

# Work Programme for the year 2017

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*The Work Programme of the Permanent Secretariat for the year 2017 is based on the guidelines established by the XXVIII Regular Meeting of the Latin American Council, through Decision No. 440, according to which the activities of SELA are structured into three major thematic areas, namely: Intra-Regional Relations, Economic and Technical Cooperation and Extra-Regional Relations.*

*Based on Decision 527, adopted by the XXXVII Regular Meeting of the Latin American Council (Caracas, 19 to 21 October 2011), the Work Programme for the year 2017 attaches greater relevance to the linkage between the Permanent Secretariat of SELA and the process of the Community of Latin American and Caribbean States (CELAC), particularly with the purpose of contributing to the compliance of the Caracas Action Plan 2012 and the subsequent mandates and recommendations adopted within the framework of CELAC.*

*The Work Programme for the year 2017 is outlined in accordance with the Draft Administrative Budget of the Permanent Secretariat (SP/CL/XLII.O/DT N° 5-16), and with the terms of the costs indicated therein, particularly without increasing the annual quotas of the Member States, even though it envisages complementary financing through technical cooperation agreements with regional and international organizations. The details about the direct costs corresponding to each one of the three thematic areas and their respective projects can be seen in the chapter "Budget for the Work Programme for 2017 – Direct Costs", of the aforementioned document.*

*In executing the Work Programme for the year 2017, the Permanent Secretariat aims at continuing to strengthen cooperation, coordination and complementarity with other regional organizations and mechanisms, and particularly, to collaborate with the Pro Tempore Presidency of CELAC and support it, whenever it is so required.*

*For the year 2017, the Work Programme envisages conducting 25 studies and holding 19 meetings of diverse nature and coverage, out of which five correspond to courses, seminars and meetings of the SELA-SMEs Programme. It also includes nine activities related with the promotion of the integration process and economic growth, and six activities associated with strengthening of economic and technical cooperation among the countries of Latin America and the Caribbean. In addition, it foresees the conduction of diagnosis workshops on technical collaboration activities with port communities linked to the Project on Digital and Collaborative Ports, financed through the technical cooperation agreement signed with CAF-development bank of Latin America. Also, out of the 25 studies, 64% will be executed internally and the rest will be commissioned to external consultants, on the basis of the terms of reference prepared by the Permanent Secretariat for each case.*

## **INTRODUCTION**

Following the guidelines of Decision 440 of the Latin American Council for the year 2003, the Permanent Secretariat structures its Work Programme for the year 2017 into three major thematic areas: Intra-Regional Relations, Economic and Technical Cooperation, and Extra-Regional Relations. Special interest is attached to complying with the mandates of CELAC, which considers, among others, top-priority activities such as the search for economic convergence, complementarity and productive transformation.

In this connection, the planning of activities for 2017 has been designed to give continuity to some of the topics that were developed and presented in the programme for 2016; for example, the lines of work related to the analysis of productive structures, productive and industrial development and the assessment of the regional integration process. In addition, the activities associated with the SELA-SMEs Programme, which has been evolving and growing year after year, has incorporated improvements based on the suggestions of the focal points who have participated in the meetings that have been held. Such continuity can also be seen in the cooperation activities concerning, particularly, the issue of natural disasters, which this year will focus on the topic of public-private partnerships – an essential requirement to optimally overcome the effects of such events. Also, the Permanent Secretariat reinforces cooperation with its contributions in such an important area as trade and the competition, and provides technical support to trade facilitation programmes.

Thus, the Secretariat is carrying out an effort to offer a biannual planning horizon. Partial results for the first year of this process have already shown and the final results shall be provided at the end of 2017. These results will not only be better developed and perfected from the methodological standpoint, but they may also have a broader applicability throughout the region. This dynamics facilitates the dissemination and assimilation of the knowledge gained in areas of special interest for the development of the integration process.

Also, on this occasion, the Permanent Secretariat has deemed it interesting to include emerging subjects that respond to the current global economic situation and/or foster institutional synergies among integration mechanisms such as the activities foreseen in the Programme on Information and Communications Technologies (ICTs) and the Knowledge Society.

It should be noted that the year 2017 poses important challenges for the economies of the region. According to the World Economic Outlook report, Latin America and the Caribbean could reverse the decline in economic activity recorded in 2015, when economic activity decreased -0.4%. Indeed, the latest update of the IMF projections points to a light increase of 1.6% in aggregated GDP. In case this comes true, it would be higher than the growth recorded in 2014 (1.4%), but still well below that of low-income countries (5.1%).

In order to help understand the regional dynamics within the integration process, the Work Programme includes a series of activities that will allow for analysing productive structures, unveiling new challenges and opportunities to strengthen trade. The case study analyses and the follow-up reports on the regional integration are two complementary contributions of a regular nature that will contribute to continue with the study of achievements in this matter.

The institutional effort envisaged for 2017, as reflected in this document, not only addresses elements that have often been the subject of academic and political interest, such as productivity of factors or the composition of trade; during 2017, SELA will start delving into subjects that have

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received little attention but are of unquestionable relevance, such as the analysis of determinants in migration flows in the region and their impact on labour markets.

By complying with the Work Programme for 2016 and with the initiatives of the Work Programme for 2017, SELA expects to contribute to substantially strengthen the region's capacity to search for higher and better spaces for coordination of the integration processes and the formulation of more relevant public policies. This Work Programme evidences the firm commitment of SELA in terms of complying with its institutional mandates and its desire to contribute to improve the quality of life of our peoples.

**BACKGROUND: WORK PROGRAMME FOR THE YEAR 2016**

During 2016, the Permanent Secretariat of SELA conducted the activities envisioned in its Work Programme, as adopted at the XLI Regular Meeting of the Latin American Council (Caracas, 25 to 27 November 2015), including various initiatives such as meetings, workshops, seminars, digital courses, studies and specialized portals, among others.

Activities were aimed at strengthening the regional cooperation and integration process, and supporting best practices and successful experiences in outlining and implementing public policies in different sectoral areas in the countries of Latin America and the Caribbean.

According to Decision No. 440 adopted by Latin American Council at its XXVIII Regular Meeting (Caracas, 07 to 09 April 2003), the activities contained in the Work Programme for 2016 are grouped into three major thematic areas: Intra-Regional Relations, Economic and Technical Cooperation and Extra-Regional Relations. Each of these thematic areas includes activities identified as priority and interest by Member States.

In terms of the activities developed in the **Area of Intra-Regional Relations**, the Permanent Secretariat deepened its studies and follow-up of the regional integration process, as well as the evaluation and analysis of economic growth and trade facilitation in Latin America and the Caribbean.

In the group of activities associated with economic and structural aspects, the following activities are envisaged: 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 "middle income trap", which is an extraordinary opportunity to discuss about the conditions that will allow for access to higher stages of industrial sophistication and the production of goods with higher technological contents; and iii) the development of 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 activities 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; and iii) a regional Latin American and Caribbean meeting on Foreign Trade Single Windows.

With respect to empirical conceptual aspects, the Permanent Secretariat includes some ambitious activities from the standpoint of conceptual development: i) the preparation of 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 integration mechanisms; ii) the integration index of Latin America and the Caribbean, which allows for quantifying the achievement of integration within each mechanism and in comparative terms; and iii) the study on the assessment of convergence in the dynamics of the main macroeconomic variables of Latin American and Caribbean nations.

New contributions were made in 2016 for the consolidation of integration through the follow-up reports of subregional integration mechanisms, case studies on integration and the annual report on the regional integration process.

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The Secretariat also continues to implement Phase II of the Programme for the Creation of the Network of Digital and Collaborative Ports, which is being executed with the co-sponsoring of CAF-development bank of Latin America.

In the area of knowledge society and information and communication technologies the following activities are included: i) development of an interactive system for management of databases and economic statistics on SELA's Web site; ii) management and maintenance of the specialized portal on the Community of Latin American and Caribbean States (CELAC); iii) management and maintenance of the specialized portal on International Cooperation Directors for Latin America and the Caribbean: Promotion of the 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 portal on Free Trade Zones in Latin America and the Caribbean; vi) management and maintenance of the specialized portal SELA-SMEs, and vii) design, construction and maintenance of the specialized portal on the Network of Digital and Collaborative Ports.

In the **Area of Economic and Technical Cooperation**, actions and initiatives have been planned to promote the support and strengthening of cooperation among the countries of Latin America and the Caribbean, including: 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), in which the following activities are scheduled: the seminar-workshop on internationalization of SMEs, the pilot workshop on adoption of innovation processes in SMEs, the seminar-workshop on entrepreneurship, the seminar on strategies and methodologies for productive articulation: "clusters" and export consortiums, and 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 (T-TIP), 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; through increased cooperation, coordination and reaffirming the complementarity with other regional and international bodies, as well as with the various regional cooperation and integration mechanisms, especially with the Pro Tempore Presidency of the Community of Latin American and Caribbean States (CELAC). Thus, it continued to provide Member States with the necessary tools to facilitate decision-making that favour the development of the region and increase regional integration.

**AREA I. INTRA-REGIONAL RELATIONS**

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

**PROJECT I.1. Analysis of productive structures and economic growth in the region**

**Activity I.1.1. Composition of foreign trade and its impacts on the evolution of the sectoral labour market**

**A. Background and justification**

The dynamics of international trade and foreign direct investment flows have significant effects on the evolution of the labour market. During the 1990s and early 2000s, the unemployment rate in Latin America and the Caribbean experienced an important increase, reaching 11.2% between 1999 and 2002. However, since 2004 the unemployment rate in the region has registered a remarkable decline, down to 6% in the year 2014.

Recently published figures indicate that the number of unemployed people at the regional level was 6.6% in 2015 and the figure is expected to grow by the end of 2016. Such scenario has apparently been caused by a decline of the economic activity in the countries of the region, coupled with a deterioration in the composition of employment. During 2015, an increase of employment in low productivity activities was recorded, specifically in self-employment, which has an impact on labour productivity.

It should be noted that fluctuations in the economic activity lead to a variation in the composition of trade, which in turn leads to restructurings. Thus, enterprises start to shut down and leading to job losses in some sectors of the economy. Otherwise, new businesses could emerge, as well as investments to increase production and create new jobs in other sectors. In this way, the dynamics of trade is associated both with the destruction and the creation of employment.

For the World Trade Organization (WTO), the relationship between trade and employment is complex, and states that "certainly, trade can generate jobs, but also it is also true that the competition of imports can be a pressing factor for producers, which may force them to dismiss workers". On the other hand, market competition tends to be an incentive for companies to innovate and produce at lower costs. While technology transfers and increased access to export markets promote the productivity of enterprises, this process can result in producing more with less productive factors, which can create labour displacements. This phenomenon was called by Joseph Schumpeter "creative destruction": even though trade brings real advantages to the majority of the population – both consumers and producers – there are some who are adversely affected by variations in trade.

In this connection, it is important to identify short and long term relations between the dynamics of foreign trade and the labour market. To do so, the evolution of these variables will be analysed during the period 1990-2015, as well as the changes in labour laws at the regional level and the most significant changes made in the commercial sector.

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### B. Objectives

1. Study, from an empirical point of view, the existence of statistically significant relationships between trade and labour variables.
2. Identify those commercial structures (exports) that favour the levels of productivity of the labour factor.
3. Identify the best practice experiences at the regional level.

### C. Expected results

An analytical document that allows for making a diagnosis of the impact of foreign trade on the evolution of the labour market of the countries of Latin America and the Caribbean.

### D. Activities and schedule

Activities	Schedule
Preparation of Terms of Reference	August-
Preparation of study	September - December
Translation and publication	December

#### Activity I.1.2. Database for strengthening regional trade and productive integration

##### A. Background and justification

Integration is a living process. It adapts itself and constantly changes in response to the conditions of the macroeconomic situation, the legal standards or the social and political environment of the time. Due to its dynamic nature, it is necessary to make a regular monitoring of the main trade measures in the region, which is flexible and timely. With this initiative, the Permanent Secretariat of SELA intends to create a system of indicators that can be periodically used to assess the degree of interdependence of national markets and that can also respond to information needs so as to support decision-making by enterprises in both the public and the private sectors.

Such systems of indicators can be developed at two levels. A micro or middle level, which merges information by company or industrial sectors, and a macro level, which deals with the behaviour of large conglomerates. Therefore, this activity is inseparably combined with the statistical information system for the creation of clusters, trade promotion and support to the activities of SMEs. In this regard, both initiatives are complemented in order to generate an information flow between data and indicators, and vice versa.

These indicators regional have various characteristics. Some of them are: the index of intensity of intra-regional trade, the shares of intra-regional trade, the regional trade introversion index, the relative commercial opening-up and the index of propensity to intra-regional trade. At the industrial level, the generation of these indices can be adapted to the particular needs of each country depending on the data available and the objectives pursued. If the dynamics of work and information flows are swift enough, it is possible to move towards the creation of chaining indices or indicators based on network analyses.

In principle, a proposal is made to carry out this activity in two stages. The first stage would be based on COMTRADE databases (statistical database of the United Nations for international trade) or the CEPII (Centre d'Études Prospectives et d'Informations Internationales). The second stage envisages the preparation of the versions of these indicators based on micro and sectoral data.

### **B. Objectives**

1. Create a series of indicators for evaluation and monitoring of regional trade.
2. Adapt the system to the specific needs of each country in order to facilitate decision-making and encourage regional productive integration processes.

### **C. Expected results**

A document containing the indicators proposed, with a working methodology that allows for expanding and maintaining the database required for the periodic generation of such indicators.

### **D. Activities and schedule**

<b>Activities</b>	<b>Schedule</b>
Preparation of the Terms of Reference	January
Preparation of the study	March - June
Translation and publication	June
Regional Meeting	July

### **Activity I.1.3. Determinants of the changes in the total productivity factors in the countries of Latin America and the Caribbean**

#### **A. Background and justification**

Over the past two decades, the economic growth in Latin America and the Caribbean has been moderate. During the period 1990-2015, the region's economy grew at an average rate of 3.04%, while average growth rates of the global economy and the developing economies stood at 3.58% and 5.16%, respectively.

The explanation of these disparities in the performance of the economies has been one of the main areas of study within economic theory. Specifically, the theory of economic growth has focused its efforts on recognizing and analysing those factors conditioning the economic activity of countries.

For the neoclassical theories of growth, the economic dynamics is due to changes in productivity resulting from technological changes and the productive and industrial organization. In turn, for endogenous growth theories, the explanation of the economic performance of countries lies in the accumulation of productive factors derived from investments in physical and human capital and in research and development activities.

According to the classical economic theory, a country's economy can be represented by using a production function that includes capital and labour as factors. However, it has been determined that there is a component of economic growth, which the economic theory has called Total Factor

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Productivity (TFP), which is not explained by the use of production factors. In this sense, the TFP can be defined as a measure of efficiency in the use of productive resources that allows for the movement of the production function of the economy without an increase in allocations of capital and labour.

