in Latin America and the Caribbean is a space for disseminating information and knowledge on Free Trade Zones, industrial and services zones in Latin America and the Caribbean, developed to promote them among the regional and international community and contribute to promote of exports and their productive diversification, as well as foreign investment and technology transfer in the region.

This portal, created in compliance with the mandate given to the Permanent Secretariat of SELA by the Latin American Council and the Conference of Government Authorities in charge of Free Trade Zones in Latin America and the Caribbean (Cali, Colombia, 2012), includes in its contents a general directory of Free Trade Zones, the definition adopted, the text of the main national legal instruments governing the matter, the benefits derived from Free Trade Zones and the links to the national authorities in this area. It also includes three additional directories, namely: business organizations; government policies and free trade zones by country, city and type (commercial, industrial, *maquila* and services).

Activity I.7.5. Management and maintenance of the specialized portal on SELA-SMEs

The Permanent Secretariat continued to administer the specialized porta on the Latin American and Caribbean Programme for Small and Medium-sized Enterprises (SELA-SMEs Programme) and to improve informatics and programming details for the progressive incorporation of some services and products aimed at business and government focal points for SMES in the region, such as the fortnightly newsletter and a network of links to the various public and private institutions related to micro, small and medium-sized enterprises in Latin America and the Caribbean.

The objective of this specialized portal is to support cooperation actions by the Permanent Secretariat for the promotion and strengthening of micro, small and medium-sized enterprises (MSMEs) in Latin America and the Caribbean, and to create and keep up to date a network of contacts of the main governmental focal points and businesses linked to small and medium-sized enterprises in order to support the implementation of public policies and the assimilation of best practices and successful experiences in the area of SMEs in the region.

To this end, the Permanent Secretariat continued to provide information and documentation on various issues of interest in the field of SMEs, particularly with regard to: i) public policies; ii) productive coordination; iii) internationalization; iv) innovation; v) ICTs, competitiveness and productivity; v) financing and guarantees. vi) entrepreneurship; vii) gender equity; and viii) social responsibility, among others. In addition, the portal provides links to regional and international institutions related to the issue of SMES, as well as a directory of business and governmental focal points for SMES in the Member States of SELA.

On the other hand, this specialized portal presents a compilation, by country, of the main legislations and legal frameworks for SMES in the Member States of SELA. Additionally, it updated the directory of links of the subregional, regional and international institutions related to the issue of SMEs, the directory of governmental and business points focal for SMES and the database of the main legislations and legal frameworks for SMES in the Member States.

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Within the framework of the project to continuously improve SELA's Web site, and in order to add more functionality to this specialized portal, the Permanent Secretariat intends to incorporate a search engine preceded by a list of the most recent documents.

Activity I.7.6. Design, development and maintenance of the specialized portal on the Network of Digital and Collaborative Ports

Within the framework of the Non-Refundable Technical Cooperation Agreement with CAF-development bank of Latin America, the implementation of Phase II of the "Programme for the Creation of the Network of Digital and Collaborative Ports" was undertaken, including the process of design and construction of the specialized portal of the Network of Digital and Collaborative Ports in order to help preserve, systematize, manage and disseminate knowledge, information and the documents generated by the different instances of the Network and other related networks.

The intention with this specialized portal is to seek to provide greater visibility and capacity to share and facilitate the dissemination and transfer of the knowledge and the information generated within the framework of this Program, constituting a key element to make progress towards the institutionalization of the Network of Digital and Collaborative Ports promoted by SELA.

This new digital tool includes two platforms for interaction, a public one (public site) for consultations by users in general and a private one (private Web site), where registered users will have a technological platform to manage a virtual space for collaboration.

Within the public site we can mention the following sections: i) Reference Model, designed on the basis of the best practices for supply chain management, called Supply Chain Management (SCM); ii) the Guide for Implementation of the Model; iii) Regional and Intra-Regional Events; iv) Search engine specialized in the subject; v) Digital Magazine; vi) Directory of public, private, multilateral and academic institutions; vii) News section; and ix) Section to subscribe to the contents of the Network of Digital Ports.

On the private Web site, registered users can share documents, memos, assign tasks, schedule meetings with other users of the same working group and even with other working groups within the same workspace.

This specialized portal was presented at the First Meeting of Latin American and Caribbean Port Logistics Communities, held in Panama City, in July 2016. On that occasion, a presentation was made to show both the public and private environments. Its launching is scheduled by the end of this year.

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. Study for updating the Index of Public Policies for SMEs in Latin America and the Caribbean

This activity included the internal preparation of a study and the conduction of a Regional Meeting on the Update Study of the Index of Public Policies for SMEs in Latin America and the Caribbean, held in San José de Costa Rica on 8 July. This meeting was co-sponsored by the government of Costa Rica through the Ministry of Economy, Industry and Trade (MEIC).

An update of the methodology for the construction of the “[Index of Public Policies for Small and Medium-sized Enterprises in Latin America and the Caribbean \(IPPALC\)](#)” (SP/RREAIPP-PYME-ALC/DT N° 2-16) was presented in this study. It represents a methodological and conceptual adaptation of the index created and implemented by the Organization for Economic Cooperation and Development (OECD), whose objective is to upgrade the decision-making process to promote the performance of Small and Medium Enterprises (SMEs) through the evaluation of thematic areas linked to their operation.

This document served as a complement to the methodological work conducted by the Permanent Secretariat in 2015, through the preparation of a detailed procedural framework to facilitate the implementation of this tool. Originally created by the OECD, it has been implemented in different regions of the world, and its design and application is sustained on the adoption of common priorities and criteria that are framed within a strategic plan to boost the development of SMES. In this connection, it can be seen that the theoretical foundations which served as the basis for the creation of the Index of Public Policies for SMEs in the OECD are found in the 10 principles of the *Small Business Act for Europe*, whereas, in its adaptation for the countries of the ASEAN, such principles served as the platform for its Strategic Action Plan for the Development of SMES.

This indicator consists of 9 dimensions, 25 sub-dimensions and 120 indicators which address the areas of greater impact on the performance of SMES. For its effective application, a proposal was made for a procedural framework that comprises 5 integrated phases. The implementation of the IPPALC represents an effort that requires the participation of different public and private actors who will be consulted about the information-gathering instrument designed by the Permanent Secretariat.

The Regional Meeting accomplished the following objectives: 1) Disseminate the document prepared by the Permanent Secretariat of SELA, which explores the experiences of other regions in the adaptation of the Index of Public Policies for SMES developed by the OECD, the current status of public policies for SMES in Latin America and the Caribbean and presents a detailed procedural framework for the implementation and evaluation of the Index of Public Policies for SMES in Latin America and the Caribbean (IPPALC). 2) Promote the adoption of the IPPALC as a tool that allows for assessing the current status of the public policies aimed at SMEs, with the purpose of boosting

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productive transformation and coordination in the region. 3) Receive comments, questions and contributions by the specialists of the governmental focal points on the "[Update Study of the Index of Public Policies for SMES in Latin America and the Caribbean](#)", prepared by the Permanent Secretariat, in order to make improvements to the adaptation based on the experiences from the region in the area of SMEs.

This meeting was aimed at the governmental focal points of the Member States of SELA and regional organizations related to the development of SMEs. It was attended, as speakers, by officials of the Organization for Economic Cooperation and Development (OECD). During this meeting, the OECD officials expressed the interest of the organization in incorporating the implementation of the Index of Public Policies for Small and Medium-sized Companies (SMES) in its Regional Programme for Latin America and the Caribbean, in a joint action with the Permanent Secretariat of SELA. Likewise, the OECD agreed to support SELA in organizing the "Workshop on the implementation of the Index of Public Policies for SMES in Latin America and the Caribbean (IPPALC)", which would take place in Panama on 20 and 21 September.

In addition, as part of this project, a visit was made to the city of Montevideo in Uruguay by officials of the Permanent Secretariat, during the week from 22 to 26 February, with the purpose of evaluating the advances and the current status of the project on the index being prepared by the National Direction of Crafts, Small and Medium-sized Enterprises (DINAPYME), of the Ministry of Industry, Energy and Mining of Uruguay.

Moreover, upon an invitation by the Secretary General of the Latin American Centre for Development Administration (CLAD) to participate in the cycle of international virtual conferences of the Ibero-American School, the Permanent Secretariat visited the headquarters of the aforementioned organization in Caracas on 26 May to present the "Index of Public Policies for SMES in Latin America and the Caribbean (IPPALC)". This Conference was attended by more than 150 people, and there was a useful exchange of views.

