

OECD Latin American & the Caribbean Regional Programme



BETTER POLICIES FOR BETTER LIVES

REGIONAL PROGRAMME **RESPONDING** TO AN **INCREASING DEMAND FROM THE REGION** OECD LAC | 01

The significant economic and institutional progress that Latin America and the Caribbean region has undergone over the last couple of decades has increased the interest of the region to identify good policy practices in specific domains where the OECD is the go-to institution, including development policies, competition and regulation, corporate governance, education and vocational training, gender, informality and social protection, and fiscal policy.

The membership of Mexico in 1994 and the opening of the OECD Mexico Centre for Latin America in 1996 were key milestones that facilitated a more fluid exchange with the region. Since the early 2000s, a number of Regional Policy Networks (RPNs) emerged, linked to OECD committees (see page 18). Moreover, since 2008, the Latin American Economic Outlook¹, the International Economic Forum on Latin America and the Caribbean² and the membership of a greater number of LAC countries to the OECD Development Centre - 14 countries to date - contributed to expanding the scope and depth of this co-operation (see pages 15 and 16). In 2009, the "LAC Initiative" launched with the support of Mexico, Spain and Portugal, opened new avenues of co-operation and gained momentum in 2010 with the membership of Chile.

In 2013 and 2014, OECD Members called for the provision of greater coherence and strategic guidance to existing activities with the Latin American and the Caribbean (LAC) region³. This became a mandate at the 2015 Ministerial Council Meeting inviting the OECD to "consolidate the activities in the Latin American and Caribbean region through a strategic framework and to consider the establishment of a regional programme that could be launched at the MCM 2016"4.

PROMOTING BETTER **POLICIES**

In January 2015, OECD Members decided to create the OECD LAC Regional Programme (LACRP), officially launched on 1 June 2016 at the OECD Ministerial Council Meeting⁵. Chile and Peru became Co-Chairs of the LACRP for the first three years, then Mexico and Brazil from 2019 to 2022, and currently Colombia and Paraguay are sharing the Co-Chairmanship until 2025.

Today, policy dialogue between Latin America and the Caribbean and the OECD is stronger than ever. Chile, Colombia, Costa Rica and Mexico are OECD Members and on 25 January 2022 the OECD Council decided to open accession discussions with Argentina, Brazil and Peru. All of these countries, together with the Dominican Republic, Ecuador, El Salvador, Guatemala, Panama, Paraguay and Uruguay are members of the OECD Development Centre. The above mentioned countries, in addition to Honduras, OECD Members and partner International Organisations form the Steering Group of the LACRP (see page 7).



"Latin America and the Caribbean is a region of strategic importance, sharing the OECD's fundamental values of democracy, economic openness, peace and prosperity for all, transparency, and international rules and standards. The LAC Regional Programme is an excellent tool to help the region promote better policies for better lives across that important part of the world."

> MATHIAS CORMANN OECD Secretary-General

> > OECD LAC | 02

- 1 Prepared by the Development Centre with a growing number of partners currently with ELAC, CAF and the European Union
- 2 Organised by the Development Centre with the IDB and the Government of
- 3 See C(2013)58/FINAL (Resolution iv) and C/MIN(2014)11 (paragraphs 43-46, 8
- 4 Ministerial Statement, C/MIN(2015)14, para. 16
- 5 C(2016)1/FINAL

WITH EIGHT OBJECTIVES IN MIND



"Despite being the most recent of the OECD Regional Programmes, we are very proud of the impact of this OECD LAC partnership over these 6 years. It owes much of its success to a powerful combination of:

- First, the leadership of the Co-Chairs: Mexico and Brazil, preceded by Chile and Peru;
- Second, the momentum created by the accession of Colombia and Costa Rica to the OECD, and the recent invitation to Argentina, Brazil and Peru to start the accession process;
- Third, thanks to the active engagement of the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Panama and Uruguay; the advice of Canada, Germany, Korea, Portugal, Spain, the UK, the strategic partnership with the EU and the support of all OECD Members; and
- Fourth, the whole-of-OECD engagement from all Directorates, together with the synergies with 10 international organisations.