Empirically, the calculation of productivity allows for distinguishing those variations in the product that are driven by technological change from those caused by variations in the factor endowments. The pioneering study by Robert Solow (1957) entitled "Technical change and the aggregate production function" determined that increases in efficiency or productivity explained approximately 80% of the economic growth of the United States, while the remaining 20% can be attributed to the increase in the endowment of production factors.

Latin America and the Caribbean – despite the increases in capital investment and in the active population evidenced over the past five decades – has failed to reduce gaps in per capita income with respect to other regions with higher levels of relative economic development, because the levels of productivity in the region are lagging behind.

Estimates of productivity levels for 2014 show that the average of the region reached 54.5% of that reported by the United States, 76.7% of the efficiency in the use of resources by Japan, and 86.8% of the productivity of South Korea. For such reason, reaching higher levels of productivity has become a top priority target for Latin American and Caribbean countries so as to achieve better economic performance.

To this end, it is necessary to identify the variables that have an impact on the changes in Total Factor Productivity. Empirical studies in this area of economic theory have recognized that macroeconomic stability and the quality of government institutions are some of the factors that can help explain the variations in the efficiency of the use of productive resources. This study will identify and analyse the determinants of the changes in Total Factor Productivity.

### B. Objectives

1. Estimate the levels of Total Factor Productivity for the countries of the region, based on available information.
2. Identify the main factors conditioning the changes in Total Factor Productivity.
3. Conduct a comparative analysis of the result obtained for the countries, recognizing the common variables that have a more robust relationship associated with variations in the Total Factor Productivity.

### C. Expected results

A working reference document for the analysis of the determinants of Total Factor Productivity for some countries, with rigorous methodological foundations, and that can be replicated in the rest of the countries of the region.

### D. Activities and schedule

Activities	Schedule
Preparation and approval of the working plan	August
Preparation of the working document	September - December
Translation and publication	December

**PROJECT I.2. Assessment of the Latin American and Caribbean integration process****Activity I.2.1. Prospective vision of Latin American and Caribbean integration****A. Background and justification**

With a view to evaluating the integration process in America Latin and the Caribbean, the Permanent Secretariat of SELA has promoted the conduction of research to deepen knowledge as regards the achievements of the subregional integration mechanisms in all the areas of interest, evaluating the political, commercial, institutional, regulatory, migration and labour dimensions, among others. Thus, as part of the execution of the Work Programmes for the years 2014 and 2015 several studies were conducted to gain knowledge about the status of the integration processes, the major challenges and opportunities facing the region.

In 2016, the Permanent Secretariat dealt with three issues of particular relevance to understanding the integration process in the region, which also allowed for making a quantitative and comparative diagnosis of the reality of the various integration mechanisms. The analysis of asymmetries not only provided a compilation of a series of definitions drawn from various analyses associated with the evaluation of the conditions for integration, but confirmed that there is a conceptual gap that – beyond making a description of the types of asymmetries – prevents from providing a definition that serves as a reference framework and contributes to quantify the asymmetries in the analysis of regional integration.

Along this line of thought, in the year 2016 the Permanent Secretariat submitted a proposal based on a statistical and economic foundation according to which certain economic, social or geographic dimensions are symmetrical in a series of countries, when the variables that quantify those dimensions are located within some ranges or thresholds that can be determined by using statistical criteria. Such criteria are established in order to obtain the maximum and minimum levels of acceptance of the non-asymmetry hypothesis, depending on the variability of the data for a group of countries. Symmetry occurs when the difference of a particular variable with respect to its most likely or likely behaviour can be considered significant within those previously defined ranges. Obviously, it is possible to characterize the behaviour of the asymmetries in a dynamic manner.

When, in the long term, the variable in question approaches to the most representative values for the group of countries, it can be affirmed that asymmetries are reducing, and vice versa. In case that the dimensions under study show a gradual but significant reduction and enter the area of symmetry in the long term, it can be said that the series of countries are ushering into a process of convergence.

The integration index helped create a regularly updated indicator which describes the phases of integration that each one of the subregional mechanisms is going through, quantifying the performance at the different stages of integration identified in the economic theory. This indicator can serve to measure compliance with the explicit objectives of each agreement, by monitoring the degree of integration for each country and assessing the opportunities and challenges faced by each economy to make strides with the integration process.

Issues such as asymmetries, the integration index and the assessment of convergence have paved the way for the Permanent Secretariat to plan, in 2017, the design of a tool that allows for generating various reference scenarios of the medium and long term prospects for the different integration schemes.

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### B. Objectives

1. Develop scenarios as regards the prospects for integration based on the concepts generated by the Permanent Secretariat during 2016.
2. Assess the long-term trends of integration mechanisms.
3. Carry out a follow-up and assessment of the possibilities for the region to achieve higher levels of convergence

### C. Expected results

A document to explore the prospects and the long-term vision of integration, from the standpoint of various subregional integration mechanisms, as well as the conduction of a Seminar-Workshop where the indicator as well as various methods for measuring integration will be submitted, from the perspective of SELA.

### D. Activities and schedule

Activities	Schedule
Preparation of the plan for the study	April
Preparation of the study	May - August
Translation and publication	August
Seminar-Workshop	September

#### Activity I.2.2. Integration Index of Latin America and the Caribbean. Updates and follow-up of new results of the Index

##### A. Background and justification

In 2016, the Permanent Secretariat began to develop an indicator whose main target was to quantify the degree of integration among the different integration mechanisms of the region, namely: the Pacific Alliance (AP), the Common Market of the South (MERCOSUR), the Central American Integration System (SICA), the Andean Community (CAN) and the Caribbean Community (CARICOM).

This study was drafted for a Regional Meeting on the Integration Index for Latin America and the Caribbean, held in Guatemala in the headquarters of the Secretariat for Central American Economic Integration (SIECA). At that time, the Permanent Secretariat of SELA explained the methodology proposed for creating this indicator, which facilitates measurement of the phases of integration for each of the subregional mechanisms, and also quantifies the behaviour at different stages of integration, as identified in economic theory. Based on this analysis, it will be possible to monitor compliance with the agreements and their explicit objectives, assessing opportunities and challenges facing each economy to make strides with the integration process.

This index was made up on the basis of simple indicators that incorporate different levels of disaggregation, so that they may include variables within the economic, social, political, environmental and cultural sectors, which are also associated with regional integration, for a sample covering the period 1990-2014. With the development of this indicator, SELA provides a tool to follow up the regional achievements in the area of integration.

In 2017, the Permanent Secretariat aims at continuing with the creation of the indicator and generate new results with a view to using them to explain certain behaviours in each one of the dimensions used for its calculation. Thus, it will monitor the dimensions in a disaggregated manner. Such dimensions consist of variables and indicators that show the impact that the integration processes have had on each area, namely: i) Economic dimension: It includes the main indicators on economic activity referred to trade in goods and services, capital mobility, financing capacity, as well as the convergence of per capita income and the inflation rate; ii) Social dimension: It covers indicators on the level of poverty, income and the situation of the labour market; iii) Political dimension: This dimension assesses the status of the institutions in each country, and values the treaties and agreements facilitating the mobility of production factors; iv) Cultural dimension: It provides access to media to facilitate the dissemination of culture; and v) Environmental dimension: It collects data on the coordination among the countries in their policies for preservation of the environment and sustainable growth.

Assessment and monitoring of each of these dimensions will help to outline public policies aimed at guiding policy-makers as regards the control variables that can be used and should be adopted in order to improve the instruments that will lead them to the achievement of the objectives.

#### **B. Objectives**

1. Continue with the regular update in order to quantify the behaviour of the subregional mechanisms in the different stages of integration identified in the economic theory.
2. Identify the dimensions that provide signals for an optimum management of public policies oriented towards subregional integration.

#### **C. Expected results**

A document updating the Index, that provides possible instruments for the optimal management of public policies aimed at integration.

#### **D. Activities and schedule**

<b>Activities</b>	<b>Schedule</b>
Preparation of the Terms of Reference	March
Preparation of the study	May - August
Translation and publication	August

#### **Activity I.2.3. Determinants of migration flows in the region and their impact on the labour market**

##### **A. Background and justification**

Migration processes are, perhaps, the last and deepest manifestation of the regional integration processes. Their impacts cover a great variety of aspects such as urbanism, the labour market, capital movements and citizen security. However, its importance transcends any of these elements because, above all, migratory processes put to test the capacity of adaptation of the peoples so that they mutually recognize themselves as being equal and, based on this, build relations of co-existence and tolerance.

Although it is a variable of enormous significance there are not many studies that analyse its determinants and evaluate their impact on the region. Fundamentally, this is due to two reasons.

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Firstly, the lack of studies on migration is explained by the statistical difficulties to obtain quality information from databases on cross-border flows of persons. The information available often poses consistency problems and, in general, is incomplete.

Secondly, studies on migration have emerged as complementary information to the integration processes where the emphasis of the governments has been rather on the analysis of intra-regional trade. Interestingly, intra-regional trade continues to be relatively small, since the economies of Latin America and the Caribbean have integrated in a deeper way with extra-regional markets.

The region's economies do not escape the processes of globalization and productive transformation, which open up new opportunities for the integration of labour markets. These trends are expressly reflected in the Articles of incorporation of the integration mechanisms. MERCOSUR, for example, envisages the harmonization of economic and social policies. Specifically, the Asunción Treaty of 1991 specifies in its first Article "the free movement of goods, services and production factors among countries".

Thus, with respect to mobility of factors and migratory aspects, the Agreement of Residence as a fundamental step of the integration process stands out, since it sets the MERCOSUR nationality as the main requirement to get the legal residence in the party States, offering an equal treatment in terms of labour legislation and working conditions. Similarly, SICA has promoted programmes for recognition of higher education diplomas in order to promote the free circulation of labour force and exploitation of human resources.

But beyond the legal aspects associated with the treatment of persons in the different integration mechanisms, there is a series of economic incentives that affect migration processes. Thus, this activity aims at estimating the elasticities of migration flows and their impact on the labour markets of Latin American and Caribbean countries. Also, this work will allow for reviewing, comparing and characterizing the available databases on migration movements in the region.

### B. Objectives

1. Estimate the elasticities of migration flows and their impact on the labour markets in the countries of Latin America and the Caribbean.
2. Compare and characterize the available databases on migration movements in the region.
3. Nurture SELA's database system with new statistics.

### C. Expected results

A document that collects the indicators proposed, with a working methodology that allows for expanding and maintaining the database required on the process of migration flows in the region.

### D. Activities and schedule

Activities	Schedule
Preparation of the Terms of Reference	April
Preparation of the study	May-August
Translation and publication	August
Regional Meeting	September

#### **Activity I.2.4. Follow-up reports on subregional integration mechanisms**

##### **A. Background and justification**

In 2016, the Permanent Secretariat began to prepare follow-up reports of the integration mechanisms. These reports offer the reader synthesized information on the regional dynamics of Latin America and the Caribbean, making emphasis on the analysis of the macroeconomic environment and the variables of the external sector of the five subregional integration mechanisms, namely: the Pacific Alliance (PA), the Common Market of the South (MERCOSUR), the Central American Integration System (SICA), the Andean Community (CAN) and the Caribbean Community (CARICOM).

With a four-monthly frequency, the reports collect updated statistics of the regional situation. Having a simple structure, the reports include a description of the main events of interest that have occurred during the quarter as well as the situation of the mechanism with respect to the region, data on the population, life expectancy, size of the economy and per capita income. They also review the main facts about the macroeconomic performance and evolution of each mechanism during the period between the year 2010 and the first quarter of the year 2016, and analyse variables such as economic growth, the composition of the Gross Domestic Product (GDP) considering expenditures via the added internal demand (specifically consumption and investment in the fundamental identity of the GDP), inflation and unemployment. Finally, they include the main impressions on the performance of the external sector, which emphasize the behaviour of the balance of trade, its composition, and foreign direct investment, both in flows and balances, public debt and the net international reserves.

In 2017, the Permanent Secretariat will continue with the regular updates of these reports, according to the availability of data and the access to official information from the countries.

##### **B. Objectives**

1. Prepare descriptive reports that analyse the situation of key economic indicators, within the context of each subregional integration mechanism.
2. Create a consistent database on these economic follow-up variables.
3. Keep the Member States, and the public in general, up to date on the economic situation of the countries of the region, through SELA's electronic portal.

##### **C. Expected results**

Descriptive reports on the economic performance of sub-regional integration mechanisms that allow readers to be regularly updated on the region's dynamics and prospects. These reports will add value to the portfolio of SELA by allowing the Permanent Secretariat to expand its base of readers.

##### **D. Activities and schedule**

<b>Activities</b>	<b>Schedule</b>
Preparation of the study	Every four months
Translation and publication	Every four months

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## Activity I.2.5. Case studies for integration

### A. Background and justification

Case studies for integration are short articles (about 2,500 words or 3 pages), with a rigorous analysis, but written in a less academic tone. The logic behind these reports focuses on presenting initiatives to decision-makers in the region, within or outside the region, in which policy initiatives are shown and that allow for evaluating the relevance of said experiences in Latin America and the Caribbean.

These reports were designed in 2016 as a complementary product to SELA's compendium of documents. Their structure has allowed for dealing with a variety of subjects in an easy reading directed to the public in general.

In 2016, three descriptive reports were prepared whose objective was to show recent experiences in terms of regional and extra-regional integration. The first case study was referred to the experience with the implementation of the Index of Public Policies for SMEs that is being undertaken in the Association of Southeast Asian Nations (ASEAN). The report explains how the adaptation of the Index included eight dimensions for its development, namely: i) Institutional and Regulatory Framework; ii) Access to Support Services; iii) Operating Environment/Simplification of Procedures; iv) Access to Financing; v) Innovation, Technology Adaptation and Transfer of Technologies; vi) Internationalization of SMEs; vii) Promotion of Entrepreneurship Education and viii) Effective Representation of the Interests of SMEs. In view of the characteristics of this group of countries, the implementation of the Index leaned more towards strengthening innovation and the adaptation of technologies. The second case study made a description of the Migrant Integration Policy Index (MIPEX) prepared by the European Community, as a long-term project which evaluates and compares the efforts at government level to promote migration among the Member States of the European Union. The third case study focused on the analysis of convergence and its reversal in the European Community.

In 2017, the Permanent Secretariat will continue to publish new case studies, depending on the subjects of interest and priority for the Member States.

### B. Objectives

1. Identify new initiatives that deserve assessment in view of the economic situation.
2. Encourage the debates to generate proposals for innovative and high impact initiatives that contribute to promote integration in the region.
3. Keep the Member States, and the public in general, up to date on the economic situation of the countries of the region, through SELA's electronic portal.