Activity II.1.2. Workshop on implementation of the Index of Public Policies for SMEs in Latin America and the Caribbean (IPPALC)

This workshop will be held on 20 and 21 September and is being organized by the Permanent Secretariat in conjunction with the Authority of the Micro, Small and Medium-sized Enterprises (AMPYME) of Panama and the Organization for Economic Cooperation and Development (OECD). Invitations have been extended to governmental focal points that will be in charge of implementing the tool in their countries.

The objective of this workshop is to explain how the application of index of public policies for SMES in Latin America and the Caribbean (IPPALC) will be, through the adoption of concepts, criteria and common procedures that facilitate its implementation and contribute to the comparability of results in the region. It is also aimed at distinguishing the group of pilot countries that are prepared to start with the application of the index, as far as availability of information is concerned.

The agenda for the event will cover the details and implementation process for each one of the dimensions covered by the IPPALC, as explained by officials of the Permanent Secretariat of SELA and the OECD. Participants in the Workshop will also include officials of the CAF-development bank of Latin America Latin, the Caribbean Association of Small and Medium-sized Enterprises (CASME), Centre for the Promotion of Micro and Small-sized Enterprises in Central America (CENPROMYPE),

the Inter-American Development Bank (IDB), the Economic Commission for Latin America and the Caribbean (ECLAC) and the Pacific Alliance (AP). This Workshop will also provide guidance on how to select the organizations that should be involved, as well as the Group of experts for the implementation of the index, how to evaluate and make quality control of the information, how to homogenize data, how to make use of national statistics, and how to reconcile the results obtained.

Activity II.1.3. XXVII Meeting of International Cooperation Directors for Latin America and the Caribbean: Cooperation in science, technology and innovation in Latin America and the Caribbean

The Permanent Secretariat of SELA organized, jointly with the government of the Republic of Peru, through the Peruvian Agency of International Cooperation (APCI) of the Ministry of Foreign Affairs, and the National Council for Science, Technology and Technological Innovation (CONCYTEC), and with the support of the Perez-Guerrero Trust Fund (PGTF) of the Group of 77 (G77), the "XXVI Meeting of Cooperation International Directors for Latin America and the Caribbean: Cooperation in Science, Technology and Innovation in Latin America and the Caribbean", which was held in Lima, Peru, on 13 and 14 October 2016.

The objectives of this regional meeting were: i) Provide a meeting space for the national authorities and focal points responsible for international cooperation for exchanges of experiences and best practices in the field of Science, Technology and Innovation (STI); ii) Identify actions and initiatives that may allow for greater coordination and synergy between the different actors of international cooperation at the regional and subregional levels, linked to the exchange of knowledge on the national systems of innovation and the collaboration between themselves; iii) Analyse and systematize successful experiences and best practices for cooperation in Science, Technology and Innovation (STI) to be undertaken at the intra- and inter-regional levels; iv) Promote the identification of bilateral and multilateral sources of cooperation for the countries of the region, as well as opportunities for cooperation that can be used for supporting the exchange of technological knowledge among the countries; and v) Identify policy proposals and recommendations for strengthening international cooperation, South-South Cooperation and Triangular Cooperation in the area of Science, Technology and Innovation.

Participants in the meeting will include national authorities responsible for international cooperation and South-South Cooperation in the Member States of SELA, as well as the National Organization in charge of Science and Technology (ONCYT), regional and international organizations, bilateral and multilateral development agencies, regional and subregional integration and cooperation mechanisms of Latin America and the Caribbean, and specialists in the matter.

For this Meeting of Directors, and as a contribution to the debates, the Permanent Secretariat submitted the base study entitled "[Overview of regional and international cooperation in science, technology and innovation in Latin America and the Caribbean](#)" (SP/XXVII-RDCIALC/DT N° 2-16). The objective of this study was to present an overview of the situation of public policies for science and technology in the region, making emphasis on those policies related with international cooperation actions and a series of arguments and recommendations by which national and international cooperation agencies can mobilize efforts and initiatives to help design and improve the impact of public policies in this area.

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Activity II.1.4. Regional Meeting on Partnerships between public and private sectors for disaster risk reduction in Latin America and the Caribbean

The Permanent Secretariat is organizing jointly with the National Office for Emergencies (ONEMI), attached to the Ministry of the Interior and Public Security of the Republic of Chile, and with the support of the United Nations Office for Disaster Risk Reduction (UNISDR), the "V Regional Meeting on Partnerships between public and private sectors for disaster risk reduction in Latin America and the Caribbean", which will be held on 06 and 07 October, in Santiago, Chile.

The specific objectives of this regional meeting were: i) Continue to promote the creation of partnerships for disaster risk reduction; ii) Identify and analyse successful experiences in risk management and disaster prevention from the perspective of social business and corporate responsibility; iii) Continue to support coordination and cooperation with the work carried out by the UNISDR and the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) in the area of strategic partnerships between the public and private sectors for disaster risk reduction; and iv) Continue to promote the continuity of operations, governance and business vis-à-vis disaster situations, from a regional, comprehensive and forward-looking perspective.

Participants in this event will include governmental authorities of Latin American and Caribbean countries responsible for disaster risk management, representatives of public and private sector enterprises in the region, and subregional, regional and international organizations specialized in the subject, as well as representatives of governments and local companies promoting risk management.

On this occasion, the Permanent Secretariat is preparing the base document entitled "[Disaster risk reduction in Latin America and the Caribbean: A guide for strengthening public-private partnerships](#)". The objectives of this study are: i) Evaluate areas not yet explored for building and fostering partnerships, identify and analyse successful experiences in risk management and disaster prevention from the perspective of corporate and business social responsibility; ii) continue with the policies to support coordination and cooperation of the work carried out by the UNISDR and OCHA in the field of strategic partnerships between public and private sectors for disaster risk reduction; and iii) continue to make progress with the issue of continuity of government, business and operations vis-à-vis disaster situations, from a regional, comprehensive and forward-looking perspective.

The conclusions and recommendations stemming from this activity will form part of the "[Final Report on the V Regional Meeting on Partnerships between public and private sectors for reduction of the risk of disaster risk reduction in Latin America and the Caribbean](#)".

Activity II.1.5. Latin American and Caribbean cooperation in the area of trade and competition. UNCTAD-SELA joint project. VI Annual Meeting of the Working Group on Trade and Competition of Latin America and the Caribbean (WGTC)

In compliance with this activity, the Permanent Secretariat of SELA, together with the United Nations Conference on Trade and Development (UNCTAD), the Inter-American Development Bank (IDB), the Commission for the Defence and Promotion of Competition (CPDC) of the Republic of Honduras, will hold the "VI Meeting of the Working Group on Trade and Competition of Latin

America and the Caribbean “, which will take place on the island of Roatán, Honduras, from 02 to 04 November 2016.

The objectives of this VI Annual Meeting are as follows: i) The harmonization of regulatory frameworks for trade and competition in the agreements and subregional integration mechanisms of Latin America and the Caribbean; and ii) The treatment of anti-dumping, from the perspective of trade and competition.

Participants in the event will include authorities in charge of trade and competition of Latin American and Caribbean countries, and representatives of regional and international integration organizations competent in the matter.

The Permanent Secretariat will submit the study entitled “[Current status and evolution of regulatory frameworks for trade and competition in Latin America and the Caribbean: Towards regulatory convergence](#)”. This document will analyse the current status and evolution of regulatory frameworks for trade and competition of the five subregional integration mechanisms in Latin America and the Caribbean. In a general way, it will analyse the fundamental characteristics of these mechanisms, attempting to identify the fundamental milestones of the reform processes that each one of them have experienced thus far. It also explains in detail the way that the various mechanisms have dealt with the main aspects of the trade agreements, in an individual way and discerning common aspects and the main differences. In addition, it analyses how the agreements incorporate rules for free competition and the supranational institutional structures that define such move. Ultimately, it identifies key areas to make strides towards regulatory convergence, both in trade and competition.

PROGRAMME: SELA-SMEs

Pursuant to Decision No. 551 of the Latin American Council, relative to the Work Programme of the Permanent Secretariat of SELA for 2016, the Secretariat complied with the activities envisaged in the Regional Latin American and Caribbean Programme for the Small and Medium-sized Enterprises (SELA-SMEs Programme):

PROJECT II.2. Latin American and Caribbean Regional Programme for Small and Medium-sized Enterprises

Activity II.2.1. Seminar-Workshop on internationalization of SMEs

The objectives of this Workshop are: i) Foster working strategies and methodologies for developing programmes to facilitate access of SMEs to international markets; ii) Adopt best practices to achieve success in internationalization efforts; iii) Promote the creation of export consortiums of SMES in order to achieve exporting capabilities; and iv) Identify and apply successful methodologies for the preparation of diagnoses, which allow for detecting the potential of export capabilities of SMES, as well as their limitations and restrictions in order to solve them.