MIL GRACIAS to all for making a difference together."



"Over the last 5 years, the OECD Development Centre – as co-manager of the LAC RP – has been instrumental in strengthening the engagement between the OECD and Latin American and Caribbean. This enduring partnership benefits from our close co-operation with the region, mainly through our diverse membership that includes 14 Latin American countries. The Centre has strengthened a dialogue with LAC in the framework of Development in Transition, through policy platforms such as the Latin American Economic Outlook, the Revenue Statistics, the International Economic Forum and country-specific analyses of the region. They will continue to be key contributions as the region recovers from the COVID-19 crisis."



ANDREAS SCHAAL
Director of OECD Global Relations



RAGNHEIDUR ELÍN ÁRNADÓTTIR
Director of the OECD Development Centre

ADVANCING POLICY REFORMS

The LACRP supports the region's advancement of its reform agenda along four of its most pressing and relevant policy priorities: increasing productivity, enhancing social inclusion, and strengthening institutions and governance, while ensuring environmental sustainability. The COVID crisis has reaffirmed the importance of reforms in these areas which, together with greater attention to environmental concerns should allow for a stronger, more inclusive, more resilient and green recovery.



OECD Latin America & the Caribbean Regional Programme

"The OECD has been a steadfast partner for our region in the search for knowledge and expertise that can enhance economic performance, improve the quality of democratic institutions, reduce inequalities, and tackle climate change. Whether it pertains to environmental preservation or the interaction between global trade and local development, Latin America and the Caribbean are not only on the frontline as spectators of these unfolding events, but the region is also a seedbed of new ideas for the road ahead. The OECD and the region stand to gain from the type of engagement the OECD Programme for Latin America and the Caribbean makes possible. Together they can chart a path towards a more just and sustainable society with lessons that are bound to reverberate in other regions as well."

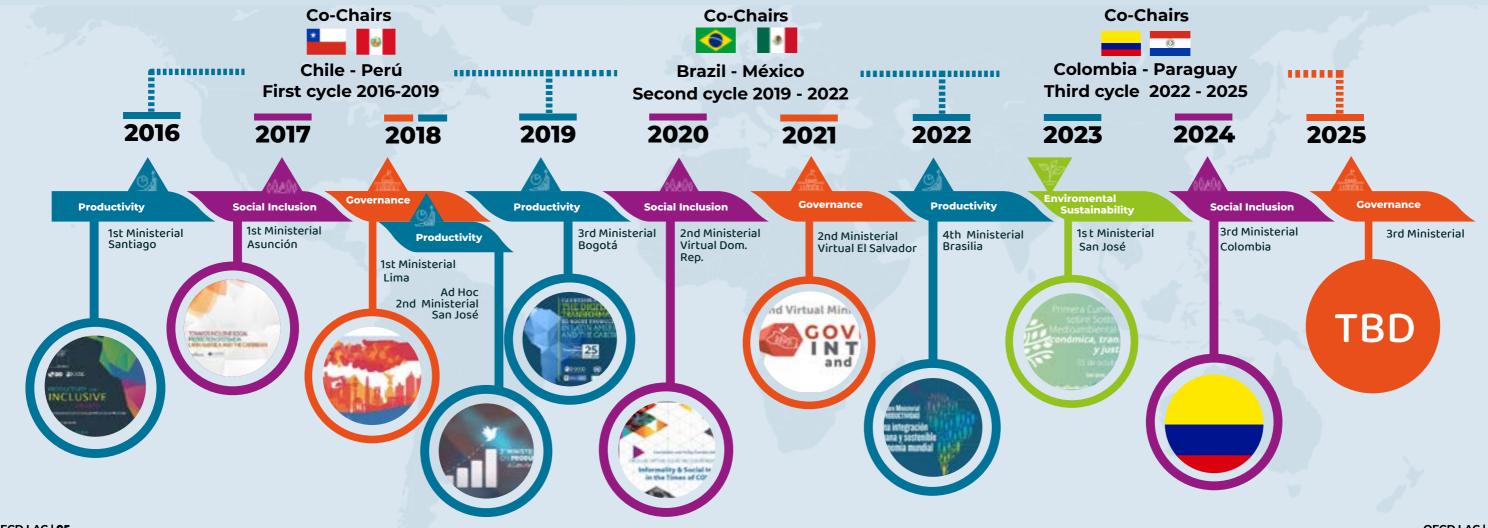
LUIS FERNANDO MEDINA Permanent Representative of Colombia to the OECD (Co-chair of the LACRP 2022- 2025)