### C. Expected results

Quarterly reports describing initiatives to promote cooperation, coordination and articulation among nations and integration mechanisms, which serve as a reference for decision-making, for the benefit of the regional integration process.

**D. Activities and schedule**

Activities	Schedule
Preparation of the study	Every quarter
Translation and publication	Every quarter

**Activity I.2.6. Report on the regional integration process****A. Background and justification**

Integration is a dynamic process that contributes to speed up economic growth and social development, as it improves the allocation of resources, encourages investment, favours competition, and ultimately increases the prospects for development of the member countries making up a trade bloc.

However, integration processes require countries to undertake a series of activities and commitments in a gradual and orderly manner. In this connection, it is necessary to undergo structural planning stages and phases, both at the national and international levels, which requires different periods of consolidation.

One way to contribute to the integration process is to generate relevant and up-to-date information and ensure access to it, in an easy and timely manner, thus allowing to appreciate the evolution of countries in their integration process. In addition, it is of the utmost importance to continue with the analysis and show its evolution, so that the process can be objective and it is possible to take effective measures that ensure the achievement of those individual and collective objectives.

This report, together with other integration reports and case studies, forms part of the series of periodic documents that the Permanent Secretariat began to conduct in 2016, in order to enrich and update the current document database of SELA referred to the process of integration in Latin America and the Caribbean. This report will contain medium-term information with which an annual update will be made as regards the integration process of the region.

**B. Objectives**

1. Carry out an annual report that compiles and complements the integration reports already published with less frequency, which collect short-term information. This is a more complete report that will incorporate the events occurred at the end of each year.
2. Provide an updated report so as to inform about the latest achievements in the area of integration in the region, which serves the entities involved in it to make decisions within the institutions that guide the integration mechanisms.
3. Encourage debates and generate ideas about the possibilities for the region to achieve greater integration
4. Keep the Member States, and the public in general, up to date on the economic situation of the countries of the region, through SELA's electronic portal.

**18****C. Expected results**

An annual report covering the achievements in the integration process within subregional integration mechanisms.

**D. Activities and schedule**

<b>Activities</b>	<b>Schedule</b>
Preparation of the study	Annual report
Translation and publication	November

**PROGRAMME: TRADE FACILITATION****PROJECT I.3. Regional Meetings on Foreign Trade Single Windows****Activity I.3.1. IX Latin American and Caribbean Regional Meeting on Foreign Trade Single Windows****A. Background and justification**

Continuing with the regional meetings held annually on this matter since 2010, the Permanent Secretariat of SELA is planning the conduction of the ninth meeting on Foreign Trade Single Windows in 2017.

As has been evidenced during the seven (7) consecutive years in which the Permanent Secretariat has organized these meetings on Single Windows, the importance of this tool for trade facilitation lies not only in the fact that it allows that standardized information and/or documents related to trade commercial are submitted only once and in a single office, thus improving their availability and the processing of information, but also, particularly, in the fact that they consubstantially lead to the need to address the harmonization of trade data and documents with internationally accepted standards. They also lead to the simplification of trade and customs procedures, and the development of enabling legislation and ICT infrastructure for the implementation of electronic signatures and payments, among other technological elements. In this way, the scope of Single Windows goes beyond their own specific objectives and shows the importance of the technical, technological, governance and coordination elements among institutions in order to achieve the goal of having more efficient and effective foreign trade operations.

The VIII Latin American and Caribbean Regional Meeting on Foreign Trade Single Windows, carried out in October 2016, focused on the support that Information Systems provide for the implementation of Trade Facilitation, with special emphasis on Foreign Trade Single Windows, as well as the legal, technological, governance and coordination difficulties faced by these processes, and the provisions aimed at speeding up and facilitating trade.

The already traditional annual regional meetings on Single Windows organized by SELA seek to promote the analysis of strategic elements and relevant experiences in this area, with a view to disseminating best practices and drawing recommendations that contribute to consolidate programmes for the optimization of processes that facilitate and promote foreign trade in those countries that have incorporated this tool, and that support the efforts aimed at consolidating Single Windows in Latin America and the Caribbean as part of the strategies for trade facilitation.

**B. Objectives**

1. Discuss strategic subjects to optimize the development and implementation of Foreign Trade Single Windows in America Latin and the Caribbean, as an essential instrument for foreign trade facilitation.
2. Provide analytical elements that contribute to understanding, advancing and deepening Foreign Trade Single Windows in Latin America and the Caribbean and their relations with other links in the international supply chain.
3. Disseminate best practices with respect to the possible architectures and forms of implementation of Foreign Trade Single Windows, stressing the inclusion of methodologies, procedures and resources with proven effectiveness in the area of paperless cross-border trade, following the criteria of interoperability, efficiency, compatibility of standards and security.
4. Generate convergences that allow for the unification of the criteria required to implement systems with capacity for exchange of information, aimed at developing organizational and technological interoperability, and at the harmonization of data, on the basis of internationally accepted standards.

**C. Expected results**

Holding the IX Latin American and Caribbean Regional Meeting on Foreign Trade Single Windows, in order to analyse critical emerging issues related to the development and operation of Single Windows, and disseminate the most significant regional experiences in this area. To do so, as on previous occasions, the Permanent Secretariat will make arrangements to count on the participation of entities related to the design, implementation and operation of Single Windows from the Member States, such as customs and ports, as well as ministerial bodies related to the processes of import and export of goods and services. The Secretariat also foresees the participation of representatives of international and multilateral organizations related with these processes.

**D. Activities and schedule**

<b>Activities</b>	<b>Schedule</b>
Planning and organizing the IX Latin American and Caribbean Regional Meeting on Foreign Trade Single Windows	July-October
Holding of the IX Latin American and Caribbean Regional Meeting on Foreign Trade Single Windows	October

**Activity I.3.2 UNCTAD-SELA Course: "Electronic trade in practice as a tool to promote trade facilitation"**

**A. Background and justification**

Electronic commerce (e-commerce) has been traditionally understood as the purchase and sale of goods and services through electronic means, and even though such operations are negotiated electronically, payment and/or delivery of the product or service not necessarily must be made online (WTO, 2013).

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The continuous evolution of Information and Communications Technologies (ICTs) and the effects of digitalization, resulting from the ongoing fourth Industrial Revolution, have had a three-fold impact on e-commerce: i) New digital goods and services; ii) Major intermediary digital platforms between buyers and sellers; and iii) New digital payment methods, such as the cryptocurrency, PayPal or the blockchain technology. These three new trends, in conjunction with the increased access that the world population is gaining to ICTs, increase the chances of promoting electronic commerce, both in its home version and in cross-border operations. Thus, it is estimated that, by 2017, e-commerce will account for 29% of global international transactions (E-commerce Foundation, 2015).

In Latin America and the Caribbean there are more than 320 million users of the Internet (Internet World Stats, 2014), and slowly the countries of the region have introduced clauses relating to e-commerce in the agreements that have been signed between them: Colombia, Dominican Republic, CARIFORUM, Peru, the Central American Common Market, and Chile. But this issue does not refer exclusively to e-commerce: These and other countries in the region are seeking to incorporate ICT into their government system, their government institutions, and into the very action of governing: That is e-Government.

Therefore, prospects about the progressive importance that e-commerce will gradually gain in the volume of international transactions, in addition to the technological characteristics of Latin America and the Caribbean, along with the initiatives that have been undertaken in this area, make the region an optimal space for taking advantage of opportunities for growth and social and economic development through ICTs, without ignoring the various current challenges. Thus, e-commerce is highlighted as a crucial and unavoidable aspect and as a tool for the international insertion of Latin America and the Caribbean.

Since 2007, UNCTAD has been developing initiatives for virtual training to improve the skills of regional actors in the area of trade and development. For this reason, in 2015, jointly with the Permanent Secretariat of SELA and the General Secretariat of the Association of Caribbean States (ACS), UNCTAD conducted an online training course on the legal aspects of electronic commerce that was warmly welcomed by the Latin American and Caribbean institutions that participated in it.

In this connection, and as a follow-up to the proposal and contacts developed between UNCTAD and the Permanent Secretariat, progress is being made in the design and organization of the UNCTAD-SELA Course: "Electronic trade in practice as a tool to promote trade facilitation", which is an online course with the support of UNCTAD's distance learning platform – the Train for Trade Programme – thus complying with the recommendation made by the Latin American Council of SELA to better use and benefit from ICTs.

### **B. Objectives**

1. Train officials in charge of managing the practical and fundamental elements for electronic trade.
2. Inform participants on the most important subjects related to electronic trade: Electronic government, regulations, human resources, and ICTs.
3. Promote greater knowledge about the opportunities for international commercial inclusion and an increase in intra-regional trade of Latin America and the Caribbean.
4. Contribute to bridging the skill gap in the management of technological tools in Latin America and the Caribbean.

**C. Expected results**

1. Improve the capabilities of participants in the use of electronic and digital tools to facilitate the development of their business models and the expansion of their markets.
2. Understand and manage the various aspects that are involved and have an influence on the consolidation of electronic commerce as a business strategy.
3. Promote best practices of the use of ICTs as a key element for trade growth in the region.
4. Develop the institutionalization of the use of ICTs to reduce the digital divide in Latin America and the Caribbean, and promote their use for the region's social and economic development.

**D. Activities and schedule**

Activities	Schedule
Organization and convening of the UNCTAD-SELA Course: "Electronic trade in practice as a tool to promote trade facilitation"	February-April
Conduction of the UNCTAD-SELA Course: "Electronic trade in practice as a tool to promote trade facilitation"	May - July

**PROJECT I.4. Programme for the Creation of the Latin American and Caribbean Network of Digital and Collaborative Ports****Activity I.4.1. Programme for the Creation of the Latin American and Caribbean Network of Digital and Collaborative Ports – Phase III: Transition towards the conformation of the Network****A. Background and justification**

The objective of the "Programme for the Creation of the Latin American and Caribbean Network of Digital and Collaborative Ports – Phase III: Transition towards the conformation of the Network" (hereinafter D&C Ports Network Programme) is to establish, for the Latin American and Caribbean region, a new system of inter-institutional collaboration and technical cooperation to facilitate public policy actions at the national level (top down) and technical recommendations at the local level (bottom up) to increase the competitiveness of port logistic communities based on best practices for the management of port logistics chain, inter-agency governance, service standards, Port Single Windows and collaboration through national and international networks, just like they are promoted through the Reference Model for Competitiveness of the Port Logistic Chain, designed in Phase I of this programme.

The programme – promoted by the Permanent Secretariat of SELA and supported and financed by CAF-development bank of Latin America through two non-refundable technical cooperation agreements – started in early 2014 with the participation of those ports and community of users 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. At the end of 2015, the second phase of the programme was started, with the entry of the ports of Altamira, in Mexico; Limon-Moin, in Costa Rica; Port of Spain, in Trinidad and Tobago; Guayaquil, in Ecuador; Paita, in Peru; and Montevideo, in Uruguay.

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In each port, at least three technical cooperation activities are carried out under the programme:

- **Strategic Diagnosis Workshops**, with the purpose of opening an initial dialogue with logistics users about global and local community issues, and the application of a self-assessment instrument based on a reference model with four pillars and 12 points for analysis.
- **Creation of Methodological Support Groups**, made up by teachers, researchers and local consultants, dealing with subjects related to logistics, foreign trade and ports. The goal is to create density of national and local work concerning these subjects and to support technical assistance projects to fledging port logistics communities. This programme has provided technical collaboration in defining and implementing initiatives and projects for Strategic Plans and Governance Logistics in Manzanillo and Veracruz in Mexico, Buenaventura in Colombia, Balboa and Colon in Panama, Mejillones in Chile, and Callao in Peru. Funding for these activities to define strategic plans has been provided by various sources, either governmental (National Port Authority, in the case of Peru) or private institutions (Chamber of Commerce of Buenaventura, in the case of Colombia). At present, the programme has working links with 30 universities in the region.
- **Training Workshops for the Industrial Sector**, designed to deliver and disseminate knowledge on port logistics (*landsides*), foreign trade and logistics technologies, to the stakeholders of the port logistics chain for each port. This two-day activity includes a technical visit for participants to port and transport facilities, as well as facilities for handling empty containers.

Based on the review of the institutional framework and governance in the ports and their logistic port communities, it has been proved that the D&C Ports Network Programme makes a proposal that effectively adds value by introducing the concept and emphasizing the need of strengthening public-private partnerships in ports and among the different actors participating in foreign trade activities. Logistic port communities entail new concepts of governance that, under a strategic thinking and common vision, unify the network of logistic services for a maritime territory. As a challenge, these logistic port communities have to be transformed into industrial clusters that not only focus on their value chains, but also strengthen links with productive local chains, and science, technology and innovation.

Moreover, the work conducted during the activities of the D&C Ports Network Programme have evidenced an important gap in the links of the logistics and port sectors, involving both the private stakeholders who operate or are users of the ports and the public agencies responsible for the regulations and definition of public policies in the sector, and the academic and research centres. Unlike countries in Europe and Asia, in Latin America and the Caribbean there is a significant backwardness as regards these matters, both in offering academic programmes specialized in these subjects, and in the development of research and innovation projects with universities. Therefore, the D&C Ports Network Programme represents a very significant contribution so that the region can promote greater linkages between these sectors, and also consider the participation of public and private organizations as well as universities.

Therefore, it is evident that there is a need to move ahead in the area of sustainability of the D&C Ports Network Programme and towards the effective creation of the D&C Ports Network in order to maintain levels of recognition, legitimacy and cohesion among its members, and promote the best practices identified for the port logistic chain, while contributes to keep common principles and objectives among participants, to organize activities to achieve such objectives, and to disseminate information and specific knowledge.

Thus, a proposal is made for this Programme to start developing Phase III in 2017, which will be a transition between the D&C Ports Network Programme and the effective creation of the network. This is very relevant, since the process to consolidate port communities and socialize the best practices promoted by the Programme requires time and, in the current phase of execution, the programme is not in the proper conditions of operate in an independent way and immediately reach its objective of creating the D&C Ports Network.

It must be mentioned that within the framework of the First Latin American and Caribbean Meeting of Logistic Port Communities, held in Panama from 14 to 16 July 2016, the representatives of the participating Member States and of the port systems linked to the Programme made the following specific recommendations:

- The Permanent Secretariat of SELA should continue as executing entity with Phase III, as proposed, with the technical and financial support from CAF-development bank of Latin America, through the proposal and signing of a new non-refundable technical cooperation agreement.
- The Programme for the Creation of the Latin American and Caribbean Network of Digital and Collaborative Ports, in its transition towards the effective creation of the Network, should count on the collaborative work of three technical committees, namely: Research and Innovation; Port Governance and Competitiveness, and Public Policies on Ports.
- A Transitional Advisory Directory should be created, made up by delegates of the various technical committees elected by their peers.