Since January, the Permanent Secretariat started contacts with the government of Ecuador through the Undersecretariat for MSMEs and Handicrafts of the Ministry of Industries and Productivity, and the Ministry of Foreign Trade, in order to make progress with the coordination and organization of the “Seminar-Workshop on Internationalization of SMES”.

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By April, progress had already been made as regards substantial issues, such as organizational and logistics aspects for implementing this activity, and the internal coordination had been conducted between the Ecuadorian institutions, both the Undersecretary of MSMES and Handicrafts of the Ministry of Industries and Productivity, and the Ministry of Foreign Trade. A Draft Agenda had been agreed upon, and even arrangements were being made for the co-sponsorship of CAF-development bank of Latin America and the Inter-American Development Bank (IDB), with headquarters in Ecuador. However, due to the unfortunate earthquake occurred on 16 April, this activity was postponed so that the national institutions could confront the emergency in view of the magnitude of the damages.

Taking into account the interest expressed by the government of Ecuador, through the Ministry of Industry and Productivity and the Ministry of Trade, the seminar will take place in Quito on 1 and 2 December 2016.

Activity II.2.2. Pilot Workshop on adoption of innovation processes in SMEs

The "Pilot Workshop on adoption of innovation processes in SMEs for young entrepreneurs" will be held from 28 to 30 September in Guatemala City, Guatemala, with the co-sponsoring of the Ministry of Economy (MINECO), the National Secretariat of Science and Technology (SENECYT) of Guatemala, and the European Union, through the Programme *Empleo Juvenil* (generation of employment and vocational education for young people in Guatemala).

(The objectives of this workshop are as follows: i) Develop training to support the process for an effective promotion of innovation within enterprises; ii) Participation of governmental and business institutions to adopt innovation processes for improving competitiveness and productivity in SMEs; iii) Present and disseminate successful cases in the promotion of innovation processes in enterprises; and iv) Promote the development of governmental support programmes for the promotion of innovation.

The agenda for the Workshop includes nine modules, addressing the issues of ecosystems, strategies, business models, conceptualization, organization, and practice in laboratories for the innovation process.

The workshop will count on two high-level trainers from the Institute of Higher Studies in Administration (IESA) of Venezuela and teachers of the Diploma Course on Entrepreneurship and Innovation, in addition to representatives of the governmental points focal for SMES in the Member States of SELA, as well as Guatemalan institutions and companies.

The main conclusions and recommendations stemming from this pilot workshop will be included in the "Final Report on the Pilot Workshop on adoption of innovation processes in SMEs for young entrepreneurs".

Activity II.2.3. Seminar-Workshop on entrepreneurship

The Seminar-Workshop on Entrepreneurship: Towards the creation of an economy driven by entrepreneurship: Demystifying the journey", was held in Bridgetown, Barbados, on 17 and 18 August, with the co-sponsorship of the Ministry of Industry, Business, Foreign Trade and Development of Small-sized Enterprises of Barbados.

The objectives of this Seminar-Workshop were as follows: i) Promote an exchange of experiences accumulated in various programmes for development of entrepreneurs; ii) Analyse the progress made on entrepreneurship at the regional level, evaluating the causes of its development; iii) Encourage business organization in sectors that represent economic and social opportunities and promote the creation of national systems of business incubators, among other mechanisms in entrepreneurship; iv) Consider the features and prospects for dynamic enterprises; and v) Consider and suggest new mechanisms for financing the entrepreneurial process, such as seed capital funds, networks of angel investors and venture capital funds.

The Permanent Secretariat prepared the base document entitled "[Recent experiences with entrepreneurship programmes and business incubators in Latin America and the Caribbean: Towards the creation of an economy driven by entrepreneurship](#)" (SP/STE-HCEIEDP/DT N° 2-16), which analyses entrepreneurship programmes in Latin America and the Caribbean, addressing the main trends, strategies and policies in the region for developing entrepreneurship programmes. It also describes the main entrepreneurship programmes in the region, assessing their strengths and weaknesses, and presenting an overview of new forms of financing for entrepreneurs.

Additionally, the study analyses the initiatives of incubators in Latin America and the Caribbean, describing the main initiatives of business incubators in the region and the role of encouragement and promotion of entrepreneurship.

Participants in the Seminar-Workshop included representatives of governmental focal points for SMEs in the Member States of SELA, as well as institutions and companies of Barbados.

The main conclusions and recommendations stemming from training event are included in the "Final Report on the Seminar-Workshop on Entrepreneurship: Towards the creation of an economy driven by entrepreneurship: Demystifying the journey".

Activity II.2.4. Seminar on productive articulation strategies and methodologies: Clusters and export consortiums

The "Seminar on productive articulation strategies and methodologies: Clusters and export consortiums: Experiences in the Caribbean and Central America" was held on 21 and 22 July, at the headquarters of the Permanent Secretariat of SELA in Caracas, Bolivarian Republic of Venezuela.

It should be noted that, in accordance with the Work Programme of the Permanent Secretariat of SELA, this activity should have been conducted in Nicaragua, for the Central American subregion, and in Trinidad and Tobago, for the Caribbean region. In both cases, the actions for coordination and logistic and operational organization advanced significantly. In Nicaragua, through the Vice Ministry of Development, Industry and Trade; and in Trinidad and Tobago, through the Ministry of Labour and Development of Small-sized Enterprises. However, *force majeure* reasons and budget availability problems faced by the counterparts led to relocate the venue for the event, and it was agreed to merge the two events and conduct them in the headquarters of the Permanent Secretariat, in Caracas.

The objectives of this seminar were as follows: i) Contribute to develop and strengthen business and governmental institutional capacities for the conduction of productive articulation projects, such as "clusters" and export consortiums in Latin America and the Caribbean; ii) Disseminate strategies for successful productive articulation in the region, such as the development of new

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“clusters”, linkages, local productive developments and industrial districts, among others, and iii) Identify projects for productive articulation in Caribbean countries that require assistance and direct technical advisory or through cooperation, so as to encourage partnerships among SMEs in the region and contribute to the creation of “clusters” and export consortiums.

Participants in this activity included representatives from the Member States of SELA and government focal points for SMEs in Argentina, Barbados, Brazil, Colombia, Costa Rica, Cuba, Ecuador, El Salvador, Guatemala, Guyana, Jamaica, Mexico, Nicaragua, Dominican Republic, Suriname, Trinidad and Tobago, Uruguay and Venezuela; in addition to representatives of regional and subregional organizations such as the Caribbean and Central America, such as the Caribbean Association of Small and Medium-sized Enterprises (CASME), the Caribbean Association of Industry and Commerce (CAIC), the Centre for the Promotion of Micro and Small-sized Enterprises in Central America (CENPROMYPE), and the Central American Secretariat for Economic Integration (SIECA), as well as the Organization of American States (OAS). Participants also included representatives of public and private institutions in the Bolivarian Republic of Venezuela, representatives of the business sector, as well as business associations and academicians.

The main conclusions and recommendations stemming from this event are included in the [Final Report on the “Seminar on productive articulation strategies and methodologies: Clusters and export consortiums: Experiences in the Caribbean and Central America”](#) (SP/SEMAP-CCE: ECC/IF-16).

Activity II.2.5. Seminar on strategic support to traditional and micro-enterprises

The “Seminar on strategic support to traditional and micro-enterprises” will be held in Puerto Vallarta, Mexico, on 3 and 4 November 2016, with the co-sponsorship of the National Institute for Entrepreneurs (INADEM), of the Secretariat of Economy of Mexico, and the support of the OECD.

The objectives of this event are: i) Train officials and entrepreneurs in the development of innovation and improvement processes that encourage competitiveness and enhance productivity in small and medium-sized enterprises; ii) Review the programmes of the public and private sectors that are devoted to encourage and promote innovation in the activities of enterprises; iii) Study successful programmes in implementing activities to support traditional SMEs, that involve lower costs and increase the number of enterprises to be considered as part of the process of improvement; and iv) Promote an exchange on the best practices carried out in other regions for the development of programmes to support traditional enterprises.

