PROPOSED PRIORITIES AND PROGRAMME OF WORK
2008-2009

José Luis Machinea
Executive Secretary
MEDIUM-TERM PLAN FOR 2008-2009

- Process of collective thinking in ECLAC organizational units (September-December 2005, “bottom-up approach”)

- Retreat for Directors of ECLAC divisions (Zapallar, 2-3 March 2006)
  - Regional analysis
  - Discussion of priorities
  - What to do, how, and with whom?
REGIONAL ANALYSIS
1980-2002

MAIN ECONOMIC ISSUES

Internal:
- Slow, unstable economic growth
- High volatility of capital flows
- Productive heterogeneity and low investment levels
- Specialization in sectors lacking dynamism at the international level

International:
- Limited progress on the multilateral agenda
- Globalization’s impact differs from country to country
- ODA to the region decreased from 12% to 8% of the global total (US$ 6 billion)
REGIONAL ANALYSIS
1980-2002

MAIN SOCIAL ISSUES

- Deterioration in the distribution of income and wealth (the world’s most inequitable region)
- High levels of unemployment and informality (quality of employment)
- Persistence of constraints on access to production factors for broad sectors of economic agents
- Major increase in social spending
- Improvements in life expectancy and falling infant mortality
- Strong progress in terms of gender equity in education
- High levels of poverty
- Declining social cohesion
- Growth of international migration
- Fragility of democratic systems due to social tensions
REGIONAL ANALYSIS
1980-2002

ENVIRONMENTAL SUSTAINABILITY ISSUES

- Increased vulnerability to natural disasters (Caribbean and Central America)
- Damage to natural heritage and biodiversity (production and export patterns)
- Insufficient diversification of energy matrices and markets
- Progress in provision of regional public goods (environmental services)
- Potential participation in global carbon markets
- Development of instruments for economic/environmental integration
ECONOMIC TRENDS IN 2003-2006

- Cautious optimism: growth estimated at 4.3% in 2005 and 4% in 2006, completing four consecutive years of expansion
- Estimated regional per capita GDP growth: 10% (2004-2006)
- Balance-of-payments current account surplus

SUBJECT TO A FAVOURABLE INTERNATIONAL ENVIRONMENT
A FAVOURABLE INTERNATIONAL ENVIRONMENT

- Growth of worldwide GDP and trade: The highest in the past 30 and 25 years, respectively
- New geographical profile of financial and trade flows: China and other Asian countries
- Business cycle highly dependent on the link between the United States and China
- Differing effects by subregion: South America, Mexico and Central America, and the Caribbean

UNSTABLE BALANCES DUE TO RISKS AND CHALLENGES
RISKS AND CHALLENGES

International environment
- Twin deficits in the United States
- Oil prices
- Slowdown in China’s growth
- Rising protectionism

Medium- and long-term challenges
- Maintaining macroeconomic order and avoiding excessive exchange-rate appreciation
- Creating investment opportunities
- Productive diversification
- Investing in human capital (scale and efficiency of social spending)
ECLAC PRIORITIES

- Improvement of the region’s position in the international economy
- Consolidation of progress in macroeconomic stability (nominal and real)
- Improving social cohesion
- Increasing production potential
- Enhancing sustainable development policies
- Gender mainstreaming
- Improving global institutions
INTERNATIONALLY AGREED DEVELOPMENT GOALS, INCLUDING THOSE SET FORTH IN THE MILLENNIUM DECLARATION

Pivotal theme linking all ECLAC priority areas of work
Integrated into the substantive content of all the subprogrammes
Regular monitoring of progress towards their achievement in the region
PROGRAMME STRUCTURE

12 SUBPROGRAMMES

- 3 - economic agenda
- 3 - social agenda
- 2 - sustainable development and natural resources
- 1 - training and public administration
- 1 - statistics and projections
- 2 - subregional perspective: Central America and the Caribbean
12 SUBPROGRAMMES

ECeOMIC AGENDA

- LINKAGES WITH THE GLOBAL ECONOMY,
  INTEGRATION AND REGIONAL COOPERATION
- PRODUCTION AND INNOVATION
- MACROECONOMIC POLICY AND GROWTH
Summary of the economic agenda