Thus, in the transition during Phase III of the Programme, a proposal is made to create a temporary directory of an advisory nature, and that both SELA and CAF-development bank of Latin America continue to exert the same role that they have played to date, under the terms to be established in a new non-refundable Technical Cooperation Agreement between the two organisations. During this Phase III, the Network is expected to generate greater group maturity and cohesion, that allows for laying the necessary foundations so that, once this period is over, it may be formally established with legal personality. Ideally, Phase III should last two years, in order to ensure continuity of the activities, incorporate new port communities, and thus increase the coverage of the Network. Therefore, a proposal is made to start this Phase III during 2017.

On the other hand, it is important to highlight the need to formalize the different types of collaboration included in the programme, which so far have been operating based on willingness, but that should certainly move toward a higher formalization for the benefit of the Programme and to ensure the commitment of knowledge, time and effort to the activities of the Network. For this purpose, a recommendation was made in the first Regional Meeting on the Programme, carried out in July 2016 in Panama City, to sign a Memorandum of Understanding among the partners, in order to formalize the commitment of participants with an eye on the objective of constituting the network with its legal personality within a two-year period.

## **B. Objectives**

1. Implement a temporary organizational structure that manages the governance structure and the collaborative activities proposed in the Institutional Model for the network, as developed in Phase II of the Programme. Such structure will be managed jointly with representatives of the nine (9) countries participating in Phases I and II, as agreed to in the Memorandum of Understanding signed by the members of the Programme in 2016.

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2. Make progress with the early stages of conceptualization, mobilization of members and strategic planning in nine (9) new port communities during 2017 communities: Port of Lazaro Cardenas in Mexico, Dominican Republic and Jamaica in the Caribbean, Buenos Aires in Argentina, Santos in Brazil, Barranquilla in Colombia, Manta in Ecuador, Ilo in Peru, and Biobío in Chile.
3. Continue with training and capacity building activities in the Workshops on “Management of the Port Logistics Chain” in the ports that have been associated to the Programme at least for one year.
4. Continue to conduct the Annual Survey on the Status of Implementation of the Measures proposed by the Reference Model for Competitiveness and Port Logistics Chain Management.
5. Develop the technical contents for trainings and workshops in conjunction with local universities, and design a model of quantitative indicators of management for the port logistics chain interfaces, thus allowing for performing *benchmark* among the members of the Network and other port realities worldwide.
6. Facilitate the design of proposals and projects for Strategic Planning and Governance of Port Logistics Communities, along with government leaders, port authorities and local public and private groups, as agents of these processes of change.
7. Conduct the Second Regional Meeting of Port Logistics Communities in Cartagena de Indias, Colombia, in 2017, with the co-sponsoring of local collaborators. Cartagena has been confirmed as the venue for this event.
8. In 2018, the Programme is expected to make strides towards the stages of conceptualization, mobilization of members and strategic planning in 10 new regional port communities: ports of Guatemala, Nicaragua, Honduras, El Salvador and Costa Rica in Central America; Barbados and Cuba, in the Caribbean; Venezuela, Zarate in Argentina, and Rio de Janeiro in Brazil. In addition, the final model for institutionalization of the network should be developed, so as to guide its constitution as a legal entity by the end of Phase III.

### C. Expected results

1. Establish the temporary organizational structure of the Network (Transitional Advisory Directory), in order to facilitate dissemination of activities from the Web site of the Programme, knowledge management, the annual regional meetings, and the tasks of the technical committees established since 2016 during the first Regional Meeting.
2. Technical Cooperation Activities: Make progress with the early stages of conceptualization, mobilization of members and strategic planning in new port communities, and with those that have been linked to the programme for at least one year, and to continue with training and capacity building activities at the Workshops on “Management of the Port Logistics Chains”.
3. Apply the Annual Survey on the Status of Implementation of the Measures proposed by the Reference Model for Competitiveness and Port Logistics Chain Management, and report on its results.
4. Develop the technical contents for the training and capacity building workshops, and design a model of quantitative management indicators for interfaces of the port logistics chain.
5. Outline the definitive institutionalization model for the Network.
6. Hold the Regional Meeting on Port Logistics Communities.

**D. Activities and schedule**

<b>Activities</b>	<b>Schedule</b>
Design and establishment of transitional organizational structure: Charter of the Directing Committee and technical committees of the network and approval of the work plan 2017-2018	February
Technical Collaboration Activities N° 1 (technical visits and workshops in 9 new port communities)	January-June
Technical Collaboration Activities N° 2 (technical visits and workshops in 15 port communities)	January
Strategic diagnosis workshops in 9 new port communities	August-November
Dissemination at Regional Meeting on Single Windows 2017	October
Report on the Design of Quantitative Indicators of Interfaces CLP - Version 1, and the application N ° 2 of the annual survey on the degree of implementation	November
Final Report 2017	November
Presentation of Final Report at SELA	December

**Activity I.4.2 II Latin American and Caribbean Regional Meeting of Logistic Port Communities****A. Background and justification**

The First Latin American and Caribbean Meeting of Port Logistics Communities was held from 14 to 16 July 2016 in Panama City, Panama. It was organized by the Permanent Secretariat of the Latin American and Caribbean Economic System (SELA) within the framework of the non-refundable Technical Cooperation Agreement with CAF-development bank of Latin America.

The main objective of this event was to discuss the possibility of advancing towards a transition stage, to be developed during 2017 and 2018, which is expected to include activities that lead to the effective conformation of the Network of Digital and Collaborative Ports, whose governance and economic, market and operation models are sustainable in the medium and long terms.

The papers submitted in the meeting dealt with each one of the pillars proposed by the "Reference Model for the Competitiveness of the Port Logistics Chain", and its agenda included a specific section for discussion of the future challenges faced for the effective conformation of the LAC Network of Digital and Collaborative Ports. During that session, a proposal for a Model for the Sustainability of the Network was submitted. On the basis of such proposal, dynamics were developed that led to the necessary agreements for continuity of the Network and a Memorandum of Understanding among its members, which contains the minimum required terms of collaboration for the conduction of the various activities envisaged in the transition phase.

In the first meeting, a recommendation was made to continue with the annual meetings and a proposal was made by the delegates of Cartagena, Colombia, so that the second Latin American and Caribbean Meeting on Port Logistics Communities is organized in that city, which was unanimously approved by the participants.

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### B. Objectives

1. Disseminate the strategic plans that will be implemented within the framework of the Programme for the Creation of the Network of Digital and Collaborative Ports, and the best practices that allow for moving ahead with the implementation of the measures and tools proposed by the "Reference Model for the Competitiveness of the Port Logistics Chain".
2. Contribute to the intra-regional dialogue and to achieve concerted action leading to the effective creation of the Network of Digital and Collaborative Ports, whose governance and market, economic and operational models are sustainable in the medium and long terms.
3. Promote that each port turns itself into a node of competitive and sustainable development, based on strengthening its port logistics community and its local support networks.
4. Provide support to technical cooperation and collaborative mechanisms, according to the life cycle of each port community linked to the Programme.
5. Submit the results of the collaborative work carried out by the three technical committees provided for the Transition Stage of the Programme: Research and Innovation; Governance and Port Competitiveness and Port Policies.
6. Present and provide feedback to the activities carried out by the Transitional Advisory Directory, created to guide collaborative work during the transition stage of the Programme towards the effective establishment of the Network.
7. Intensify the debates in port communities, so that they include medium and long term strategic definitions and lead to creating multidisciplinary task teams according to priorities in terms of competitiveness and sustainability.

### C. Expected results

Conduction of the Second Latin American and Caribbean Meeting on Port Logistics Communities, as part of the strategies for cohesion and dissemination of the works carried out for starting the transition stage of the Programme, developed with the purpose of achieving the effective conformation of the Network of Digital and Collaborative Ports. A proposal is made for the participation of representatives of those Port Communities linked to the Programme, as well as ministerial bodies related to this subject and other organizations interested in contributing to the collaborative work within this context.

### D. Activities and schedule

Activities	Schedule
Planning and organization of the II Latin American and Caribbean Regional Meeting of Logistic Port Communities	March-July
Holding of the II Latin American and Caribbean Regional Meeting of Logistic Port Communities	July

**PROGRAMME: INFORMATION AND COMMUNICATIONS TECHNOLOGIES AND KNOWLEDGE SOCIETY****PROJECT I.5. Strengthening the statistical information system on SELA's Web site****Activity I.5.1. Development of an interactive system for the management of databases and economic statistics on SELA's Web site****A. Background and justification**

In 2016, in response to the fact that until previous year the statistical information that SELA offered to its Member States and the public in general was very limited, the Permanent Secretariat created an interactive system for the management of databases specialized in statistical information, with particular emphasis on the information systematized through the Direction of Studies and Proposals. The optimization of such system is foreseen for 2017 in order to enhance its usefulness.

**B. Objectives**

1. Update, regularly, the databases that make up the system, primarily based on the information derived from the studies carried out by the Direction of Studies and Proposals of SELA.
2. Include new dynamic tools and elements to boost the capacity of the system in order to add value to the information provided, thanks to a versatile and user-friendly management.

**C. Expected results**

A regularly updated, dynamic and efficient tool, which can provide increased added value through the incorporation of technological elements that optimize the visualization and optimization of statistical information whose value and utility can be perceived and recognized by its users.

**D. Activities and schedule**

<b>Activities</b>	<b>Schedule</b>
System update	Throughout the year

**Activity I.5.2. Network for strategic alliances in Latin America and the Caribbean****A. Background and justification**

In order to support the integration process in Latin America and the Caribbean, the Permanent Secretariat of SELA has regularly included in its work programmes several initiatives that promote the creation of strategic alliances among enterprises operating in the same sector. Greater trade exchanges not only encourage complementarity and productivity among Member States, but can also contribute to strengthening cultural ties, cooperation and convergence.

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However, part of the difficulties facing the promotion of business and trade activities in the region has to do with the lack of a system with detailed information on business opportunities in the Member States of the different integration mechanisms. In general, there are not many previous experiences of reliable databases where it is possible to locate business partners or for companies to publish their profiles. However, these tools are essential to promote business, research and technological exchanges.

Thus, for instance, one of the main conclusions drawn from the discussions of the “Seminar on Strategies and Methodologies for Caribbean and Central American Productive Articulation, Clusters and Export Consortiums”, carried out by the Permanent Secretariat of SELA in July 2016, reaffirms the need for processes of identification and selection of enterprises, identifying opportunities for collaboration. These processes must take into account aspects such as the size of enterprises, their objectives, and the economic sector where they operate, among other elements.

Europe, for example, has the *Enterprise Europe Network* that provides information and assistance to those companies interested in establishing business relationships and gain detailed knowledge about sanitary or legal aspects, tariff rates, formalities concerning import and export processes, and the rules of origin required by the different countries of the Community. In Latin America we have the pioneering experience MERCOSUR’s Productive Integration Group, which may be a reference to disseminate and expand these cooperation tools to broader levels in the region. This initiative not only pursues greater mutual recognition in productive matters, but also to create a space so that countries may expose the scope and objectives of their business strategies and industrial policies. This is an analysis that must be made in a regular way based on the set of relevant indicators. In this way, this activity complements and justifies Activity I.2.2 concerning the assessment and monitoring of regional trade.

### B. Objectives

1. Design processes for the selection of enterprises that allow for identifying opportunities for collaboration, according to the size of enterprises, their objectives, and the economic sector where they work, among other aspects.
2. Provide information and assistance to the negotiators to establish business relationships and gain detailed knowledge about legal aspects, tariff rates, procedures in import and export processes and the rules of origin required by the different countries of the region.

### C. Expected results

A portal through which different commercial representation offices can disseminate information about their products and services, specially structured so as to identify the sectors where there can be greater cooperation, and to find up-to-date information on business opportunities and legal frameworks conditioning trade flows.

### D. Activities and schedule

Activities	Schedule
Preparation of Terms of Reference	August-
Design of the Network	Septembe- Novemberr
Regional Meeting	December

**PROJECT I.6. Management and coordination of specialized portals****Activity I.6.1. Management and maintenance of the specialized portal on the Community of Latin American and Caribbean States (CELAC)****A. Background and justification**

With the creation and maintenance of this specialized Web portal, the Permanent Secretariat of SELA complies with Decision 527, "Links between the Permanent Secretariat of SELA and its Work Programme with the process of creation of the Community of Latin American and Caribbean States (CELAC)", taken at the XXXVIII Regular Meeting of the Latin American Council (Caracas, 17 to 19 October 2012).

To date, this portal constitutes the most complete Web site on information generated by the CELAC: from the Caracas Declaration, signed on 3 December 2011 during the ceremony in which it was created, as well as all the documents relating to the Caracas Action Plan, declarations, procedures and special communiqués, in Spanish, English and French, signed on 2 and 3 December of that same year, including the documents stemming from the three CELAC Summits and the two EU-CELAC Summits held thus far, and the documents arising from the meetings of national coordinators and other bodies of the Community.

**B. Objectives**

Continue with the process of dissemination of the nature, objectives, functions, activities and, in particular, the intellectual production of CELAC, especially among its Member States and the rest of the world.

**C. Expected results**

A specialized Web portal that remains a benchmark and provides timely and systematic information, relevant and up-to-date, especially that information generated by the umbrella organization for Latin American and Caribbean integration, in order to provide the citizens of Latin American and Caribbean countries and other regions of the world and, in general, planners, scholars and persons interested in the integration and development of Latin America and the Caribbean, with a current perspective on the challenges and opportunities of the present and the future.

**D. Activities and schedule**

Activities	Schedule
Timely uploading of the documents produced by the CELAC and information on various events organised by the <i>Pro Tempore</i> Presidency of the Community.	Throughout the year

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### **Activity I.6.2. Management and maintenance of the specialized portal on International Cooperation Directors for Latin America and the Caribbean: Promotion of South-South Cooperation**

#### **A. Background and justification**

In 2010, in Mexico, the XXI Meeting of International Cooperation Directors for Latin America and the Caribbean, organized by the Permanent Secretariat of SELA with the support of the Perez-Guerrero Trust Fund of the Group of 77, decided to create a Web site that constitutes a reliable source of relevant, timely and updated information to effectively support their work. In turn, this decision was based on Decision No. 156 of the Latin American Council of SELA, which designated the Permanent Secretariat as the "Regional Focal Point for the exchange of information on Technical Cooperation among Developing Countries".

Since then, through this portal, the Permanent Secretariat has been disseminating systematic and selected information on South-South Cooperation and Triangular Cooperation, highlighting the value that both modalities of international cooperation have acquired in the region, thanks to the impact that cooperation instruments have on economic and social development policies aimed at promoting initiatives that lead to the economic and social well-being of the people in the region.