AREA III. EXTRA-REGIONAL RELATIONS

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

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

Activity III.1.1. Monitoring and analysis of the multilateral free trade agreement called "Trans-Pacific Strategic Economic Partnership Agreement (TPP)"

In compliance with this activity, the Permanent Secretariat organized, jointly with the Foundation Getulio Vargas of the Federative Republic of Brazil, the "Regional Seminar on monitoring and analysis of the Trans-Pacific Strategic Economic Partnership Agreement (TPP)", which was held on 25 August 2016, in São Paulo, Federative Republic of Brazil, at the headquarters of the Foundation.

The main objective of this event was to evaluate the characteristics and structure of the Trans-Pacific Strategic Economic Partnership Agreement (TPP), taking into consideration the perspective of some of its Member countries, as well as the vision of others countries of the region, and debate on the different ways in which the TPP can have an influence on the regional strategies for integration and international insertion of Latin American and Caribbean countries.

For such purpose, and as a contribution to the debates, the Permanent Secretariat of SELA prepared the study entitled "[The Trans-Pacific Partnership Agreement \(TPP\): Challenges and Possibilities for Latin America and the Caribbean](#)" (SP/RRATCEDPALC/DT No. 2-16).

The main objectives of this study are as follows: i) Analyse the impact of the TPP on the trade relations of the countries of Latin America and the Caribbean, at the intra- and inter-regional levels; ii) Identify the effects faced by those countries that do not form part of this agreement. This document includes some reflections on the possible impact of the TPP on international trade in Latin America and the Caribbean, both as individual countries and through subregional integration agreements. Hence the relevance of conducting analyses that shed light on the effects of the formulation of optimal strategies, depending on the external inclusion of the region. This shows the relevance of conducting the event. Participants in this meeting include governmental representatives responsible issues related to international trade of the Member States of SELA, officials of regional and international organizations, and representatives of the academic sector, as well as experts in the matter.

The main conclusions and recommendations stemming from this activity will be included in the "Final Report on monitoring and analysis of the Trans-Pacific Strategic Economic Partnership Agreement (TPP)".

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Activity III.1.2. The Transatlantic Trade and Investment Partnership (T-TIP) and its possible impact on Latin America and the Caribbean

This activity was based on an external study entitled "The Impact of the TransAtlantic Trade and Investment Partnership on Latin American and Caribbean Countries" (SP/Di N° 1-16), which intends to identify the economic, commercial and investment implications of the T-TIP for the economies of the countries of the region, and of its economic integration mechanisms. Particularly, it evaluates if exports will be diverted towards other regions, or if it will only affect competitiveness as regards some goods marketed internationally by the region; and, in addition, which will be its effects on the global productive structure.

The main objective of the document was to determine how and to what extent the T-TIP could affect trade and investment flows among the region's countries. This agreement is not simply a result from the commitments reached on traditional issues such as tariffs; therefore, it contains an exercise in political and legal abstraction, to raise it to a more accurate level as regards economic specificity, focusing on three sets of questions that affect economic relations between Latin American and Caribbean countries as a whole and those that form part of the T-TIP.

Activity III.1.3. Analysis of the economic relations between Latin America and the Caribbean and the ASEAN

On 16 March the "Regional Meeting on economic relations between Latin America and the Caribbean and the Association of Southeast Asian Nations (ASEAN)" was held at the headquarters of the Permanent Secretariat of SELA in Caracas.

The main objective of this Regional Meeting was to submit the study entitled "[Analysis of the economic relations of Latin America and the Caribbean with the Association of Southeast Asian Nations \(ASEAN\)](#)" (SP/RRRE-ALC-ASEAN DT N° 2-16), prepared by the Permanent Secretariat in compliance with Activity III.1.3 of SELA's Work Programme for 2015. On that occasion, debates and evaluations were conducted on the possibilities and challenges faced by Latin America and the Caribbean in order to boost and diversify economic relations with ASEAN Member States.

Participants in the meeting included representatives of the Member States of SELA, as well as ambassadors and representatives of the ASEAN countries accredited to the Bolivarian Republic of Venezuela, namely: Indonesia, Malaysia and Vietnam, which had an active participation in the meeting. Also participating were representatives from China, Korea and Japan; as well as delegates from various economic integration organizations, such as: the Pacific Alliance (PA); the Central American Secretariat for Economic Integration (SIECA); the Common Market of the South (MERCOSUR); the Andean Community (CAN); the Bolivarian Alliance for the Peoples of our America (ALBA-TCP); CAF-development bank of Latin America; the Latin American Centre for Development Administration (CLAD), United Nations Development Programme (UNDP), and the Latin America-Asia-Pacific Observatory, as well as representatives of the Venezuelan government, namely: the Central Bank of Venezuela (BCV) and the People's Ministry for Oil and Mining.

The main conclusions and recommendations stemming from this activity are included in the "Final Report on the Regional Meeting on economic relations between Latin America and the Caribbean and the Association of Southeast Asian Nations (ASEAN)" (SP/RRRE-ALC-ASEAN/IF-16).

PRESS, PUBLICATIONS AND DISSEMINATION OF INFORMATION

1. Plan for dissemination in mass media and press coverage

In 2016, the parameters for communication and dissemination of the activities of the Work Programme of SELA were revised so as to increase the exposure of information on its execution and quantify the scope of the information produced by the Press and Dissemination Office through the digital media it boasts.

During the period October 2015-October 2016, the Permanent Secretariat also continued to develop the activities related to the organization, update, production and dissemination of informative products targeted at key audiences, namely:

- **DIFUSIÓN SELA.** Information service that releases the most relevant information published by national and international media about studies, proposals and programmes developed and organized by the Permanent Secretariat and about the most important news on the Member States of SELA. This service allows for disseminating communications aimed at the Member States of SELA, subscribers affiliated with SELA's Portal, mass media, governmental representatives, consular delegations, the private sector and civil society. This information is released in Spanish and English and registered in a chronological order in SELA's Portal.
- **Press Section in SELA's Portal.** Publication of information through the Daily Information Service, press releases and monthly newsletters. In addition, the contents of the specialized portals have been released: CELAC, South-South Cooperation, Disaster Risk Management, SELA-SMEs Programme, Free Trade Zones, and Digital Ports. The contents are provided in Spanish and English.
- **Press coverage.** Through notifications and convocations, we ensured coverage by national and international mass media for disseminating workshops, seminars, speeches and presentations delivered by the Permanent Secretariat during the activities carried out within or outside its headquarters, which are also disseminated through DIFUSIÓN SELA, SELA's Portal, and SELA's social networks, including Facebook, Twitter and YouTube.
- **Updates of lists for dissemination.** The Press and Dissemination Office continued to update and revise its lists of subscribers to SELA's Portal on a permanent basis, national and international mass media, specialized portals, printed media, among others, in order to continuously improve the reach and effectiveness in disseminating information.

2. Informative products: Daily information service, press releases, and management of contents in specialized Web portals

With the purpose of providing key audiences of SELA with up-to-date and relevant information on developments in the region in areas related to intra-regional relations, extra-regional relations and economic and technical cooperation, the Press Office of the Permanent Secretariat prepared communications that summarize the activities of the Work Programme for 2016. Such communications reflect the objectives and benefits of the studies, proposals and programmes of the Permanent Secretariat.

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The Press and Dissemination Office published the following informative products:

- **Informative service.** Daily digital newsletter, prepared through the monitoring and selection of news published by national and international mass media in Spanish, English and Portuguese. They are disseminated through SELA's Web site and, whenever advisable, through the specialized portals administered by the Permanent Secretariat. These news are also forwarded through social networks – **@SELAInforma** and **Facebook SELA** – and via e-mail to the embassies and representatives of Member States, regional government entities, officials from national and international organizations, all subscribers of the SELA Network, and international media.
- **Press releases and coverage.** In order to provide information to the direct and general beneficiaries of SELA, the Press Office prepared and distributed press releases, which were published and disseminated through SELA's Web Portal and via e-mail, to ambassadors and representatives of Member States, regional government entities, officials from national and international organizations, all subscribers of the SELA Network and national and international media.