"In this uncertain global context, the OECD Programme for Latin America and the Caribbean supports the countries of our region to ride out the current multi-crisis. The recent addition of the environmental sustainability pillar aims to provide adequate responses, while recognising the interrelationship with the other three pillars: productivity, social inclusion, and governance. The LAC region has significant natural resources and is therefore an ineluctable player in building a more sustainable world. To achieve its objectives, the OECD-LAC Programme is adapted to the specific needs of the region and should reinforce his role as a platform for dialogue and exchange of experiences and good practices, both at the regional level and with the international community."

CYNTHIA FILÁRTIGA LACROIX Ambassador of Paraguay to France (Co-chair of the LACRP 2022- 2025)





STEERING GROUP **MEETINGS**

the LAC Regional Programme. It is open to all OECD Members, the European Union (EU) and LAC members of the OECD Development Centre ⁶ and others upon request⁷. It meets twice a year, usually one at the OECD Headquarters and in the region in the margins of the Ministerial Summits. The Steering Group is also a privileged space for coordination and cooperation with partner international organisations. In total, 14 International Organisations participate as permanent members of the Steering Group. Some organisations with a specific sector or regional focus have participated ad hoc in Steering















Group Meetings.







LACRP MINISTERIAL SUMMITS

A High Level Meeting (HLM) or Ministerial Summit is held every year in the LAC region addressing one of the thematic priorities (Productivity, Social Inclusion, Governance and Environmental Sustainability) on a rolling basis, creating a multi-year platform or track for each of the priorities. They are organised by the Global Relations and Cooperation Directorate (GRC), bringing together expertise from across the Organisation, partner international organisations, civil society, academia and private sector.

The Global Relations and Co-Operation Directorate supports and prepares the Steering Group and Ministerial Summits work by bringing together expertise from across the Organisation, together with the OECD Development Centre.

The Productivity track is closely linked with the Global Forum on Productivity led by the OECD Economics Department (ECO) and Directorate for Science, Technology and Innovation (STI).

The Social Inclusion track benefits from the engagement and leadership of the Development Centre, the Directorate for Employment, Labour and Social Affairs (ELS) and the new Centre for Well-Being, Inclusion, Sustainability and Equal Opportunity (WISE).

The Directorates for Public Governance (GOV) and Financial and Enterprise Affairs (DAF) lead the work on integrity, anti-corruption and transparency in the governance pillar.

The Environmental Sustainability track is a horizontal priority supported by the expertise of many OECD directorates, in close cooperation and led by the Environment Directorate.

The Ministerial Summits have also strengthened partnerships built over time with regional organisations.

7 This is the case of Honduras

6 Argentina, Brazil, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Panama, Paraguay, Peru and Uruguay.

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2016

2018

2019

2022



Opened by Michelle Bachelet, President of Chile.

300 Participants

- 9 Ministers/Vice-Ministers
- 8 OECD and LAC countries 2 International Organisations



Opened by Luis Guillermo Solis, President of Costa Rica.

200 Participants

- 13 Ministers/Vice-Ministers
- 14 OECD and LAC countries
- 2 International Organisations



Opened by Marta Lucía Ramírez, Vice-President of Colombia.