A specific contribution made by the Permanent Secretariat of SELA associated with the operation of this Web site has been the intensification of the exchanges of information and documents on cooperation and technical assistance in Latin America and the Caribbean.

#### **B. Objectives**

For the year 2017, the fundamental objective of this Web portal is the same one raised since its inception, that is, to collect, select, systematize and disseminate relevant and up-to-date information and documents on South-South Cooperation in the region, especially among the International Cooperation Directors for Latin America and the Caribbean, the various stakeholders of regional cooperation, and the users of SELA's cooperation network.

#### **C. Expected results**

1. Develop and keep up-to-date the specialized Web portal on South-South Cooperation for International Cooperation Directors for Latin America and the Caribbean, on SELA's Web site.
2. Enrich the reservoir of information of the portal with information stemming from other regions of potential interest for the region, in terms of an intelligent and strategic transfer of experiences and best practices in other regions.

#### **D. Activities and schedule**

<b>Activities</b>	<b>Schedule</b>
Adaptation and update of the Portal on South-South Cooperation	Throughout the year

**Activity I.6.3. Management and maintenance of the specialized portal on Public-Private Partnerships for Disaster Risk Reduction in Latin America and the Caribbean**

**A. Background and justification**

At present, the growing importance of public-private partnerships not only is not in doubt, but their utility every day gains more enthusiasts in the world, who are determined to contribute to promote progresses in the area of disaster risk reduction in Latin America and the Caribbean. This is due to the recognition of the great support that the private sector can provide to the public sector in the event of disasters.

We must emphasize that public-private partnerships are a key issue on the agenda of regional organizations such as the United Nations Office for Disaster Risk Reduction (UN/ISDR) and the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) and, of course, the Permanent Secretariat of SELA, which has been working cooperatively and with much interest with those two agencies of the United Nations.

For 2017, it is imperative for the Permanent Secretariat to continue strengthening this space so that it can concentrate, systematize and disseminate all the information and documents as regards this matter, generated at the regional level. In investing resources in this tool, the ultimate goal of the Permanent Secretariat is to help the Member States of SELA and, in general the population of the region, with a source of information that facilitates actions before, during and after an adverse event. That way, the Permanent Secretariat of SELA contributes to increase the effectiveness of make risk management and humanitarian assistance in the region.

**B. Objectives**

1. Collect, select, organize, systematize and disseminate information, documents and successful experiences on public-private partnerships for disaster risk reduction in Latin America and the Caribbean.
2. Identify private sector enterprises and associations in Latin America and the Caribbean interested in contributing to disaster risk reduction.
3. Make special emphasis on the dissemination of information generated by entities, such as CAPRADE, CDEMA, CEPREDENAC, REHU, CELAC, UN/ISDR and OCHA, and by other instances, such as the "Forum for Coordination and Cooperation of the Subregional Mechanisms for Disaster Risk Management of the Americas", the "Regional Platform for Disaster Risk Reduction", and the "Regional Meetings on Mechanisms for International Humanitarian Assistance".

**C. Expected results**

1. Maintenance, update and enrichment of the Web site on Public-Private Partnerships for Disaster Risk Reduction in Latin America and the Caribbean.
2. Support the actions of actors such as CAPRADE, CDEMA, CEPREDENAC, REHU, CELAC, as well as UN/ISDR and OCHA in the fulfilment of their mandates.

**32****D. Activities and schedule**

<b>Activities</b>	<b>Schedule</b>
Maintenance and update of the portal on Public-Private Partnerships for Disaster Risk Reduction in Latin America and the Caribbean	Throughout the year

**Activity I.6.4. Management and maintenance of the specialized portal on Free Trade Zones in Latin America and the Caribbean****A. Background and justification**

With the creation of this Web portal, the Permanent Secretariat of SELA complied with the mandate received from the First Conference of Government Authorities in charge of Free-Trade Zones in Latin America and the Caribbean (Cali, Colombia, 20 and 21 September 2012). Such decision response to the need for a virtual space that facilitates the exchange of information and knowledge about free trade zones, industrial zones and services in Latin America and the Caribbean.

As a matter of fact, faithful to the purpose of its creation, this Web site promotes knowledge about free trade zones and export processing zones, productive diversification, foreign investment, and transfer of technology in the region.

**B. Objectives**

Gather and disseminate information on Free Trade Zones in Latin America and the Caribbean and incorporate changes that contribute to enhance the value and usefulness of this tool.

**C. Expected results**

A Web portal containing relevant and up-to-date information on the operation of Free Trade Zones in Latin American and Caribbean countries, which contributes, in an effective manner, to complying with the objectives of its creation.

**D. Activities and schedule**

<b>Activities</b>	<b>Schedule</b>
Regular updating in terms of new Free Trade Zones created or eliminated, the emergence of new legislations and new public policies governing Free Trade Zones in different countries.	Throughout the year

**Activity I.6.5. Management and maintenance of the specialized portal on SELA-SMEs****A. Background and justification**

The current portal on the SELA-SMEs Programme started operations in 2015, even though its construction had begun the previous year. This specialized portal provides information and

documents on various topics such as: Public Policies; Productive Articulation; Internationalization; Innovation, ICTs, Competitiveness and Productivity; Financing and Guarantees; Entrepreneurship; Gender Equity; and Corporate Social Responsibility, among others. In addition, it provides links to regional and international institutions dealing with the issue of SMEs, as well as a directory of business and governmental focal points for SMEs in the Member States of SELA. It also has a compilation, by country, of major legislations and legal frameworks for SMEs in the Member States of SELA.

## B. Objectives

1. Gather, select, systematize and disseminate up-to-date information on SMEs in Latin America and the Caribbean, in accordance with the areas defined in the SELA-SMEs programme, namely: Innovation; Entrepreneurship, Partnerships, Internationalization, and Access to Financing, with particular emphasis on the dissemination of strategies and public policies for SMEs in the countries of the region.
2. Support the cooperation actions of the Permanent Secretariat for the creation and strengthening of SMEs in Latin America and the Caribbean.
3. Strengthen SELA's network of contacts with public and private entities.

## C. Expected results

Manage the Web portal and keep it up to date, based on the inputs provided by the SELA-SMEs Programme, with a view to facilitating the dissemination and exchange of information and knowledge associated to the main developments that have occurred in the field of SMEs, in the Member States of SELA.

## D. Activities and schedule

Activities	Schedule
Permanent update of the portal	Throughout the year

### Activity I.6.6. Management and maintenance of the specialized portal on the Network of Digital and Collaborative Ports

#### A. Background and justification

Within the framework of the non-refundable Technical Cooperation Agreement with CAF-development bank of Latin America, in order to make strides with Phase II of the Programme for the Creation of the Network of Digital and Collaborative Ports, the Permanent Secretariat has included in its Work Programme this activity to design and set up an specialized Web portal on the Network of Digital and Collaborative Ports. It includes an application with collaborative information tools that allow for the dissemination of the results and knowledge generated within the network, as well as the possibility of keeping closer contact and interact with different port communities participating in the project, the methodological support groups and the public and private institutions related to the programme.

This specialized portal was submitted at the First Latin American and Caribbean Meeting of Port Logistics Communities, held in Panama, from 14 to 16 July 2016. The Web portal was designed and built on the basis of two environments: A public one and a private one for collaborative work.

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The address to access the public environment is: <http://www.sela.org/redpuertos/>, and its home page includes a "*premium area*" in which it is possible to see photos, documents, news, promotion events, among other things, of great interest for the users of the Network of Digital and Collaborative Ports. The home page also includes a direct access to the Reference Model that serves as a guideline to the Programme for the Creation of the Network, the events and the directory. It also shows the most recent documents that form part of the Document Database and the latest news on the subject. The main navigation bar includes the "Login" section, to access the private environment of the Web portal.

By clicking on "Login", the system presents a screen requesting the "username" and "password", after which it leads the user to the collaborative platform on digital ports. This allows users to share different functionalities on a workspace, thus making it possible to share documents, notifications, assign tasks, set schedules, among other possibilities for collaborative work.

Once the Working Groups of the Network are created – which will correspond to the Technical Committees agreed upon at the First Latin American and Caribbean Meeting on Port Logistics Communities – the Permanent Secretariat expects to start collaborative in each one of them, making use of the facilities provided by the private portal environment.

### B. Objectives

Keep the specialized portal on the Network of Digital and Collaborative Ports up to date and functional, in order to disseminate, transfer, and share knowledge and information generated within the context of this Programme and other related instances, so as to provide dissemination and collaborative work elements that contribute to make progress towards the institutionalization of the Network of Digital and Collaborative Ports promoted by the Permanent Secretariat of SELA.

### C. Expected results

1. A specialized portal as a key tool for the institutionalization of the Network of Digital and Collaborative Ports, duly updated.
2. Conduction of a training day for the members of the Transitional Advisory Directory on the functionalities of the private environment for collaborative work, so that they can take the best advantage of it.

### D. Activities and schedule

Activities	Schedule
Realization of collaborative Web training	March
Maintenance and update of the portal	Regular activity

<b>AREA II. ECONOMIC AND TECHNICAL COOPERATION</b>
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**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. Seminar on approaches and methodologies for the formulation, evaluation and monitoring of public policies in Latin America and the Caribbean**

**A. Background and justification**

The flourishing relations of interdependence among States and the interconnections between various sectors of society that characterize a globalized world have led public sectors – although still a matter of State – to be no longer aliens to the influence of the international scene. Therefore, public policies, which are mechanisms through which the public sector plans, executes and seeks results – are operating in a constantly changing and complex environment with multiple interests.

This new scenario highlights the need for rethinking the design, implementation and evaluation of public policies, and updating their goals and objectives. Consequently, considering new tools and methodologies in the area of public policies emerges as a necessary and urgent initiative in view of the challenges and difficulties that all the countries in the region must deal with in order to address their growing economic and social demands.

The reform of public sector management is not a new issue, but it had always been focused mainly on seeking maximum efficiency through the professionalization of the civil service. The contents of the formulation, implementation, monitoring, control and evaluation of the impact of public policies have evolved, and hence the need to develop initiatives that allow for technical and professional updating for the officials responsible for defining and implementing public policies in the region.

The new approaches to public policies must bridge the gap between the expected results and the impacts achieved. For this reason, it is necessary to facilitate the bonds between the governments and the citizens into a project supported by transparency, confidence, respect for institutions, so as to build and execute a public service that meets the interests of the State, which effectively and efficiently responds to the needs of citizens, and enables development and social welfare.

As a result, public officials in charge of the area of public policies should count on relevant information enabling them to develop the appropriate mindset and perspective for having a responsible, effective and efficient approach to public management, by gaining modern technical know-how and applying proven effective professional methods.

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### B. Objectives

1. Train participants in the management and mastery of the necessary tools for the formulation, management, monitoring and evaluation of the impact of public policies, and provide them with the necessary knowledge for the proper functioning of public management, which include: innovation in public management; design, monitoring and evaluation of public policies; human talent management; negotiation, mediation and conflict resolution; e-government; open government; quality management of public policies, and inclusion of citizen participation, among others.
2. Exchange experiences among those officials responsible for the formulation, management, monitoring and evaluation of impact of public policies in the Member States, along with the participation of well recognized academic institutions in the region.
3. Share initiatives to improve relations of governments with other sectors of society that play an important role in obtaining results from the public policies applied.

### C. Expected results

1. Conduction of the Seminar on approaches and methodologies for the formulation, evaluation and monitoring of public policies in Latin America and the Caribbean.
2. Training, capacity building and updating of concepts and technical tools for the formulation and management of public policies in the Member States.

### D. Activities and schedule

Activities	Schedule
Design of the Workshop on approaches and methodologies for the design, management, monitoring and evaluation of the impact of public policies in Latin America and the Caribbean.	March - May
Conduction of the workshop on approaches and methodologies for the design, management, monitoring and evaluation of the impact of public policies in Latin America and the Caribbean.	July

#### Activity II.1.2. VI Regional Meeting on “Public-Private Partnerships for Disaster Risk Reduction in Latin America and the Caribbean”

##### A. Background and justification

Disaster risk reduction and humanitarian aid are subjects of high priority at the international level, and Latin America and the Caribbean has attached them special relevance due to the impact of natural disasters in the region.

During the Third UN World Conference on Disaster Risk Reduction, held in March 2015 in Japan, participants approved the *Sendai Framework for Disaster Risk Reduction 2015-2030*, which emphasizes the need for the public and private sectors to work more closely and create opportunities for joint action, so that companies integrate disaster risk reduction into their management practices.

The creation of alliances between the public and private sectors for disaster risk reduction is now a priority for Latin American and Caribbean institutions specialised in risk management, and the actions carried out in this area are coordinated and supported in the region by the United Nations system, specifically by the United Nations Office for Disaster Risk Reduction (UN/ISDR) and by the United Nations Office for the Coordination of Humanitarian Affairs (OCHA), with which the Permanent Secretariat of SELA has been working on this matter in close coordination and collaboration.

The "V Regional Meeting on Public-Private Partnerships for Disaster Risk Reduction in Latin America and the Caribbean" will be conducted in Santiago, Chile, on 6 and 7 October 2016. It will be organized by the Permanent Secretariat jointly with the National Emergency Office (ONEMI), the Ministry of the Interior and Public Security of the Republic of Chile and the United Nations Office for Disaster Risk Reduction (UN/ISDR). The objectives of this meeting are: i) Continue to promote partnerships for disaster risk reduction; ii) identify and analyse successful experiences in the area of risk management and disaster prevention from the perspective of corporate social responsibility; iii) Continue to support the coordination and cooperation of the work carried out by the UN/ISDR and OCHA in the field of strategic alliances between the public and private sectors for disaster risk reduction; and iv) Further promote continuity of government and business and operations during disaster situations, from a regional, comprehensive and forward-looking perspective.

For the year 2017, the Permanent Secretariat has scheduled the conduction of the VI Regional Meeting on "Partnerships between the public and private sectors for the Disaster Risk Reduction in Latin America and the Caribbean", jointly with the United Nations Regional Office of the Americas for Disaster Risk Reduction (UN/ISDR) in order to continue assessing the impact of disasters on critical and essential public and private services and sectors, so as to generate preventive policies and anticipate scenarios during disasters and catastrophes.

## **B. Objectives**

1. Continue to promote the creation of public-private partnerships to promote disaster risk reduction.
2. Define and analyse critical and essential public and private sectors and services, and their performance vis-à-vis disasters, as well as preventive policies.
3. Continue to support the coordination and cooperation works carried out by the UN/ISDR and OCHA in the field of strategic alliances between the public and private sectors for disaster risk reduction.
4. Further promote continuity of government, business and operations during disaster situations.