Press releases published in the period October 2015–July 2016

- 1) SELA concluye Seminario sobre Articulación Productiva (22 July 2016)
- 2) SELA desarrolla Seminario de Articulación Productiva en Centroamérica y el Caribe (21 July 2016)
- 3) SELA y CAF realizan Primer Encuentro Regional ALC Comunidades Logísticas Portuarias (14 July 2016)
- 4) SELA organizes Seminar-Workshop on Entrepreneurship in Barbados (08 July 2016)
- 5) SELA organiza en Barbados seminario-taller sobre Emprendimiento (06 July 2016)
- 6) SELA organiza Seminario: Estrategias y Metodologías de Articulación Productiva, "Clusters" y Consorcios de Exportación (06 June 2016).
- 7) SELA organizes Seminar on productive articulation strategies and methodologies, clusters and export consortiums (06 June 2016).
- 8) SELA, MEIC and DIGEPYME organize the Regional Meeting on Update Study on the Index of Public Policies for SMEs in Latin America and the Caribbean (24 May 2016).
- 9) SELA, MEIC y DIGEPYME organizan Reunión Regional de Actualización del Índice de Políticas Públicas para PYMES en América Latina y El Caribe (23 May 2016).
- 10) Webinar: "Índice de Políticas Públicas para PYMES (18 May 2016).
- 11) SELA and CARICOM to assess economic and cooperation relations among Central America, the Caribbean and Mexico (26 April 2016).
- 12) SELA y CARICOM evaluarán relaciones económicas y de cooperación entre Centroamérica, el Caribe y México (26 April 2016).
- 13) Secretaría Permanente del SELA, Note Verbale N° 0187 Ecuador (18 April 2016)
- 14) Secretaría Permanente del SELA, Note Verbale N° 0188 Ecuador (18 April 2016)
- 15) SELA to analyse in Caracas economic relations between Latin America, the Caribbean and the ASEAN (07 March 2016).
- 16) Mañana SELA analizará en Caracas relaciones económicas entre ALC y ASEAN (15 March 2016).
- 17) SELA presentó estudio sobre relaciones económicas de América Latina, El Caribe y ASEAN (15 March 2016).
- 18) SELA analizará relaciones económicas ALC-ASEAN (02 March 2016)
- 19) Temas IV Cumbre CELAC (29 January 2016)

- 20) Reunión del SELA evalúa los grados de armonización de marcos regulatorios de mecanismos subregionales de integración de Latinoamérica y el Caribe (11 December 2015)
- 21) SELA evalúa marcos regulatorios de ALC en reunión regional (04 December 2015).
- 22) SELA analiza estado actual integración ALC (24 November 2015)
- 23) SELA forum integration process status ALC (24 November 2015)
- 24) XLI Reunión Ordinaria Consejo Latinoamericano del SELA (24 November 2015)
- 25) SELA conmemora 40 años (04 November 2015)
- 26) 40 years SELA (04 November 2015)
- 27) SELA conmemorates 40 years (04 November 2015)
- 28) SELA, UNCTAD and ACS performed "Regional Workshop on Legislation Harmonization of E-Commerce of the Caribbean" (06 October 2015).
- 29) SELA organizes in Uruguay "VII Regional Meeting on International Trade Single Windows" (05 October 2015).
- 30) Jamaica to host SELA Seminar on Financing and Guarantees to support Caribbean SMEs (01 October 2015).

3. SELA's social networks

The Permanent Secretariat of SELA has developed a strategy for diversification of the scope of communications sent through SELA's Portal and social networks, strengthening its presence on Facebook, Twitter and the video channel Youtube, in order to address immediate and dynamic information requirements demanded by SELA's Network of Users. With the modality Web 2.0, SELA has been able to achieve a closer interaction with those who require the contents generated by the organization, since these tools extend and complement the offer of information services of the Permanent Secretariat in a bi-directional way.

In this connection, since October 2015 and through the social network Facebook, SELA began to reconsider the way news, events and activities of the Permanent Secretariat are disseminated and to enrich the variety of information on economic developments in Latin America and the Caribbean through the drafting of an up-to-date, dynamic summary that highlights the region's developments, in particular the activities of regional and extra-regional integration mechanisms, as well as the dynamics of cooperation and integration processes in Latin America and the Caribbean and the rest of the world.

This information is published through the daily informative service, with the corresponding source being quoted and the images, graphics or videos being incorporated to complement the reviewed information. This important change has turned SELA's Facebook account into an informative monitor of news produced by the Permanent Secretariat of SELA and its Member States, significantly increasing the extent to which the publications are reviewed through the social networks Facebook and Twitter in Spanish and English.

The emergence of the 2.0 communication enabled SELA to benefit from the diversification of available channels to disseminate messages and news related to the activities identified in the Work Programme of the Permanent Secretariat for 2016.

In order to analyse the performance of messages, news and information published through digital channels (Facebook, Twitter, Youtube), the Permanent Secretariat of SELA recorded the key audiences reached to assess the result of institutional communications developed during the period under review (October 2015-July 2016) through these digital channels.

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In this connection, given the characteristics and nature of the communication through social networks, the Permanent Secretariat developed a strategy that enabled it to highlight information on a daily basis by its content, linking and importance, building on the consultation or reading of SELA's informative products (informative service, press releases, SELA's Web Portal) in Spanish and English.

Number of followers on social networks

It should be noted that, as a result of the communications strategy developed through the social networks to increase the visibility of institutional communications by SELA, the Permanent Secretariat achieved higher audience levels. To that end, it continuously introduces changes in the way the information is released with the ultimate goal of increasing the visibility of the organization through the widest possible distribution of its communications.

INTEGRAL INFORMATION AND KNOWLEDGE PLATFORM OF SELA

1. SELA's Web portal (www.sela.org)

Within the framework of the continuous improvement of computer and technological services, the Permanent Secretariat implemented the Project for Optimization of SELA's Portal in its Phase II, which includes the following aspects: i) Update of the Content Management System to the new version 7.3+. Thus, improvements were incorporated in terms of functionality, security, performance and versatility in management; ii) Implementation of features related to the "Responsive" design, which facilitates the consultation of the Web site in the format of the various mobile devices; iii) Adaptation of the platform for the use of *Live video streaming* and *webinar* in the online transmission of videos and audio; and iv) Extension of the use of the *Google Analytics* tool to establish statistical patterns in the use of the portal and subportals.

The new implemented features include: i) A substantial improvement through the implementation of a new search engine for the management of documents related to SMEs. This functionality is available in the SELA-SMES subportal in the Documents and Publications section; ii) Activation of the mass mailing service through the MailChimp application for the mailing of products related to subscriptions of the informative service, newsletters, publications, press releases, etc.; iii) Implementation of automated processes for the registration of participants in the events, which enables SELA to store the information sent by each participant and create a database with said information; iv) Implementation of short codes, which makes it possible to reduce the size of URL or Web addresses to share on social networks, such as Twitter, promote the dissemination to subscribers and increase the number of followers.

2. Wireless communications (Corporate Wi-Fi)

With the purpose of offering a more robust, stable and higher-speed mobile Internet connectivity, SELA installed a new wireless service (corporate Wi-Fi), which guarantees full access to Internet on the fourth and fifth floors of the Permanent Secretariat's headquarters. For the purposes of this project, a redesign in the topology of the internal network has been put in place with the installation of 10 Access Point (AP) and a Switch. In addition to the implementation of this new service, the width of band has been expanded.

3. Video projection system

To ensure greater quality of video projections in the “Simón Bolívar” conference room, on the fifth floor, two projectors were installed with high-resolution video output (HDMI), which allows for enhanced appreciation of what is being projected. In addition, three connection points for computers were installed to enable different points of access to such projections: one from the podium, another from the sound console and a third point from a support location. Projection systems were also installed in the Ávila conference room, on the fifth floor, and in the meeting room on the fourth floor.

4. Specialized Web portals

In order to expand and strengthen its offer of specialized information and systematic knowledge related to institutions and the effectiveness of integration of Latin American and Caribbean economies, as well as the issues of trade facilitation, cooperation and extra-regional relations, the Permanent Secretariat this year embarked on the optimization and updating of its specialized portals, as well as of the various tools and sources of information that make up the portal.

In addition, the Permanent Secretariat developed an interactive system for the management of databases and economic statistics on SELA’s Web site; implemented a visual and functional improvement of the section Gallery of Permanent Secretaries and enabled the electronic publication of Case Studies.

In order to provide Member States with easy access to information on the development of the Work Programme of the organization, the institutional bar of SELA’s Portal includes an option to access the Work Programme, including a tab that enables access to the schedule of activities for the current year.

5. Digital Information and Knowledge Centre on Regional Cooperation and Integration (CEDIC-SELA)

CEDIC-SELA is the instance responsible for the classification, organization, systematization and dissemination of the intellectual production of SELA, contained in the documents prepared by the Permanent Secretariat, especially the so-called Informative Documents (DI) and the Work Documents (DT), associated to the various events envisaged in the Work Programme of the organization. Additionally, CEDIC-SELA incorporates into the bibliographic heritage of the organization those documents produced by other regional and extra-regional agencies which are particularly relevant for its purposes and objectives.