- **400** Participants
- 11 Ministers/Vice-Ministers
- 23 OECD and LAC countries
- 7 International Organisations



Opened by José Carlos Oliveira, Minister of Labour and Social Security of Brazil

800 participants

- 10 Ministers/Vice-Ministers
- 29 OECD and LAC countries
- 13 International Organisations

The First LAC Ministerial Summit on Productivity

"Boosting Productivity and Inclusive Growth in Latin America" was hosted by Chile on 5-6 December 2016 and served to address the nexus between productivity and inclusive growth (topic of 2016 OECD Ministerial Council Meeting) in the LAC context. Key conclusions were that productivity-enhancing reforms do pay off. The relevance of giving visibility and policy coherence to the productivity agenda was highlighted, with institutions such as the Productivity Commissions of Mexico and Chile represented.

Participating countries proposed to address specific policy issues with regard to the producivity agenda in subsequent meetings. This led to the organisation of a second Productivity Summit and the proposal of a follow-up meeting with a focus on digital transformation towards the end of 2019.

The productivity "track" held the Second Ministerial Summit on Productivity in Costa Rica on 18 March of 2018 in the context of the LACRP's collaboration with the OECD Global Forum on Productivity.

The meeting focused on regional trade integration as an avenue to foster productivity growth. Key conclusions include that foreign direct investment does not guarantee linkages with local firms and overall productivity growth, therefore highlighting the need to create local capacities to effectively engage in value chains. It was highlighted on the one hand, the importance of avoiding market distortions that produce inefficiencies in allocation of resources, and on the other, the important links between trade facilitation and productivity growth, particularly for emerging countries, and when dealing with intermediate goods.

Cases of ambitious engagement in trade agreements, such Mexico and Costa Rica, provided evidence of positive productivity gains for SMEs in specific regions and sectors, in particular when accompanied with skills upgrading policies.

The Third Ministerial Summit on Productivity and the Global Forum on Productivity took place on 25 October 2019 in Bogota, Colombia. The meeting focused on how the region could harness digital transformation (DT) to increase productivity.

Given that DT presents both opportunities and challenges for Latin America and the Caribbean, a key conclusion was that countries should implement with a sense of urgency, coordinated actions from a whole-of-government and regional perspective on various fronts. Enhancing affordable access to broadband and digital technologies closing the digital divides; helping SMEs and youth engage in the DT; undertaking digital government strategies oriented to provide better services and facilitate life for citizens and businesses; and enhancing trust, ensuring privacy and cyber-security. This meeting set the tone for the Ministerial Summits of the second cycle of the LACRP under the leadership of Mexico and Brazil, with the organisation of follow-up webinars and associated projects.

The Fourth Ministerial Summit on Productivity took place on 23-24 June in Brasilia, Brazil, in the context of the OECD-Brazil week and OECD Global Forum on Productivity.

The meeting focused on strategies and actions for the LAC region to achieve a productive, human-centred and sustainable integration in the world economy. The discussion focused on how LAC economies can adapt to a new international trade context, get the most out of their citizens' skills, and boost the green and digital transitions.





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All Ministerial Summits on Productivity are organised together with the OECD Global Forum on Productivity.







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ENHANCING SOCIAL NCLUSION



2017

2020

2024



Opened by Horacio Cartes, President of Paraguay.

250 Participants11 Ministers/Vice-Ministers22 OECD and LAC countries6 International Organisations



Opened by Miguel Vargas Maldonado, Minister of Foreign Affairs of the Dominican Republic, Carlos Alvarado, President of Costa Rica and Marta Lucía Ramírez, Vice-President of Colombia.

800 online Participants

- 23 Ministers/Vice-Ministers
- 29 OECD and LAC countries
- **11** International Organisations



The First Ministerial Summit on Social Inclusion was held in Asuncion, Paraguay on 16 November 2017. It focused on the imperative of building more inclusive social protection systems and how they can be adapted and reformed to promote formal jobs and consolidate the region's growing middle class. It highlighted the importance of conducting a transition from conditional cash transfers and fragmented programmes to integrated systems that provide support and protection across the life cycle, increasing efficiency in social spending and improving progressivity of taxation.