## **C. Expected results**

Conduction of the VI Regional Meeting on "Public-Private Partnerships for Disaster Risk Reduction in Latin America and the Caribbean"

## **D. Activities and schedule**

<b>Activities</b>	<b>Schedule</b>
Preparation and convocation of the Regional Meeting on "Partnerships between the public and private sectors for disaster risk reduction in Latin America and the Caribbean".	February

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Activities	Schedule
Conduction of the VI Regional Meeting on "Partnerships between the public and private sectors for disaster risk reduction in Latin America and the Caribbean"	May

### **Activity II.1.3      Macroeconomic impact of natural disasters in Latin America and the Caribbean**

#### **A.      Background and justification**

Beyond the human tragedy they generate, natural disasters have severe impacts on economic growth. They not only destroy the acquis of residential capital, infrastructure and the functioning of public services, but they also endanger future investment flows, taking long-term financial and budgetary implications.

Disasters affect production factors, employment, the composition of investment and even the distribution of income; and they also jeopardizes the economy's capacity to generate goods and services (although there is some debate about their effects on growth in the short and long term, there is no doubt about their adverse impact on wealth and well-being).

From this point of view, a natural disaster is an adverse shock of large proportions that affects productivity, development and the fight against poverty. Thus, understanding the policy implications and the costs associated with these eventualities is a necessity of the first order.

This activity seeks to measure the impacts that the most relevant natural disasters have had on the economic activity and the public expenditure over the last few years in Latin America and the Caribbean. To do so, the study will resort to an analysis of time series that allows for drawing the predicted path of income versus the observed path. This factual analysis allows for quantifying the macroeconomic impact of the natural event.

This activity also intends to review the series of policies that would help mitigate such adverse effects and assess policy implications. Of course, any analysis of this type should take into account the fact that these natural disasters have local and global dimensions that condition the strategy for risk management.

In this regard , the impact of direct or indirect effects depends not only on the severity of the natural disaster, but also on the size of the economy and other more idiosyncratic conditions that finally determine the magnitude of the costs and that have helped to identify a number of typologies that should be considered. Finally, it should be highlighted that there is abundant literature on these subject, which will be compiled and summarized in order to offer a quick guide for outlining public policies.

#### **B.      Objectives**

1. Measure the impact that natural disasters have had on the economic activity and public expenditure.
2. Determine the type of impact, direct or indirect, on the main macroeconomic variables.
3. Compile, into a quick guide, the economic literature on the subject, for improving the design of public policies aimed at mitigating disaster risk.

**C. Expected results**

A document that collects the changes taking place in the main macroeconomic variables as a result of the occurrence of natural disasters.

**D. Activities and schedule**

Activities	Schedule
Preparation of the Terms of Reference	March
Preparation of the study	April-July
Translation and publication	August
Regional Meeting	September

**Activity II.1.4. XXVIII Meeting of International Cooperation Directors for Latin America and the Caribbean: Cooperation on intellectual property**

**A. Background and justification**

The meeting of International Cooperation Directors for Latin America and the Caribbean has been organized annually within the framework of SELA since 1987, as a space for encounter for directors and cooperation agencies of the countries of Latin America and the Caribbean, for the exchange of ideas, experiences and best practices on various topics of importance on the agenda for cooperation and development assistance, from the Latin American and Caribbean perspective.

The Latin American Council of SELA has taken two decisions that have strengthened this event. In 1983, Decision No. 156 appointed the organization as "Regional focal point for the exchange of information on TCDC", and in 2012, Decision No. 538 referred to the "Meetings of International Cooperation Directors of Latin America and the Caribbean", in which the Latin American Council took note "with satisfaction, of the activities carried out by the Permanent Secretariat in the field of international cooperation, and especially those developed through the meetings of International Cooperation Directors for Latin America and the Caribbean". It also recognized the support provided by the Group of 77, through the Pérez Guerrero Trust Fund (PGTF), to the Permanent Secretariat to conduct these meetings and urged it to continue providing such valuable support with a view to further promoting the analysis and treatment of high priority issues on the international cooperation agenda and South-South Cooperation from the Latin American and Caribbean perspective.

For 2017, the XXVII Meeting of International Cooperation Directors plans to discuss the subject "Cooperation on intellectual property in Latin America and the Caribbean". This event is expected to count on the co-sponsorship of the Perez-Guerrero Trust Fund (PGTF) of the Group of 77 and other specialized regional and international organizations, such as the World Intellectual Property Organization (WIPO).

Intellectual property is being addressed within the framework of the regional and subregional cooperation mechanisms as a matter of high priority for industrial development and the productive transformation and integration. In the Andean Community (CAN), the Common Regime on Intellectual Property (Decision 486) of the year 2000 regulates the granting of trademarks and patents, and protects industrial secrets and denominations of origin. In the Central American Integration System (SICA), the signing parties of the Protocol to the General Treaty on Central

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American Economic Integration (1993) agree to harmonize national legislations in the area of intellectual and industrial property. In the Caribbean Community (CARICOM), the Treaty of Chaguaramas (1973) defines the need for protecting property rights. In 1995, the Common Market of the South (MERCOSUR), with the aim of "promoting effective and adequate protection of intellectual property rights in trademarks, indications of provenance and designations of origin", decided to create the "Protocol on Harmonization of Standards on Intellectual Property" in the field of trademarks and indicators of origin and designations of origin. In turn, on 8 October 2015, the Member countries of the Pacific Alliance (AP), "recognizing that the adequate protection of industrial property and access to it represent a determining factor to spur regional development", signed the Joint Declaration of the Offices of Intellectual Property of the Pacific Alliance.

At the regional level, the Community of Latin American and Caribbean States (CELAC), at the II Meeting of High-Level Officials in Science and Technology (2014), established Working Groups on Human Talent and Knowledge Management. Likewise, in the Declaration of Belén (paragraph 14), stemming from the III Summit of Heads of State and Government of the CELAC, held in Costa Rica in 2015, a recommendation was made to strengthen the commitments in the area of technology transfer, financing and access to information, and intellectual property rights.

At the international level, within the framework of the 2030 Agenda for Sustainable Development, adopted in 2015, objective 9 on Sustainable Development (industry, innovation and infrastructure) establishes the need to "encourage innovation", specifically through an increase in scientific research and the enhancement of the technological capabilities of the industrial sectors, particularly in developing countries. Objective 17 (partnerships to achieve the objectives) calls for the collaboration between the governments, the private sector and society civil for mobilizing and reorienting resources depending on the compliance with the objectives of sustainable development by the year 2030.

Considering the importance of the issue of intellectual property at present because of its impact on industrial and technological development, innovation, science and technology and entrepreneurship, it was deemed appropriate to examine cooperation in the area of intellectual property in the countries of Latin America and the Caribbean.

It should be borne in mind that during 2016 the Permanent Secretariat, jointly with the government of Peru, through the Peruvian Agency of International Cooperation (APA), the Ministry of Foreign Affairs and the National Council on Science, Technology and Innovation (CONCYTEC), organized the XXVII Meeting of International Cooperation Directors and entities responsible for Science, Technology and Innovation, which took place in Lima, Peru, on 13 and 14 October.

### **B. Objectives**

The general objectives of this XXVIII Meeting are as follows:

1. Present a general balance of the achievements in the field of regulatory frameworks, and of cooperation initiatives in the area of intellectual property, industrial property, copyright, trademarks and patents in Latin America and the Caribbean.
2. Promote cooperation and the exchange of experiences among the offices in charge of intellectual property in the Member States of SELA.
3. Exchange best practices and lessons learned in the area of cooperation on intellectual property.

4. Identify opportunities for International Cooperation; Triangular Cooperation and South-South Cooperation (SSC) in matters related to intellectual property, with the support and coordination of the focal points for international cooperation of America Latin and the Caribbean, as well as cooperation actions and initiatives that could be developed with regional and international agencies.

### C. Expected results

1. Make a survey of the main cooperation initiatives developed thus far, both by Member States and regional and subregional institutions in the area of intellectual property.
2. Evaluate international cooperation, South-South Cooperation and Triangular Cooperation opportunities that are available to the countries of the region in the field of intellectual property in Latin America and the Caribbean.
3. Identify proposals and mechanisms for better use and coordination of international cooperation in the area of intellectual property.

### D. Activities and schedule

The XXVIII Meeting of International Cooperation Directors for Latin America and the Caribbean will last for two days and will count on the participation of the national focal points responsible for international cooperation, regional e international organizations, bilateral and multilateral development agencies, as well as experts and others actors specialized in the area of intellectual property.

Activities	Schedule
Convocation of the XXVIII Meeting of International Cooperation Directors for Latin America and the Caribbean	March
Preparation of the study	March - May
Translation and publication	May
Conduction of the XXVIII Meeting of International Cooperation Directors for Latin America and the Caribbean	June

### Activity II.1.5. Seminar on opportunities for international cooperation for Latin America and the Caribbean: Towards greater strengthening of regional cooperation

#### A. Background and justification

Since 1983, the Permanent Secretariat of SELA was designated as regional focal point for the exchange of information on Technical Cooperation among Developing Countries, through Decision No. 156, as adopted by the Latin American Council.

Since its inception, one of the fundamental objectives of SELA has been "to promote intra-regional cooperation, order to speed up the economic and social development of its members". Hence, in 1987 SELA instituted the Meetings of Inter-Regional Cooperation Directors for Latin America and the Caribbean, in order to provide a space for meetings and exchanges of ideas and experiences among the main actors of international cooperation, fundamentally among the government focal points in charge of cooperation in the Member States, regional and international organizations, academic institutions and the private sector, but especially with bilateral development agencies of

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industrialized countries and the members of the Organization for Economic Cooperation and Development (OECD) that contribute cooperation resources to Latin American and Caribbean countries.

For the region and for the international cooperation authorities of Latin America and the Caribbean, it is important to know, from the region's perspective, the various projects and cooperation initiatives that the international, bilateral, multilateral and even private stakeholders are implementing in Latin America and the Caribbean, so as to achieve a better and more efficient use of cooperation and to develop strategies to attract resources that may be available to the countries of the region, coming from different modalities of international cooperation.

International cooperation, Official Development Assistance and South-South Cooperation provide substantial resources that complement national budgets to encourage and promote development. The goal of contributing 0.7% of GDP to official assistance to development has only been reached by a few donor countries and the average ODA of the 27 countries that make up the Development Assistance Committee (DAC) stagnated at 0.3% of GDP (OECD, 2014). Paradoxically, despite such stagnation, total ODA has progressively increased since 2007, when it reached its lowest level in the last decade, standing at US\$ 116,000 million (ibid.), and rose to US\$ 137,200 million in 2014 (ibid.). However, Latin America and the Caribbean received only US\$ 10,079 million of that total for that same year (World Bank, 2014).

For this reason, it was deemed appropriate to organize a regional meeting so that bilateral and multilateral donors, as well as non-traditional donors (which are not members of the OECD or the DAC) can present a balance of the programmes, projects and initiatives that they are executing or are planning to undertake in Latin America and the Caribbean to the government authorities in charge of cooperation in the Member States. With this, it will be possible to achieve better coordination of regional cooperation and greater knowledge about it.

### B. Objectives

1. Make a survey of the main initiatives for international cooperation and Official Development Assistance being promoted by bilateral and multilateral towards Latin America and the Caribbean.
2. Single out the main initiatives for regional cooperation, South-South Cooperation and Triangular Cooperation being developed in the region.
3. Identify innovative sources of regional and international cooperation.

### C. Expected results

1. Create a meeting space for exchanges of information on the main initiatives for regional cooperation being implemented in the region, and facilitate the exchange of offers and demands for cooperation with bilateral and multilateral donors.
2. Contribute to promote greater coordination and synergies among the focal points in charge of international cooperation in Latin America and the Caribbean, as well as bilateral and multilateral donors.

### D. Activities and schedule

Activities	Schedule
Convocation of the regional seminar	October

Activities	Schedule
Conduction of the regional seminar	December

**Activity II.1.6. Latin American and Caribbean cooperation in Trade and Competition. Joint UNCTAD-SELA project. VII Annual Meeting of the Working Group on Trade and Competition of Latin America and the Caribbean (WGTC)**

**A. Background and justification**

Since 2008, the Permanent Secretariat of SELA has dealt with the subject of competition policy and its interaction with trade in the region through regional seminars with an important participation of trade and competition authorities of the Member States. In 2010, Decision N° 519 of the Latin American Council established the Working Group on Trade and Competition of America Latin and the Caribbean (WGTC), in which the Permanent Secretariat and the General Secretariat of the United Nations Conference on Trade and Development (UNCTAD) serve as Executive and Technical Secretariats, respectively.

The WGTC aims to achieve institutional strengthening in the countries of the region in the area of trade and competition, by facilitating the exchange of knowledge and experiences, promoting regional consultations and searching for economic and technical cooperation from both the region and the relevant international organizations working in the area.

The issue of policies on trade and competition in the region has been dealt with by the institutions for regional integration. In the case of the Andean Community, Decision 608 of 2005 establishes the "Standards for the protection and promotion of free competition". The Common Market of the South (MERCOSUR) has formed a Committee on Competition (CCM) and a Committee for the Defence of Competition (CDC), both stemming from the Protocol on Defence of Competition of MERCOSUR signed in 1996, which is the main standard approved by the organs of this mechanism in this matter and, in 2010, the group signed the Agreement on Defence of Competition of MERCOSUR. In turn, in 2008, the Caribbean Community (CARICOM) established the Commission on Competition, based on the competition policies established in the Treaty of Chaguaramas (2001). Central America institutionalized the Central American Forum on Competition, which has already held seven annual meetings.

In 2017, SELA plans to conduct the VII Annual Meeting of the Working Group on Trade and Competition of America Latin and the Caribbean, organized by the Permanent Secretariat of SELA and the General Secretariat of UNCTAD, which will allow for following up the subjects that are agreed upon in the VI Annual Meeting of the Working Group on Trade and Competition of Latin America and the Caribbean that will be carried out from 2 to 4 November 2016 on the island of Roatan, Honduras, in order to address the issues of harmonization of regulatory frameworks on trade and competition in the subregional integration mechanisms of Latin America and the Caribbean and the treatment of "dumping" in the legislations on trade and competition.

**B. Objectives**

1. Conduct, jointly with the General Secretariat of UNCTAD, the Inter-American Development Bank (IDB) and the host country, the VII Annual Meeting of the Working Group on Trade and Competition of Latin America and the Caribbean.

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2. Exchange experiences between the authorities on Trade and Competition of the Member States on priority issues on the regional agenda, as they emerge on the basis of the consultations and deliberations during the meeting in Honduras.

**C. Expected results**

1. Prepare, based on the conclusions and recommendations of the VI Meeting of the WGTC, an analytical study on the subject that is considered of high regional priority in the area of Trade and Competition.
2. Organize the VII Annual Meeting of Working Group on Trade and Competition of Latin America and the Caribbean.