The documents are processed and made available to users from the Member States of SELA, to the officials of the Permanent Secretariat, as well as the public concerned within and outside the region, through the Documentary Database (BDD). Other channels for disseminating such documents are the specialized Web sites offered as sources of sectoral information within the portal of SELA which were updated, namely: the sites on South-South Cooperation, Disaster Risk Reduction in Latin America and the Caribbean; Free Trade Zones in Latin America and the Caribbean, the Directory of Organizations of Latin America and the Caribbean and the SELA-SMEs Programme.

In 2016, CEDIC-SELA continued offering services and information products with value added to support decision-making and the development and monitoring of topics of interest for Latin American and Caribbean countries, which are also offered to other interested regional

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organizations, and even to specialists in the areas of interest for the organization inside and outside the region, upon demand. In this connection, CEDIC-SELA continued being the reservoir or interface, through the BDD, for the publication on SELA's Portal not only of documents associated to events and other activities developed by the Permanent Secretariat according to the Work Programme for the year 2016, but also of new sources of information created during the year.

In complying with its main function, which is to meet the needs of information of users that perform queries, CEDIC-SELA responded to inquiries and requests for information, mainly, on issues related to the various events and activities carried out by the Permanent Secretariat, as well as on the most representative entities in the region linked to the Latin American and Caribbean integration process. The Centre maintained its policy of directing users to the sources of information offered by the Permanent Secretariat on its portal. In addition, when explicitly required by users, it responds to inquiries, consultations in real time, by phone and electronically, to refer them to sources of information of its own or related bodies.

In terms of support for research activity, CEDIC-SELA coordinated loans of books that are difficult to find through the Interlibrary Loan Programme with the "Pedro Grases" Library of Universidad Metropolitana and the "Lorenzo Mendoza Fleury" Library of the Institute of Higher Studies in Administration (IESA), in Caracas. In addition, it coordinated the process of obtaining documents from international sources, such as the "Hernán Santa Cruz" Library of ECLAC. It also acquired, at the request of the DEP, documents required to support its research work through international suppliers.

CEDIC-SELA maintained its service of selective dissemination of information basically thanks to its permanent contact with the INTA-LIB, Information Centre of the Institute for the Integration of Latin America (INTAL), of the Washington-based Inter-American Development Bank (IDB), and with the aforementioned library of ECLAC.

IV. INSTITUTIONAL MATTERS

1. Cooperation Agreements

Addendum N° 1 for the renewal of the Memorandum of Understanding signed between the Latin American and Caribbean Economic System (SELA) and the United Nations on 17 October 2011 to promote cooperation and coordination in the area of disaster risk reduction in Latin America and the Caribbean, with a focus on the "Project for cooperation on disaster risk reduction between the governments and the private sector." On this occasion, the aforementioned Memorandum was renewed for a period of five years. Ms. Margareta Wahlström, Special Representative of the Secretary-General of the United Nations for Disaster Risk Reduction (UN/ISDR), and Ambassador Roberto Guarnieri, Permanent Secretary of SELA, signed the document in Geneva and Caracas on 3 and 14 December 2015, respectively.

Financial support from the Pérez Guerrero Trust Fund (PGTF) of the Group of 77 for the project "Cooperation in science, technology and innovation in Latin America and the Caribbean" in order to support the conduction of the "XXVII Meeting of International Cooperation Directors for Latin America and the Caribbean: cooperation in science, technology and innovation in Latin America and the Caribbean," to take place on 13 and 14 of October 2016 in Peru.

In August, the Permanent Secretariat of SELA completed the "Programme for the creation of the Latin American and Caribbean Network of Digital and Collaborative Ports - Phase II," launched in 2014 within the framework of the non-refundable Technical Cooperation Agreement with CAF-development bank of Latin America, which ensured the Programme's continuity. Its objective was to expand and deepen the Regional Programme of the Network of Digital Ports with a view to consolidating collaborative innovation projects in Latin American and Caribbean port communities as a complement of Phase I of the Programme, promoted by CAF-development bank of Latin America, jointly with SELA.

2. Visits to the Permanent Secretariat

In compliance with the mandates entrusted to SELA, the Permanent Secretariat pays special attention to strengthening links with the representatives of the various embassies of its Member States, with the purpose of keeping them abreast of the activities being undertaken by the organization in accordance with its Work Programme. In this regard, the Permanent Secretary in 2016 received at its headquarters visits by the following representatives:

Her Excellency Ms Eréndira Paz, Ambassador of Mexico and Representative of that country to the Latin American Council. 3 February.

His Excellency Mr Mario López Chávarri, Ambassador of the Republic of Peru. 10 February.

Honourable Mr Carlos Flores Leveroni, Commercial Counsellor of the Embassy of Peru, and Ms Andrea de Villa, Official of the Commercial Office of this Embassy. 25 May.

Her Excellency Ms Eréndira Paz Campo, Ambassador of the Republic of Mexico to the Bolivarian Republic of Venezuela, accompanied by the Honourable Mr Fernando Espinoza Prieto, Head of Chancery. 10 June.

His Excellency Mr Maeng, Dal-young, Ambassador of the Republic of Korea to the Bolivarian Republic of Venezuela, accompanied by the Honourable Mr Kim, Tae-Oh, Counsellor, and by Mr Freddy Martínez, economic and political analyst of this Embassy. 26 June.

3. Consultations of the Permanent Secretary with Ambassadors and Representatives of Embassies of Member States, Presidents and Representatives of Regional and International Organizations accredited to Caracas and Government Authorities of the Bolivarian Republic of Venezuela

The Permanent Secretary maintained contacts with the Ambassadors of the Member States and other countries, and representatives of regional and international organizations accredited to the Bolivarian Republic of Venezuela, by participating in activities of interest to SELA and its Member States.

On 2 February and 3 March, he met with Her Excellency Ms Adonaida Medina Rodríguez, Ambassador of the Dominican Republic, at the headquarters of the Embassy.

4. Missions of the Permanent Secretary

Following is an account of the participation of the Permanent Secretary or his representative in the meetings scheduled in the Work Programme for the year 2016 and other official events.

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In response to the invitation made by the National Commission of the Honourable Ministry of Foreign Affairs of the Republic of Peru responsible for planning, organizing and coordinating the Transfer of Supreme Power 2016, the Permanent Secretary attended the Ceremony of Inauguration of the President of Peru, His Excellency Mr. Pedro Pablo Kuczynski Godard, on 28 July.

5. Meetings and various activities in which the Permanent Secretariat participated

From 14 to 16 January, in response to an invitation by the Presidency of the Latin American and Caribbean University Network for Disaster Risk Reduction (REDULAC), Chile Chapter, the Permanent Secretariat participated in the III National Scientific Meeting on Disaster Risk Reduction, held in the Catholic University of the North, in Antofagasta, Chile. The event was organized by the Catholic University of the North and the Faculty of Journalism, REDULAC, REDULAC-Chile, the National Emergency Office (ONEMI) of the Ministry of Interior and Public Security of Chile and the Chilean Association of Scientific Journalists, with the participation of leading experts and scientists. The Permanent Secretariat made the presentations entitled "The state of the art in public-private partnerships during socio-natural disasters" and "The importance of public-private partnerships for disaster risk reduction".

In response to an invitation by the Secretary-General of the Association of Caribbean States (ACS), the Permanent Secretariat attended the XXI Ordinary Meeting of the Ministerial Council of the Association, held in Petión-Ville, Port-au-Prince, Haiti, on 18 and 19 January.

At the invitation of His Excellency Mr Bruno Rodríguez Parrilla, Minister of Foreign Affairs of the Republic of Cuba, the Permanent Secretariat participated in the VII Summit of the Association of Caribbean States (ACS), which was held in Havana on 4 June.

On 8 and 9 June, the Permanent Secretariat attended the "First Meeting of Ministers and High-Level Authorities on the Implementation of the Sendai Framework for Disaster Risk Reduction 2015-2030 in the Americas," held in Asunción, Paraguay. The objectives of this meeting were the following: i) Establish a priority agenda and the basis for a regional action plan for the implementation process of the Sendai Framework for Disaster Risk Reduction in the Americas, which the highest level of political support from national representatives; and ii) Identify achievements, challenges and opportunities in the integration of disaster risk reduction (DRR) and climate change (CC) agendas in development planning at various levels of sectoral intervention. The Permanent Secretariat participated in Panel 1 ("The role of the regional intergovernmental mechanisms in the implementation of the Sendai Framework") of Session 3, related to "The role of regional actors and international cooperation in the implementation of the Sendai Framework".