Only with such a comprehensive approach, the region could tackle informality, which leaves workers without the social protection and represents large losses for workers and firms.

The Second Ministerial Summit on Social Inclusion took place in virtual format on 13, 15, 16 and 17 July 2020 hosted by the Dominican Republic. The meeting focused on Informality and Social Inclusion in the context of the COVID-19 pandemic.

A growing consensus emerged about the need for a "renewed social pact" and a "Roadmap for Action" was developed with short-term recommendations to prevent contagion, job losses and enterprise closures, and a medium-term recommendation to set the ground for a more inclusive recovery path. These include efforts towards achieving universal social protection and healthcare coverage, initiatives to reduce the incidence of informality, providing quality education and greater impulse to digital skills, and promoting job opportunities for youth, women, migrants and indigenous populations. A renewed social pact will also need more inclusive forms of citizen engagement in policy-making and social dialogue, as well as exploration of financing alternatives for the necessary reforms in social protection systems.

The 3rd Ministerial Summit on Social Inclusion will take place in the second half of 2024 and be hosted by Colombia.

It will aim to become a key milestone in the regional efforts towards breaking the vicious cycle of poverty, informality and incomplete social protection systems, focusing on empowering the grassroots economy, which refers to commercial activities and occupations (production, distribution and commercialisation of goods and services) and non-commercial (domestic or community) developed by small-scale economic units (personal, family, or micro-businesses), in any economic sector

The ministerial will contribute to the regional debate from different angles:

- The well-being perspective: specific vulnerabilities and multi-dimensional challenges of the grassroots economy. Key policy objectives and financing needs to address them.
- Opportunities that the digital and green transition offer to the social transition, notably in the domain of financial and digital inclusion, formal job creation and social entrepreneurship.
- Inclusiveness perspective: focus on the economic inclusion of women, youth, migrants, indigenous populations, and remote areas.
- Social protection perspective: concrete avenues to strengthen and expand social safety nets untying their financing from formal-sector employment



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2018



2025



Opened by Martín Vizcarra, President of Peru.

350 participants 33 Ministers/Vice-Ministers 8 OECD and LAC countries 8 International Organisations



Opened by Felix Ulloa, Vice-President of El Salvador.

700 only participants 17 Senior government officials 20 LAC and OECD countries **10** International Organisations



The First Ministerial Summit on Governance was held on 18-19 October 2018 in Lima, Peru. The meeting focused on "Integrity for Good Governance in LAC: from commitments to action" providing momentum of the regional anti-corruption agenda

set in the Lima Commitment, endorsed at the Summit of the Americas in April 2018. An Action Plan emerged from the meeting with recommendations in 10 policy areas with which LAC countries can advance a comprehensive Integrity and Anti-corruption Strategy, including:

(1) Mitigating the risk of policy capture;

(2) Improving efficiency, effectiveness and openness of the public administration;

(3) Laying the foundations for an ethical and responsive meritbased civil service;

(4) Reinforcing internal and external control and audit;

(5) Enhancing trust in the system through effective enforcement mechanisms;

(6) Preventing corruption in public procurement;

(7) Developing capacities at the subnational level to promote articulated integrity policies;

(8) Promoting good corporate governance and integrity in State Owned Enterprises;

(9) Promoting a shared responsibility with the private sector in creating a culture of integrity; and

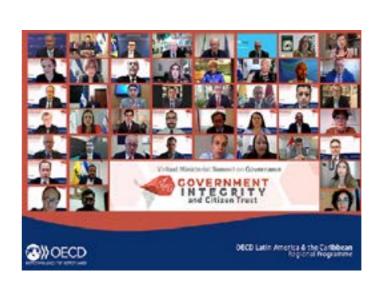
(10) A comprehensive and coherent institutional framework boosts integrity and anti-corruption policies.