**D. Activities and schedule**

<b>Activities</b>	<b>Schedule</b>
Preparation of the study	June
Translation and publication	September
Organization and conduction of the VI Annual Meeting of the Working Group on Trade and Competition of Latin America and the Caribbean (WGTC)	September

**PROGRAMME: SELA-SMEs**

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

**Activity II.2.1 Public Policy Index for MSMEs in Latin America and the Caribbean (IPPALC). Follow-up Programme**

**A. Background and justification**

The Public Policy Index for MSMEs in Latin America and the Caribbean (IPPALC) is a conceptual and methodological adaptation by the Permanent Secretariat of the Public Policy Index created and implemented since 2006 by the Organization for Economic Cooperation and Development (OECD), in conjunction with the European Commission, the European Bank for Reconstruction and Development and the European Training Foundation.

The Public Policy Index for MSMEs is a tool designed to evaluate and monitor public policies aimed at encouraging the economic dynamism of MSMEs, thus enabling the evaluation of decision-making processes, ensuring the comparability of results among countries and facilitating the exchange of experiences in the field of public policies for MSMEs.

Since 2015, when the document "Methodological considerations for developing an Index of Public Policies for SMEs in Latin America and the Caribbean" was prepared and presented, the Permanent Secretariat has promoted the dissemination of this tool in order to promote its adoption and implementation in the region.

In this regard, and as a follow-up from the effort made in 2015, the Permanent Secretariat prepared in 2016 the document "Update Study on the Public Policy Index for SMEs in Latin

America and the Caribbean (IPPALC)", which deals with the status of public policies for SMEs in the region and presents a detailed procedural framework for its implementation.

In July 2016, this study was presented during the "Regional Meeting on the Update Study on the Public Policy Index for SMEs in Latin America and the Caribbean (IPPALC)", held in San José, Costa Rica, with the co-sponsorship of the Ministry of Economy, Industry and Trade (MEIC). This event was attended by governmental focal points for SMEs of the Member States of SELA, as well as representatives of the OECD who expressed their interest in promoting the dissemination and implementation of the IPPALC in a joint effort with SELA.

In addition, the Work Programme of the Permanent Secretariat for 2016 includes a "Workshop on implementation of the Index of Public Policies for SMEs in Latin America and the Caribbean (IPPALC)", organized with the collaboration of the Authority for Micro, Small and Medium-sized Enterprises of Panama (AMPYME) and the OECD and held on 20 and 21 September in Panama City, Panama. The objectives of this activity are as follows: disseminate a standard methodology for the implementation of the IPPALC through practical exercises developed in the countries of the region; promote the use of the tool, showing the benefits of its implementation in optimizing the decision-making process; and identify the countries that meet the requirements for its implementation and express their interest in adopting the indicator.

The procedural framework designed by the Permanent Secretariat offers a detailed methodological process that conforms to the structural characteristics of the economies in the region. This implementation framework involves large institutional efforts that require the participation of different national bodies and the allocation of financial resources for the fulfilment of the procedures considered in its adoption. In this connection, and with a view to optimizing the use of this tool, the Permanent Secretariat is scheduled to conduct two technical workshops with those countries that are willing and prepared to implement the tool in the short term. In these workshops, an assessment will be made of the progress reported by these countries and the main strengths and weaknesses they have experienced in the implementation of the IPPALC.

## **B. Objectives**

1. Recognize and evaluate the progress of countries in the implementation of the IPPALC.
2. Promote a space for synergy to share national experiences on the implementation of the IPPALC.
3. Optimize the procedural framework designed by the Permanent Secretariat for the successful implementation of the IPPALC.
4. Redesign the IPPALC according to the needs and characteristics of each country.

## **C. Expected results**

1. Support the countries of the region in the successful implementation of the IPPALC.
2. Use an optimal procedural framework, designed to achieve the successful implementation of the IPPALC.
3. Develop technical notes on the construction of the Index.

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### D. Activities and schedule

Activities	Schedule
Planning and organization of the workshops	March-September
Conduction of two technical workshops	May-November

#### **Activity II.2.2. Workshop to support entrepreneurs in the protection of intellectual property rights: Protection of trademarks and patents from the perspective of micro, small and medium-sized enterprises (MSMEs)**

##### **A. Background and justification**

This is the era of entrepreneurship, and entrepreneurs are engaged in a revolution that is transforming and renewing the economies at the global level. Entrepreneurship has been one of the key factors for the promotion and creation of micro, small and medium-sized enterprises (MSMEs) around the world.

SMEs play a fundamental role in the economy of Latin America and the Caribbean (LAC) and its development. They represent 99% of the industrial fabric and generate 67% of sources of employment in the region. However, MSMEs in Latin America and the Caribbean face multiple challenges: i) low productivity; ii) low competitiveness and efficiency; iii) high degree of labour and tax informality; iv) limited growth and expansion; and v) low innovation. This last challenge has the greatest impact on the economic and trade performance of regional SMEs, since, in an economy that moves towards integration and globalization, the success of a good or a service in the market is determined by the role played by the *innovation factor*, which is enhanced through the development of entrepreneurial initiatives, among other things.

The differentiation of a product or service with respect to another is achieved through knowledge creation and application, both in manufacturing of goods (tangible assets) and creation and management of services (intangible assets).

That process of creating and applying knowledge in the manufacturing or processing of products (goods and services) is closely related to intellectual property, which is considered an intangible asset of the company and has given rise to intellectual property rights. They are a key tool to manage the development of intellectual property in the economy and its interrelation with economic stakeholders who use it.

MSMEs are potentially the engine of innovation in Latin America and the Caribbean. However, they do not leverage their own innovative and creative capacity due to, among other factors, relative ignorance of the intellectual property system. Therefore, it is imperative for MSMEs and entrepreneurs to clearly understand this system, which includes patents, copyright, trademarks, industrial designs, geographical indications and databases.

The protection, management and enforcement of intellectual property are evident in rights and in the system itself, in which MSMEs find incentives to turn ideas into commercial assets with marketing value and ensure reinvestment for the creation of new knowledge.

This also promotes higher levels of competitiveness, since it prevents the imitation and counterfeiting of goods and services protected by intellectual property rights belonging to MSMEs.

**B. Objectives**

1. Show the usefulness and importance of the protection of intellectual property rights, especially those rights associated with patents and trademarks, for the marketing of goods and services offered by MSMEs.
2. Identify the various methods by which the protection of intellectual property rights can increase the commercial value of MSMEs.
3. Link the holding of intellectual property rights by MSMEs with the procurement of funds.
4. Understand the relationship between the protection of intellectual property rights and export opportunities for MSMEs.
5. Build the capacity of MSMEs to obtain and maintain intellectual property rights in internal and external markets.

**C. Expected results**

1. Thorough understanding of the usefulness and importance of the protection of intellectual property rights as a tool that facilitates the commercial activity of MSMEs.
2. Recognition of the intellectual property system as an effective tool for the management of intellectual property in order to provide MSMEs with additional capabilities, such as access to sources of financing; diversification of sources of income; and association with knowledge and research networks for better strategic-commercial performance.
3. Promotion of best practices in public policies, private or public-private initiatives that link the protection of intellectual property rights with the agendas for the promotion and support of MSMEs with the aim of promoting their growth and expansion, including their possible inclusion in international markets.
4. Preparation of a guide that provides MSMEs with a better understanding of the intellectual property system; describes the mechanisms for access to intellectual property rights; inform about the national and regional authorities in the field of intellectual property; and encourage and strengthen the protection of intellectual property rights of MSMEs in Latin America and the Caribbean.

**D. Activities and schedule**

Activities	Schedule
Preparation of the "Guide on the protection of intellectual property rights of MSMEs in Latin America and the Caribbean, with special reference to patents and trademarks"	January-March
Organization of the Training Workshop on the protection of Intellectual Property Rights of MSMEs in Latin America and the Caribbean	May

**Activity II.2.3. Digital course on entrepreneurship in Latin America and the Caribbean****A. Background and justification**

The process through which an entrepreneurship initiative develops does not come from out of nothing and, most importantly, it is not limited to the mere conception of a different business idea.

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There are many proposals that attempt to conceptualize the different stages of the entrepreneurship process and, although many are based on the points of view of the designer, it is possible to deduct a common reference framework that satisfactorily explains the evolution of the entrepreneurship process. Such stages are as follows: i) Evaluation and subsequent establishment of the idea: What is it? What do I want to do? Is it technically feasible and financially viable? and Is it based on adequate documentation?; ii) A business plan for the development of the good or service *per se*, i.e., the establishment of the business model and funding, as well as the operational plan of the company; iii) the legal registration of the business; iv) The completion of the financing required to start up the enterprise; and v) the insertion into the market through an appropriate marketing strategy that ensures the effective marketing of the good or service.

During the aforementioned stages, the entrepreneur faces bureaucratic and logistics processes that hinder and slow down the innovative dynamics. In addition, the asymmetries in terms of information results in a waste of financial, human, intellectual and social capital resources, as well as deficiencies in the development of a sustainable business plan. This situation is further compounded by the lack of committed linkage with *mentoring* systems by institutions in the innovative ecosystem. Finally, without an innovative ecosystem that favours the exchange of knowledge and technology transfer, innovation is compromised.

In response to the challenges that emerge during the evolution of entrepreneurship initiatives, it turns out to be urgent to empower entrepreneurs so that they can timely respond to such challenges, on the basis of solidly informed and documented decisions. In addition, entrepreneurs should count on tools that help them to plan, direct and promote their business in a sustainable manner, effectively manage risks and seize the opportunities offered by the market. Such tools are grouped in the following areas: i) Personal features; ii) Inter-personal skills; iii) Critical and creative skills; and iv) Practical skills.

The first area includes aspects such as: Entrepreneurial vision; Persistence and motivation in the long term; Willingness to run risks; Focus on achieving objectives, and Resilience. Inter-personal skills include: Effective negotiation, Oral and written skills; Capacity to establish and maintain positive relationships; and Development and management of teamwork's and motivation towards the achievement of results through leadership. Critical and creative skills are as follows: Creative thinking to innovate; Design-oriented thinking to develop the idea and its business model; and Critical thinking for reflection and expansion of perspectives that facilitate problem resolution.

Finally, practical skills include: Establishing clear and feasible objectives; and planning and managing the financial, intellectual, human and social resources available to the company. In addition, it is necessary to emphasize the importance of Research and Development (R&D), depending on organizational aspects such as: production, logistics, marketing, business models, regulatory and legal protection systems, fiscal matters, infrastructure and technology.

### **B. Objectives**

1. Train new entrepreneurs so that they can develop their entrepreneurship while taking advantage of the benefits offered by Information and Communications Technologies (ICTs).
2. Identify the obstacles that may arise during the development of the entrepreneurship project and may threaten the consolidation of the enterprise.
3. Provide tools to entrepreneurs that enable them to develop personal, inter-personal skills and practices so that they can overcome, in a timely and efficient manner, the obstacles inherent to the development of an entrepreneurial initiative.

**C. Expected results**

1. Organize and conduct, by virtual means, a workshop on entrepreneurship for new entrepreneurs.
2. Make the future entrepreneur recognize the obstacles that may arise throughout the process of development and consolidation of an entrepreneur project and business plan.
3. Train entrepreneurs to develop personal, inter-personal skills and practices that allow them to build a high-potential entrepreneurial basis and that link them to their enterprise ecosystem, so that they can take advantage of its benefits.
4. Build a culture of entrepreneurship that is based on the certainty that the evolution of an entrepreneurial project is gradual and incremental, and make contributions to it.

**D. Activities and schedule**

Activities	Schedule
Design of the digital course on entrepreneurship in Latin America and the Caribbean	December 2016-February
Conduction of the digital course on entrepreneurship in Latin America and the Caribbean	June - Agosto

**Activity II.2.4 Regional Meeting on innovative mechanisms for financing and guarantees for MSMEs in Latin America and the Caribbean**

**A. Background and justification**

In Latin America and the Caribbean, micro, small and medium-sized enterprises (MSMEs) represent a great opportunity for regional social and economic development. In fact, they make up a large part of the private sector and significantly contribute to job creation. However, they face significant challenges, such as their high rate of informality, lack of innovation, and reduced growth as enterprises. Since they are usually established to cover a need, rather than to develop a business model, which is directly related to the main problem that they must face: *the difficulty to access financing*.

The issue of financing and guarantees for MSMEs has been dealt with on previous occasions by the Permanent Secretariat, in view of its importance and impact on these companies. The background to these activities should be recalled. It includes two meetings held by the Permanent Secretariat: The "Seminar-Workshop on Guarantee Systems in Central America" (San Salvador, El Salvador. 31 October to 1 November 2013) and the "Seminar-Workshop on Credit Guarantee Systems in the Caribbean" (Georgetown, Guyana, 14 and 15 October 2014). More recently, in 2015, the Permanent Secretariat conducted two activities to analyse this problem:

- i) The "Seminar on financing and support guarantees to SMEs in the Caribbean" (15 and 16 October 2015, in Kingston, Jamaica) which featured the "Pre-Feasibility Study on the Creation of a Regional Guarantee System for SMEs in the Caribbean" (SP/SFGA-PYMES-C/DT No. 2-15), and
- ii) The "Seminar on financing and support guarantees to SMEs in Central America" (3 and 4 September 2015. San Jose, Costa Rica), where the study "Financing and support guarantees

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to SMEs in Central America. Pre-feasibility study for the creation of a Regional Guarantee System for SMEs in Central America" (SP/SFGA-PYMES-CA/DT No. 2-15) was submitted.

The conclusions of both meetings led to actions and useful recommendations to continue strengthening guarantee and financial systems for MSMEs in the Caribbean and Central America. This new regional meeting will allow for following up the achievements made in terms of financing and guarantees in America Latin and the Caribbean and to analyse innovative forms of financing available to MSMEs. One aspect of particular interest will be the possibility of establishing a Regional Guarantee System for the Caribbean, for which it would be necessary to make strategic alliances with other regional organizations that favour its performance, such as CARICOM, CASME and the Caribbean Development Bank, among others.

### B. Objectives

1. Identify innovative financial and guarantee mechanisms in Latin America and the Caribbean.
2. Follow up the agreements reached at the Central American and Caribbean subregional meetings on financing and guarantees.

### C. Expected results

1. Analyse the opportunities for financing and guarantee for micro, small and medium-sized enterprises in Latin America and the Caribbean.
2. Make progress with the formation of the Caribbean Working Group to evaluate the feasibility of creating a regional guarantee system for the Caribbean subregion.
3. Contribute to the exchange of experiences for strengthening financing and guarantee systems in the region.