At the invitation of the Bolivarian Alliance for the Peoples of Our America – People's Trade Agreement (ALBA-TCP), the Permanent Secretariat attended two wreath-laying ceremonies: one in homage to Liberator Simón Bolívar and the other in homage to Commander Hugo Chávez Frías, on 12 January.

In response to an invitation by the Honourable Embassy of the State of Palestine to "La Intilaka", the Permanent Secretariat attended the wreath-laying ceremony on the occasion of the 51st Anniversary of the Palestinian Revolution in the Mausoleum of the Liberator Simón Bolívar, National Pantheon, on 14 January.

At the invitation of the Ministry of Foreign Affairs of the Bolivarian Republic of Venezuela, the Permanent Secretariat attended the ceremony in which His Excellency President Nicolás Maduro delivered its Annual Speech at the National Assembly.

On 3 February, the Permanent Secretariat attended the inauguration and oath-taking ceremony of the Venezuelan representatives to the MERCOSUR Parliament for the period 2016-2021 at the National Assembly.

On 5 February, in response to an invitation by the Honourable Embassy of Nicaragua, the Permanent Secretariat attended the wreath-laying ceremony on the occasion of the "Centenary of Rubén Darío's death," at the National Pantheon.

On 3 February, the regional organization attended the inauguration and oath-taking ceremony of the Venezuelan representatives to the Latin American Parliament, at the National Assembly.

On 22 February, the Permanent Secretariat attended the ceremony, at the Embassy of Nicaragua, on the occasion of the "82th anniversary of Augusto César Sandino's death."

The Permanent Secretariat attended a presentation on the work carried out by the United Nations Development Programme (UNDP), on the occasion of its 50th anniversary.

On 29 February, the Permanent Secretary attended the wreath-laying ceremony before the sarcophagus of Liberator Simón Bolívar, on the occasion of the 172nd anniversary of the Independence of the Dominican Republic and the reception offered by the Honourable Embassy of the Dominican Republic to celebrate this important date.

On 28 April, at the invitation of the Direction of International Relations of the National Assembly of the Bolivarian Republic of Venezuela, the Permanent Secretariat participated in the "International Conference on keys for an electoral reform."

On 24 May, the Permanent Secretariat attended the wreath-laying ceremony on the occasion of the 194th anniversary of the Battle of Pichincha and Day of the Ecuadorian Armed Forces.

Ceremony on the occasion of the 206th anniversary of the May Revolution (1810), in Plaza General José de San Martín, Caracas, on 25 May.

On 5 July, at the invitation by His Excellency Mr. Nicolás Maduro Moros, President of the Bolivarian Republic of Venezuela, the Permanent Secretariat attended the civic-military parade on the occasion of the 205th anniversary of the signing of the Declaration of Independence and Day of the Bolivarian National Armed Forces.

In response to a joint invitation by the Honourable Embassy of the Federative Republic of Brazil in the Bolivarian Republic of Venezuela and the Venezuelan Olympic Committee, the Permanent Secretariat attended the Rio 2016 Olympic Gala, held on 7 July in the Military Circle of Caracas.

On 13 July, at the invitation by the Honourable People's Ministry of Foreign Affairs, General Directorate, Direction of Protocol Matters, Coordination of Ceremonies, a representative of the Permanent Secretariat attended the funeral of Master Alirio Díaz Leal, distinguished Venezuelan guitarist.

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On 19 July, at the invitation by the Honourable Embassy of Nicaragua, the Permanent Secretariat attended the wreath-laying ceremony on the occasion of the "37th anniversary of the triumph of the Sandinista Popular Revolution", at the National Pantheon.

On 28 July, the Permanent Secretariat attended the wreath-laying ceremony on the occasion of the Independence Day of Peru.

Wreath-laying ceremony on the occasion of the Independence Day of Bolivia, on 06 August.

6. Meetings of the Informal Working Group (IWG)

The First Meeting of the Informal Working Group (IWG) for 2016 was held on 12 April and focused on the following items of the agenda: i) Report by the Permanent Secretary; ii) Schedule of Activities of the Permanent Secretariat for the year 2016; iii) Considerations on the Budget by Results methodology; iv) Project submitted by the Delegation of the Plurinational State of Bolivia; v) Financial situation of SELA; and vi) Other matters. The results of this meeting were included in the corresponding report, distributed among the Embassies of the Member States.

In his report to the IWG, the Permanent Secretary informed about a criminal attempt of which he was the victim on 9 March in Caracas, at the moment he was entering the parking lot of the building where he lives. He explained that two men on a motorcycle forcibly entered behind the official armoured car he was driving. Then, he summed up the investigative and medical aspects of the incident, highlighting that the perpetrators were obviously aware that it was an official car of a head of mission or Ambassador. Thus, he contacted a law firm specialized in criminal matters, in Caracas, with the highest possible level of reputation and prestige, led by the Commissioner and Lawyer Miguel Dao, former head of the defunct *Policía Técnica Judicial* (PTJ) of Venezuela, who prepared a complete report on the case that concludes that it was a kidnapping attempt with possible residential robbery, which, according to the statistics, involves a high risk of torture and other damages.

For his part, the professional in psychiatry consulted by the Permanent Secretary, Dr. Álvaro Requena, who is a specialist in these matters and a very prestigious professional, concluded that, as a result of the impact and intensity of the attack, Ambassador Guarnieri was suffering a medical condition known as post-traumatic stress disorder. Thus, the doctor prescribed him a psychotherapeutic treatment with anxiolytics and rest, which, due to obligations in the Permanent Secretariat, he could take on 11 May.

Then, the delegations deeply regretted what happened, recognizing its seriousness and expressing their profound solidarity with the Permanent Secretary due to the physical and emotional impact that he suffered. After making reference to other similar cases that have occurred to people linked to the diplomatic service in Venezuela, the delegates pointed out that the general impression of the attendees is that the security of diplomatic representatives in the country has become a critical issue. They even considered the possibility of making a collective note of the diplomatic corps accredited to the country to the Apostolic Nuncio, so that he expresses the grave concern of the diplomatic representations accredited in the country to the People's Minister of Foreign Affairs of the Bolivarian Republic of Venezuela, Her Excellency Ms. Delcy Rodríguez.

As regards the item on the Budget by Results (PPR) methodology, the IWG decided to create a working subgroup to analyse the issue. This subgroup would be open and count on the participation of the representatives of the Member States that make up the Bureau of the Latin

American Council, namely: the Federative Republic of Brazil, the Republic of El Salvador and the Republic of Guyana, as well as the Republic of Peru and any other Member State that wanted to join in. To that end, the Permanent Secretariat forwarded to all Embassies of the Member States Note SP-16/0228-040, dated on 10 May, requesting the designation of the corresponding representative, if that were the case.

In addition, the Group requested the Permanent Secretariat to collect information on the PPR methodology among the regional organizations. Consequently, the Permanent Secretariat sent Note SP-16/0229-041, dated on 10 May, to the Honourable representatives of the following regional and subregional organizations of Latin America and the Caribbean: the Economic Commission for Latin America and the Caribbean (ECLAC); the Andean Community (CAN); the Central American Integration System (SICA); the Association of Caribbean States (AEC); the Latin American Centre for Development Administration (CLAD) and the Latin American Integration Association (ALADI), in order find out to what extent these organizations are implementing similar systems or methodologies for preparing their budgets and how has been their experience.

The II Meeting of the Informal Working Group in 2016 was held on 30 August, based on the following agenda: i) Compliance with the Work Programme for the year 2016; ii) Financial situation of SELA, and iii) Other matters. The results of this meeting were included in the corresponding report, distributed to the Embassies of the Member States.

In his opening speech, the Permanent Secretary, Ambassador Roberto Guarnieri, expressed his solidarity with the Ambassadors and representatives, who had expressed the personal and even institutional closeness of each of the Member States with respect to the circumstances that prevented him from exerting his functions in a regular and continuous manner for a period of time. He recalled that it was a somehow imposed decision, very contrary to what he would have wished, and amid circumstances in which, despite the respective indications, he remained substantially in contact with the works of the Secretariat. He added that compliance with the Work Programme for the year 2016 has been achieved in a highly satisfactory manner, and that the continuity of SELA's activities has been maintained.