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The Second Ministerial Summit of the Regional Programme for Latin America and the Caribbean (PRALC) on Governance took place from 8-10 December 2021, with El Salvador as virtual host country. The event focused on rebuilding public trust during and after COVID-19.

In preparation for the high-level meeting, LACRP hosted three webinars, on the role of digital technologies in building trust, good governance to shield large infrastructure projects from corruption, and the involvement of stakeholders (private sector, civil society, international co-operation) in integrity strategies.



The 2025 Ministerial on Governance will look at the advances made since the 2018 the Action Plan on Integrity for Good Governance in Latin America and the Caribbean.







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2023



The First Ministerial on Environmental Sustainability "Economic resilience, green and just transition" will take place on 5 October 2023 and be hosted by Costa Rica in San José. It will gather government officials from OECD and LAC countries, the EU and International and Regional Organisations to discuss the interaction between environmental sustainability objectives with the productivity, social inclusion and governance agendas.

Expert Workshops

- Expert Workshop on Priorities on Climate Neutrality and Resilience in LAC was organised on the 31 August 2022 assembling over 120 experts who brought to the forefront suggestions on designing and implementing effective climate action to deliver on their national and joint environmental and climate commitments.
- Capacity-Building Workshop on Environmental indicators took place on the 4 July 2023 assembling over 138 experts who exchanged on the concrete challenges of the LAC region on environmental data and information collection, treatment and analyses.

Regional Policy Dialogues

 The 1st LAC Regional Policy Dialogue on Environmental Sustainability was held on 18-19 November 2021; With about 100 participants, the two-day virtual event discussed common priorities for an enhanced regional co-operation in the field of environmental sustainability.

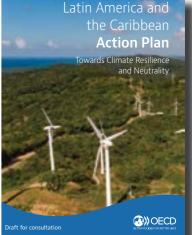
- The 2nd LAC Regional Policy Dialogue on Environmental Sustainability was held virtually on 18-20 October 2022, and focused on "Enhancing Climate Finance and Promoting Technology Transfer in the LAC Region". The meeting was attended by almost 140 participants from 13 LAC countries, representing public administration, academia, private sector and other international organisations active in the region.
- The 3rd LAC Regional Policy Dialogue on Environmental Sustainability was held virtually on 9-10 March 2023, and focused on "Addressing Climate Change Adaptation in LAC".
 The meeting was attended by 155 participants from public administration, academia, civil society and international organisations active in LAC.

Action Plan:

The key outcome of the Ministerial on Environmental Sustainability will be the Action Plan on Towards Climate Resilience and Neutrality. It is proposed by the OECD under its Regional Programme for Latin America and the Caribbean (LACRP) and in collaboration with associated institutions to help prioritise the most effective sectoral actions, define their sequence, and act accordingly.





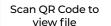














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LATIN AMERICAN ECONOMIC OUTLOOK (LEO)

Over the years, the <u>Latin American Economic Outlook</u> has covered key topics for the region, such as the LAC-China Relationship (2016), Youth, Skills and Entrepreneurship (2017), Institutions for Development (2018), Development in Transition (2019), and Digital Transformation (2020), COVID-19 Recovery (2021), green and just transition 2022. These editions have been launched in high-level fora, including the Ibero-American Summit, the Americas Summit, and in the framework of the UN General Assembly.

will have in the future. In the last five years, the Latin American Economic Outlook has covered key topics for the region, such as the LAC-China Relationship (2016), Youth, Skills and Entrepreneurship (2017), Institutions for Development (2018), Development in Transition (2019), and Digital Transformation (2020) COVID-19 Recovery (2021), green and just transition (2022). These editions have been launched in high-level fora, including the Ibero-American Summit, the Americas Summit, and in the framework of the UN General Assembly.