- Monitoring trends in financial and trade flows and advances in multilateral negotiations (Doha)
- Support for complementarity between bilateral agreements and regional, hemispheric and multilateral accords
- Strengthening countries’ negotiating capacity for the implementation and administration of various trade agreements
- Increasing linkages between exports and the rest of the production apparatus to maximize value added
- Incorporation of new knowledge-intensive and dynamic processes and products into the production structure: innovation and ICT
Summary of the economic agenda

- Policies for inclusion and modernization of micro-, small and medium-sized enterprises and increasing the density of the productive fabric
- Countercyclical monetary and fiscal policies
- Improving the workings of financial systems (access, costs, new instruments)
- Promotion of domestic investment and saving
- Development financing: global and regional sources
- Gradual advances in macroeconomic coordination to promote integration
12 SUBPROGRAMMES

SOCIAL AGENDA

- EQUITY AND SOCIAL COHESION
- MAINSTREAMING THE GENDER PERSPECTIVE INTO THE REGIONAL DEVELOPMENT PROCESS
- POPULATION AND DEVELOPMENT
Summary of the social agenda

- Maximizing quality employment to ensure sustained growth with greater equity
- Need for a social pact. Combining market-based solutions with guarantees of solidarity-based financing in order to:
  — Ensure universal access to social protection
  — Strengthen human capital formation, and
  — Achieve greater social cohesion
- Social institution-building
Summary of the social agenda

- Gender mainstreaming in public policy
- Follow-up to the Beijing Platform for Action and the Mexico City Consensus
- Incorporation of sociodemographic variables into social programming
- International migration: institutional aspects and impacts on countries of origin
- Demographic transition and latest trends in fertility and mortality
- Follow-up to the Cairo Programme of Action (population and development) and the Madrid Plan of Action (ageing)
12 SUBPROGRAMMES

SUSTAINABLE DEVELOPMENT AGENDA

- SUSTAINABLE DEVELOPMENT AND HUMAN SETTLEMENTS
- NATURAL RESOURCES AND INFRASTRUCTURE
Summary of the sustainable development agenda

- Generation of data and indicators for assessing sustainable development
- Strategic environmental assessments: determining the value of externalities and modelling of policy options
- Climate change and clean development mechanisms
- Integrated follow-up to international and regional agreements on sustainable development: Monterrey, Johannesburg, Kyoto Protocol, Doha Round, Habitat II
Summary of the sustainable development agenda

- Ensuring the sustainability of the region’s natural-resource-based linkages with the world economy
- Public policies to improve the distribution of rents from utilization of the region’s natural heritage
- Linking up technologically efficient and environmentally sustainable processes
- Integration of physical infrastructure in the region and treatment of conventional and renewable energy sources in the configuration of energy matrices and markets
12 SUBPROGRAMMES

TRAINING

- PLANNING OF PUBLIC ADMINISTRATION

STATISTICS

- STATISTICS AND ECONOMIC PROJECTIONS
Summary of training

- ILPES: the ECLAC system’s training centre organizes international courses
- Modernization of the State
- Economic and social planning
- Budgetary and public investment policies
- Local development
Summary of statistics

- Promoting quality and coverage in the production of economic, social, demographic and environmental statistics
- Support for the adoption of new international standards by the region’s statistical systems: national accounts, economic statistics and indicators for follow-up to the MDGs
- Harmonization of statistical data: gradual convergence towards the goal of regional excellence is facilitated by the sharing of experiences and best practices
12 SUBPROGRAMMES

SUBREGIONAL ACTIVITIES
IN MEXICO AND CENTRAL AMERICA

SUBREGIONAL ACTIVITIES
IN THE CARIBBEAN

4 NATIONAL OFFICES
1 LIAISON OFFICE
Summary of subregional agendas

- Topics relating to both subregions also dealt with in specialized subprogrammes from Santiago
- Mexico and Central America:
  - Patterns for international linkages with the world economy, subregional integration and integration agreements with the United States (CAFTA-DR)
  - Migration and remittances
- Caribbean
  - Subregional integration (macroeconomic coordination for the creation of the Caribbean Single Market and Economy by 2008)
  - Particular aspects of the sustainable development of Small Island Developing States: follow-up to the Mauritius Strategy
  - Strengthening of economic, social and environmental statistics and indicators for monitoring progress towards the MDGs
- Joint tasks: assessment of the socio-economic and environmental impacts of natural disasters
ECLAC Services