He appreciated the work of Economist Virginia Cartaya, Director (a.i.) of Studies and Proposals, whom he thanked and congratulated for her effective management of the Permanent Secretariat during the period in which she was assigned to temporarily exercise those functions, highlighting the support that she received from the staff of the Permanent Secretariat which, he stressed, has shown an excellent and proven vocation for service that allowed SELA, amid those circumstances, to continue doing what it should do, complying with the instructions from the Latin American Council.

As regards the upcoming meetings of the IWG, he said that, at the request of Ambassadors and representatives, the third meeting, originally scheduled for 20 September, would be held on 23 September. For the fourth meeting, he proposed the date of 4 October, and reiterated that the two meetings would focus on both the Work Programme and the Budget for 2017.

Economist Virginia Cartaya made a presentation on the compliance with the Work Programme for 2016, on the basis of the schedule of activities for the year 2016, which had been previously distributed to participants.

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In response to a question from the delegate of Peru about the possible relationship of the "Integration Index for Latin America and the Caribbean" with the issues of convergence and asymmetries, she pointed out that the Permanent Secretariat is organizing a seminar-workshop as part of the proposals of the Work Programme for the year 2017 with the purpose of underscoring the similarities among these three activities and making forecasts about the prospects of the integration process through these three tools, which are closely linked.

Javier Gordon, Director (a.i.) of Relations for Integration and Cooperation, at the request of the Permanent Secretary, summed up the information on the XXVII Meeting of International Cooperation Directors for LAC: Cooperation in science, technology and innovation in LAC (Lima, Peru, 13 and 14 October 2016). He said that the organization and coordination proceeded as planned. In addition, he referred to the "Pilot Workshop on adoption of innovation processes in SMEs for young entrepreneurs" (Guatemala City, 28 to 30 September 2016), whose organization was also progressing according to plan.

As regards item 2, financial situation of SELA, Ms Zulay Angarita, Manager of Administration, Personnel and General Services, summarized the financial situation of SELA at 30 August 2016. She pointed out that the budget execution of the organization amounted to a total of US\$ 820,000, which represented 37% of execution of the expenditure. She added that the total of that expenditure executed, 92%, had already been properly paid for and that the remaining 8% would be cancelled in the next few days.

She mentioned the Member States from which partial and total quotas have been received, highlighting a contribution made by Granada, a country which, even though is not a Member State of SELA, has a debt with the organization.

Finally, she underscored that the total collection amounted to US\$ 952,663.00, representing 43.30% of the annual budget. She added that the debt of the Member States or the balance to be collected, including the payment of budget quotas of the year 2016, amounted to US\$ 4,019,472.00.

Another aspect considered during the event was the formulation of the budget of SELA in accordance with the Budget by Results (PPR) methodology, proposed by the delegation of Peru in 2015 and reiterated in this meeting.

In this connection, the Permanent Secretary pointed out that, since 2015 a very thorough analysis has been made and that various inter-governmental organizations have been consulted on the subject, for example, the CLAD and the UNDP. He added that, actually, the Permanent Secretariat has not gathered a sufficient volume of information and contents to attempt a formal application of the principles of budgeting by results and that, although it has not formally applied the traditional scheme of the Budget by Results, *per se* there prevails the allocation of resources for the achievement of certain results which can be evaluated in a significantly valid manner.

He pointed out that the budget of SELA is closely related to the implementation of a Work Programme aimed at studying and delving deeper into topics pertaining to economic integration and cooperation among its Member States. He pointed out that this includes base studies with more conceptual basis, consistent with the composition of the Work Programme and aimed at the application of public policy recommendations and at the formulation of schemes to approach the most difficult issues regarding integration, such as the process to overcome asymmetries or the convergence of standards and regulations, which is, ultimately, what could speed up the process,

from the standpoint of its rationale and practical applicability, based on the empirical knowledge about those situations.

V. PUBLISHED DOCUMENTS (October 2015 – October 2016)

1. Support documents for meetings

- The Trans-Pacific Partnership Agreement (TPP): Challenges and possibilities for Latin America and the Caribbean
(SP/SRATCE-TPP-ICIPALC/DT No. 2-16)
- Analysis of the economic relations of Latin America and the Caribbean with the Association of Southeast Asian Nations (ASEAN)
(SP/RRRE-ALC-ASEAN DT N° 2-16)
- An analysis of trade flows between SICA and Latin America and the Caribbean. Policy Recommendations for their promotion, stabilization and diversification
(SP/REREC-CA-CARIBE-MEX/DT N° 03-16)
- An analysis of trade flows between the CARICOM and Latin America. Policy Recommendations for their promotion, stabilization and diversification
(SP/REREC-CA-CARIBE-MEX/DT N° 02-16)
- Update Study on the Public Policy Index for SMEs in Latin America and the Caribbean
(SP/RREAIPP-PYME-ALC/DT N° 2-16).
- Study on a sustainability model of the Network of Digital and Collaborative Ports (D&C Ports Network)
SP/PELCCLP/DT No. 2-16
- Assessment of the economic and cooperation relations between Central America, the Caribbean and Mexico
(SP/REREC-CA-CARIBE-MEX/DT N° 04-16)
- Recent experiences with entrepreneurship programmes and business incubators in Latin America and the Caribbean: Towards the creation of an economy driven by entrepreneurship
(SP/STE-HCEIEDP/DT N° 2-16)
- Overview of regional and international cooperation in science, technology and innovation in Latin America and the Caribbean
(SP/XXVII-RDCIALC/DT N° 2-16)

2. Informative documents

- The Impact of the Transatlantic Trade and Investment Partnership on Latin American and Caribbean Countries
SP/Di No. 1-16

3. Documents for the XLII Regular Meeting of the Latin American Council

Work Documents (DT)

- Draft Agenda
SP/CL/ XLII O/DT N° 1-16
- Annotated draft agenda and organization of works
SP/CL/XLII.O/DT N° 2-16
- Thirty-Ninth Annual Report of the Permanent Secretariat
SP/CL/ XLII.O/DT N° 3-16

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- Draft Work Programme for the year 2017
SP/CL/ XLII.O/DT N° 4-16
- Draft Administrative Budget of the Permanent Secretariat for the year 2017
SP/CL/ XLII.O/DT N° 5-16
- Audit Report on the Financial Statements of the Permanent Secretariat at 31
December 2015.
SP/CL/ XLII O/DT N° 6-16
- Audit proposal for the year 2016
SP/CL/ XLII.O/DT N° 7-16
- Election of a Member of the Administrative Tribunal of SELA
SP/CL/ XLII.O/DT N° 8-16

Informative documents (DI)

- The Impact of the Transatlantic Trade and Investment Partnership on Latin American and Caribbean Countries
SP/CL/XLII.O No. 1-16

Final reports

- Final Report on the Regional Meeting on Regulatory Frameworks in the subregional integration mechanisms of Latin America and the Caribbean: Harmonization and Convergence
SP/CL/XLII.O DI N° 2-16
- Final Report on the Regional Meeting on economic relations between Latin America and the Caribbean and the Association of Southeast Asian Nations (ASEAN)
SP/CL/XLII.O DI N° 3-16
- Final Report on the Regional Meeting on an Assessment of the Economic and Cooperation Relations of Central America, the Caribbean and Mexico
SP/CL/XLII.O DI N° 4-16
- Final Report on the Workshop on implementation of the Index of Public Policies for MSMEs in Latin America and the Caribbean (IPPALC)
SP/CL/XLII.O DI N° 5-16
- Final Report on the First Latin American and Caribbean Regional Meeting of Logistic Port Communities
SP/CL/XLII.O DI N° 6-16
- Final Report on the Seminar-Workshop on Entrepreneurship "Towards the creation of an entrepreneurial-driven economy: demystifying the journey"
SP/CL/XLII.O DI N° 7-16
- Final Report on the Seminar on productive articulation strategies and methodologies, clusters and export consortiums: Caribbean and Central American Experiences
SP/CL/XLII.O DI N° 8-16
- Final Report on the V Annual Meeting of the Working Group on Trade and Competition of Latin America and the Caribbean (WGTC)
SP/CL/XLII.O DI N° 9-16

4. Publications

Case studies

- Case study No. 1. Public Policy Index for SMEs in the Association of Southeast Asian Nations (ASEAN)
- Case study No. 2. Migrant Integration Policy Index

Follow-up reports on regional integration mechanisms

- Report on economic integration – Latin America and the Caribbean - No. 1. March 2016
- Report on economic integration – Latin America and the Caribbean - No. 2. June 2016

5. Institutional reports

- Financial situation October-December 2015
- Financial situation January-March 2016
- Financial situation April-June 2016
- Financial situation July-September 2016