### D. Activities and schedule

Activities	Schedule
Convocation of the Regional Meeting on innovative mechanisms for financing and guarantees for MSMEs in Latin America and the Caribbean	June
Conduction of the Regional Meeting on innovative mechanisms for financing and guarantees for MSMEs in Latin America and the Caribbean	September

## Activity II.2.5 Training Workshop for MSMEs on continuity of business and operations vis-à-vis natural disasters

### A. Background and justification

Natural disasters in Latin America and the Caribbean continue to evidence the need to strengthen the preventive culture in society as a whole, but especially of micro, small and medium-sized enterprises (MSMEs) so as to ensure continuity of business and operations after disasters. This approach has prompted the creation of meeting spaces for the public and private sectors and the forging of partnerships in many countries in the region in order to mitigate the impact of disasters on the trade and exports sectors.

The social and economic impacts of disasters in the region has considerably increased, and such increase is not the exclusive consequence of climate change, but it is also associated with the levels and forms of occupation of the territory. Therefore, it can be said that such impacts are not the result of *more and worse disasters*, but of unsustainable development models.

Continuity of business and operations, understood as the capacity of an organization to continue to provide services and conduct business at acceptable levels after an interruption of its work, is aimed at the *survival of the organization*, and at prioritizing in advance which activities should continue to operate or recover in the shortest possible time in order to minimize the loss of markets, consumers and suppliers, among others. For this reason, protection measures for risk reduction are not enough, it is also necessary to define alternate strategies for operation located at a prudent distance from the site with potential of being affected by a disaster. The preparation in this area must be consistent and include all the staff of the organization or company.

Issues regarding this matter have been gathered in the best practices and international standards such as those of the Business Continuity Institute, NFPA 1600 and ISO 22301, which needed to standardize their contents. Continuity of business and operations in Latin America and the Caribbean is crucial for the region, because it is vulnerable to different natural, anthropogenic or technological threats.

Also, there is a methodology basis for maintaining a programme on continuity of business and operations, which is applicable both to the private and the public sector. It includes: i) Appropriate empowerment at the different levels of the organization to endow governance – management and administration – to the permanent process of continuity of business and operations; ii) Identification of priority and urgent activities for recovery, as well as alternate work places and facilities; iii) Protection of information and databases, as well as development of *interoperability* of communications; iv) Establishment of strategies for continuity and recovery activities; and v) Updating of plans and programmes for verification and assurance of compliance with goals and objectives.

Taking into consideration the holistic approach that continuity of business and operations attaches to its area of action, it is no surprise that this discipline is gaining higher status and priority in the countries of the region. However, challenges remain such as its *institutionalization* throughout Latin America and the Caribbean, and throughout all the sectors of society, as well as the recognition of the importance of working with a strategy like this, because the fact that an organization has not been affected by a disaster, crisis or contingency that disrupts its operations does not make it immune to disaster risk in the region, or exempts it from the responsibility of being permanently prepared to face a worst-case scenario.

The organizations that must adopting this strategy are not only large companies or multinational enterprises, they also include MSMEs. And hence the need to train them in continuity of business and operations so that they can ensure their commercial and exporting activities in adverse conditions after the occurrence of a disaster.

The subject of continuity of business and operations has been addressed by the Permanent Secretariat of SELA, which has conducted to date five regional meetings on Public-Private Partnerships for Disaster Risk Reduction in Latin America and the Caribbean, focusing attention on various issues such as protection of public and private investment in case of disasters, insurance against disasters, corporate social responsibility, and continuity of business and operations. On this latter issue, the Permanent Secretariat drafted two specific base studies that are very useful for MSMEs: "Continuity of operations (COOP) and continuity of government (COG): Implementation

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Guide for governments and local companies" (SP/III-SRASPPGRD/DT N° 2-14) and "Continuity of business and operations vis-à-vis disasters in Latin America and the Caribbean. Balance and recommendations" (SP/II-SR-ASPPGRD/DT N° 2-13).

### B. Objectives

1. Provide participants with a vision of the risks and vulnerabilities to which MSMEs and their suppliers of goods and services are exposed, and how an adverse event could affect the continuity of their business and operations.
2. Raise awareness about the need to adopt a methodology or guidelines for effective risk management in their business model, and to provide a strategy that facilitates the articulation and implementation of a programme on continuity of business and operations in case of disasters.
3. Provide MSMEs with practical knowledge that allows to apply the rules and standards for continuity of business and operations their enterprises.

### C. Expected results

1. Update knowledge about the methodologies, standards and norms for implementing plans for continuity of business and operations in MSMEs.
2. Contribute to developing the institutionalization of continuity of business and operations in a decentralized way.
3. Organize a face-to-face Workshop to train representatives of SMEs and trade union entities for MSMEs in Latin America and the Caribbean.
4. Draft a guide for continuity of business and operations of MSMEs vis-à-vis disaster scenarios.

### D. Activities and schedule

Activities	Schedule
Design of the "Training Workshop for MSMEs on continuity of business and operations vis-à-vis natural disasters"	January
Conduction of the "Training Workshop for MSMEs on continuity of business and operations vis-à-vis natural disasters"	January - March
Preparation of the Guide on continuity of business and operations in MSMEs	March
Translation and publication	April

<b>AREA III. EXTRA-REGIONAL RELATIONS</b>
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**PROGRAMME: EVALUATION AND PROMOTION OF EXTRA-REGIONAL ECONOMIC RELATIONS OF LATIN AMERICAN AND CARIBBEAN COUNTRIES**

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

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

**A. Background and justification**

From the first bi-regional meeting in 1999 to the last high-level event carried out in June 2015, the summit diplomacy between Latin America and the Caribbean and the European Union (EU) has become a key element of the political and economic strategies of countries from both regions, especially in the field of international cooperation and regional integration. Therefore, the creation of the Community of Latin American and Caribbean States (CELAC) in 2011 represented a step of greater importance to rebalance and boost the bi-regional relationship at the institutional level.

The First CELAC-EU Summit (2013) took place in a context of ongoing European economic crisis and focused on the promotion of social and environmental investments from a sustainable development perspective. The II CELAC-EU Summit, held in 2015, established a clear bi-regional route based on the following themes: i) science, research, innovation and technology; ii) sustainable development; iii) regional integration and interconnectivity; iv) migration; v) education and employment; vi) world drug problem; vii) gender; viii) investments and entrepreneurship; ix) higher education; and x) citizen security.<sup>1</sup> At the subregional level, this high-level meeting reaffirmed the need to continue institutionalizing the EU-Cariforum Economic Partnership Agreement, the Partnership Agreement between the EU and Central America, and to resume discussions on the EU-MERCOSUR Agreement.<sup>2</sup>

The Permanent Secretariat has followed up these bi-regional meetings and has prepared different studies and documents that analyse the economic, commercial and cooperation relations between Latin America and the Caribbean and the Union European. For the forthcoming II CELAC-EU Summit in 2017, it is considered appropriate to prepare a study that analyses bi-regional relations after the British exit from the European Union and the impact and consequences of that action on the integration process.

**B. Objectives**

1. Analyse the economic and trade relations between Latin America and the Caribbean and the Union European;

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<sup>1</sup> EU-CELAC Action Plan (2015).

<sup>2</sup> Brussels Declaration (2015).

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2. Review the opportunities in cooperation relations between Latin America and the Caribbean and the European Union;
3. Outline policy proposals to boost and diversify such relations vis-à-vis the III CELAC-EU Summit, to be held in 2017.

### C. Expected results

1. An analytical study on economic, trade and investment relations between Latin America and the Caribbean and the European Union based on mandates set forth in the Plan of Action agreed upon at the II CELAC-EU Summit (2015), including the Sustainable Development Goals (Agenda 2030), the EU Multi-annual Programme 2014-2020 and the EU Investment Mechanisms for Latin America and the Caribbean.
2. Assessment of the impact of the BREXIT on Latin America and the Caribbean and the European Union.

### D. Activities and schedule

Activities	Schedule
Definition of the Terms of Reference	December 2016
Preparation of the study	January - March
Translation and publication	April

#### **Activity III.1.2 Analysis of economic, trade and cooperation relations of Latin America and the Caribbean with the United States**

##### A. Background and justification

The Permanent Secretariat of SELA has prepared several studies on the evolution and trends of relations between Latin America and the Caribbean and the United States. The most recent is entitled "Recent evolution of bilateral relations between Latin America and the Caribbean and the United States" (2013). Other studies include "U.S. Economic Relations with SELA Member Countries in a Time of Transition" (2012); "The Impact of U.S. Economic Trends and Policy on Latin American and Caribbean Countries" (2011) and "U.S. Trade Policy under the Obama Administration: Implications for SELA Member States" (2010).

Following up on this topic, the recommendations arising from the "Regional Meeting: The United States economic relations with Latin America and the Caribbean. Status and prospects" (Caracas, 18 October 2013), carried out by the Permanent Secretariat of SELA, stressed the need to develop additional studies on trade and investment relations, as well as other issues on the bilateral and subregional agenda of the United States with Latin America and the Caribbean, including the following: export and investment in tourism and other services; the shortage of air and maritime transportation, remittances, sanitary and technical barriers, differences in protection of investment, energy, and impact of the immigration reform, given the specificities of Central America, on the one hand, the Caribbean, on the other, and the countries that have not signed FTAs with the United States. In addition, a recommendation was made to deepen the analysis of trends in the growing trade of the region with new markets, such as China, and their impact on relations between Latin America and the Caribbean and the United States, and to prepare an update study that covers the whole Latin American and Caribbean region in order to gain knowledge about the status of international trade and investment issues between the countries of the region and the

United States, not limited to the main multilateral institutions responsible for protection of investment.

## **B. Objectives**

Analyse the economic dynamics of the United States, with special emphasis on its trade policy actions that could have an impact on Latin American and Caribbean countries.

## **C. Expected results**

An update study on economic, trade, investment and cooperation relations between the United States and Latin America and the Caribbean.

## **D. Activities and schedule**

<b>Activities</b>	<b>Schedule</b>
Definition of the terms of reference of the analytical study, selection and hiring of consultant	December 2016
Preparation of the study	January - March
Translation and publication	May

### **Activity III.1.3 Analysis of economic, trade and cooperation relations of Latin America and the Caribbean with South Korea**

#### **A. Background and justification**

The Latin American and Caribbean region continues to face multiple economic challenges that make it susceptible to the ups and downs of the dynamics of the international economy. A proof of this is the fact that the region's economic growth contracted by 0.4% in 2015 (ECLAC, 2015), and the average contraction by the end the year 2016 is expected to total 0.6% mainly due to the confluence of internal factors, such as stalled investment and reduced consumption, and of external factors, such as a decrease in demand levels and a fall in commodity prices. The latter factor was responsible for the 14% drop in regional exports in 2015.

In order to increase regional productivity and materialize the necessary structural economic shift towards more sophisticated activities, with a greater content of applied technical knowledge and aimed at diversifying production and increasing the export base, it is necessary to improve, among other things, public policies in the field of innovation, science, technology, employment and education. In this scenario, the experiences of Korea are helpful, serving as a learning tool that contributes to the design of a new economic model that is more favourable to Latin America and the Caribbean.

Korea, a country that for 20 years has been a member of the OECD, an organization that includes the world's largest economies, has been successful in economic and social development, having as fundamental pillars of its efforts the following: investment, innovation and human capital. The country has been able to become a high-income economy, with a strong export industry, broad scientific-technological capital, social cohesion, and educational achievements (OECD, 2015).

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Recent leverage of Korea's model of development has been achieved through the *creative economy* approach. According to this approach, the revitalization of the economy occurs through the implementation of relevant public policies in the following areas: internationalisation of small and medium-sized enterprises; science and technology, and environmental sustainability – green growth – as well as the encouragement of private sector intensive in the use of knowledge to foster innovation and collaboration with the public sector.

Trade relations between Latin America and the Caribbean with the Asia-Pacific region have been expanding gradually since the 1980s. Exports to Asia-Pacific reached US\$ 16,200 million in 2014 (ECLAC, 2015), and imports from that region amounted to US\$ 24.600 million the same year. In this economic development model, relations between Korea and America Latin and the Caribbean play a crucial role, while seeking mutual benefits. The value of trade exchanges amounted to US\$ 500,000 in 2014 (East Asian Forum, 2015) and it is expected to increase to US\$ 700,000 million by 2020. However, trade relations are still at modest levels since the show high levels of concentration in exported/imported products, the destination markets and the industries that manufacture such products (ECLAC, 2015).

Cooperation for development has shown rising levels since 2000, totalling US\$ 100 million in 2013 (ECLAC, 2015), with an emphasis on mitigating social inequalities, strengthening administrative capacities and transparency of governments, and promoting sustainable development in the region.

Relations between the region and the Asian country must be revitalized, based on the fact that Latin America and the Caribbean can gain relevant knowledge about designing procedures and implementation of public policies from the exchange of experiences with the *Knowledge Sharing Programme*, or decentralize the region's sources of investment, which come mainly from China.

SELA considers that it would be very positive to reactivate the transpacific relations of its Member States with the Republic of Korea, by promoting the necessary mechanisms to go beyond their current status, which is framed only within the *Memorandum of Understanding between the Latin American Economic System (SELA) and the Korean Council on Latin America and the Caribbean (CCFTA)*, of 1999.

### **B. Objectives**

1. Assess the current status of economic, trade and cooperation relations between the Republic of Korea and the Member States of SELA, with regional prospects and by country.
2. Exchange experiences on successful public policies that have contributed to the social and economic development of the Republic of Korea, with potential adaptation to the Latin American and Caribbean region.
3. Strengthen transpacific trade with the Republic of Korea, as well as the flows of development assistance channelled to Latin America and the Caribbean.
4. Contribute to the international insertion of Latin America and the Caribbean in the area of trade.

### **C. Expected results**

1. Greater understanding and thorough reflection on the necessary potential and mechanisms for increasing transpacific trade and financial flows.

2. Use of the niches of opportunities for an appropriate destination and optimum utilization of financial, technological and physical resources designated for bilateral cooperation between the Republic of Korea and Latin America and the Caribbean.
3. Possibility for coordinating the public policies of the Member States of SELA, by learning from the successful experiences of the Republic of Korea, to achieve greater and better internationalization of their economies and a thriving technological development, within a framework of environmental sustainability.
4. Contribution to the consideration of alternatives that favour the economic and commercial structural changes in Latin America and the Caribbean, with timely mentoring from those extra-regional countries that have been successful in consolidating an initiative to change their model of economic development.

**D. Activities and schedule**

<b>Activities</b>	<b>Schedule</b>
Definition of the terms of reference	December 2016
Preparation of a study that analyses the current status of the economic, trade and cooperation relations of the Republic of Korea with Latin America and the Caribbean	March-May
Design of the meeting with the Member States of SELA and Korean agencies responsible for inter-regional relations with Latin America and the Caribbean (KOICA, KCLAC, EDCF) to discuss and reflect on the status of transpacific relations in the areas of trade and flows of aid for development in international cooperation, and to take positions based on that for the period 2017 and onwards.	May
Conduction of the meeting	June