- Research (multidimensional, integrated approach)
- Advisory services to Governments in relation with public policy and technical cooperation (projects)
- Training and technical capacity-building
- Multisectoral forum (regional dialogue)
- Reliable source of comparable statistics and indicators
- Integrated follow-up to world summits dealing with economic and social issues
Users and counterparts

- National counterparts:
  - Sectoral ministries and departments
  - Central banks
  - Academic centres
  - Universities

- International counterparts:
  - International agencies (including United Nations bodies and programmes and the Bretton Woods institutions)
  - Specialized regional and subregional agencies

- Users:
  - Public policy-makers and government officials
  - Sectoral programme managers
  - Private-sector agents
  - NGOs and civil society
DELEGATIONS’ CONSIDERATION OF THE DRAFT

DEBATE ON PRIORITIES AND THE CONTENTS OF THE PROGRAMME OF WORK (by subprogramme)
ECLAC PRIORITIES

- Improvement of the region’s position in the international economy
- Consolidation of progress in macroeconomic stability (nominal and real)
- Improving social cohesion
- Increasing production potential
- Enhancing sustainable development policies
- Gender mainstreaming
- Improving global institutions
SUBPROGRAMME 1: LINKAGES WITH THE GLOBAL ECONOMY, INTEGRATION AND REGIONAL COOPERATION

Subject areas:

1.1 Trends in the world economy and trade policies
1.2 Trade negotiations and regional integration
1.3 Trade and transport facilitation
SUBPROGRAMME 2: PRODUCTION AND INNOVATION

Subject areas:

2.1 Analysis of recent changes in the region's production structure

2.2 Analysis of the behaviour of the main economic agents in the region

2.3 Analysis of the performance of the main economic agents: innovation and knowledge
SUBPROGRAMME 3: MACROECONOMIC POLICIES AND GROWTH

Subject areas:

3.1 Overview and sectoral review of the performance of the Latin American and Caribbean economies

3.2 Analysis of development strategies and economic and social policies in the region
SUBPROGRAMME 4: EQUITY AND SOCIAL COHESION

Subject areas:

4.1 Assessment of the social situation of the population
4.2 Design of social protection institutions to strengthen governance
SUBPROGRAMME 5: MAINSTREAMING THE GENDER PERSPECTIVE INTO THE REGIONAL DEVELOPMENT PROCESS

Single subject area
SUBPROGRAMME 6: POPULATION AND DEVELOPMENT

Subject areas:

6.1 Demographic analysis and population projections
6.2 Population data
6.3 Integration of sociodemographic aspects into social programming at the national and local levels
6.4 Regional cooperation on population and development
SUBPROGRAMME 7: PLANNING OF PUBLIC ADMINISTRATION

Single subject area
SUBPROGRAMME 8: SUSTAINABLE DEVELOPMENT AND HUMAN SETTLEMENTS

Subject areas:

8.1 Evaluation of advances in sustainable development in the region

8.2 Integration of public policies, appraisal of externalities and follow-up of international and regional agreements for sustainable development

8.3 Sustainable development and human settlements
SUBPROGRAMME 9: NATURAL RESOURCES AND INFRASTRUCTURE

Subject areas:
9.1 Sustainable management of natural resources
9.2 Provision and regulation of public utilities and infrastructure services
SUBPROGRAMME 10: STATISTICS AND ECONOMIC PROJECTIONS

Subject areas:

10.1 Technical cooperation with member States and regional statistical bodies

10.2 Statistical databank on Latin America and the Caribbean, and dissemination of regional statistics and indicators

10.3 Economic statistics and the System of National Accounts

10.4 Modelling and prospective analysis of the development process in the countries of Latin America and the Caribbean

10.5 Statistics and quantitative analysis of social trends
SUBPROGRAMME 11: SUBREGIONAL ACTIVITIES IN MEXICO AND CENTRAL AMERICA

Subject areas:

11.1 Economic development
11.2 Social development
11.3 International trade
11.4 Agricultural and rural development
11.5 Productive development
11.6 Energy and natural resources
11.7 Indicators and disaster assessment
SUBPROGRAMME 12: SUBREGIONAL ACTIVITIES IN THE CARIBBEAN

Subject areas:

12.1 Cooperation and integration
12.2 Economic development
12.3 Environment and technology
12.4 Statistics and social development
12.5 Knowledge and information management