INTERNATIONAL **ECONOMIC LAC FORUMS**

The International Economic Forum on Latin America and the Caribbean is one of the most prominent Europe-based events devoted to public policies in LAC. Every year, leaders from the public and private sectors, as well as high-level representatives from International Organisations, gather to discuss different aspects of the continent's economic development. This forum is a joint effort between the French government through the Agence Française de Dévéloppement (AFD), the Inter-American Development Bank and the OECD Development Centre.





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OECD POLICIY INDICATORS

The LACRP is constantly expanding the availability and comparability of LAC countries in OECD databases and policy indicators. This is already allowing countries to see their progress in attaining OECD standards.

OECD LAC Data Portal

In 2017, the OECD LAC Regional Programme (LACRP) launched the OECD-LAC data portal to increase visibility and provide user-friendly access to the increasing number of OECD statistics and policy indicators in the areas of macroeconomics, digital economy, health, environment, education and skills, gender, migration, public sector, taxation, trade and investment and well-being.





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Overall indicator **◎**⟩> **PMR 2018** Distortions Induced by Status Involvement Barriers to Domestic and Foreign Entry Public Ownership Involvement in Business Operations Simplification and Evaluation of Regulations Admin Burden on Start-ups Barriers in Service & Network sectors Barriers to Trade and



Shows that the country in question reached EU or OECD average in such indicator

LAC POLICY NETWORKS

Policy Dialogue and exchange of good practice takes place in the context of annual meetings of 13 Regional Policy Networks linked to OECD Committees.

Regional policy dialogue meetings have been organised in more than 20 LAC cities and virtually, as our networks have adapted to the COVID-19 context to continue with an active dialogue in the region.

SINCE	NETWORKS	COMMITTEES
2000	OECD-IDB Senior Budget Officials Network	Public Governance
2000	<u>Latin American Corporate Governance</u> <u>Roundtable</u>	Corporate Governance
2003	OECD-IDB LAC Competition Forum (LACCF)	Competition
2010	LAC Fiscal Initiative	Fiscal Affairs
2010	LAC Investment Initiative	Investment
2011	LAC Network on Corporate Governance of State-Owned Enterprises	Corporate Governance
2015	OECD Network on Open and Innovative Government in LAC	Public Governance
2015	OECD Network on Regulatory Improvement	Regulatory Policy
2016	OECD LAC Health Systems Network	Health
2016	LAC Law Enforcement Network (LAC LEN)	Working Group on Brib- ery
2017	OECD-IDB LAC Public Integrity Network	Public Governance
2017	LAC Regional Network of the OECD International Network on Financial Education (INFE)	Financial Markets (INFE)
2019	OECD-EU Responsible Business Conduct in LAC (RBC-LAC)	Investment

OECD Regional Policy Networks



<u>Calendar of meetings of OECD</u> <u>Regional Policy Networks</u>



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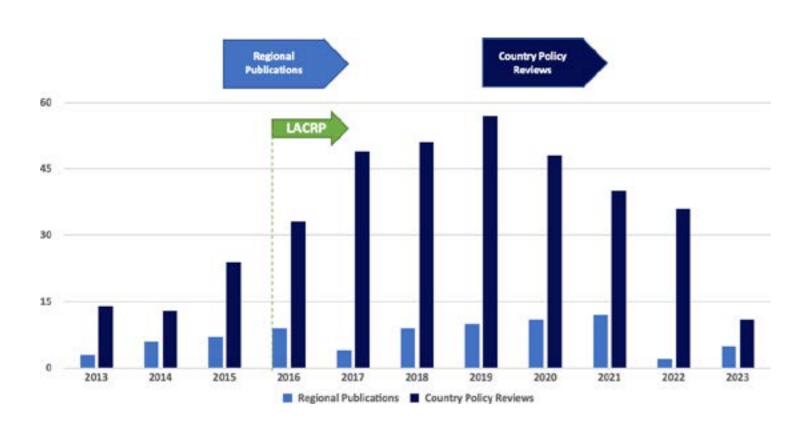
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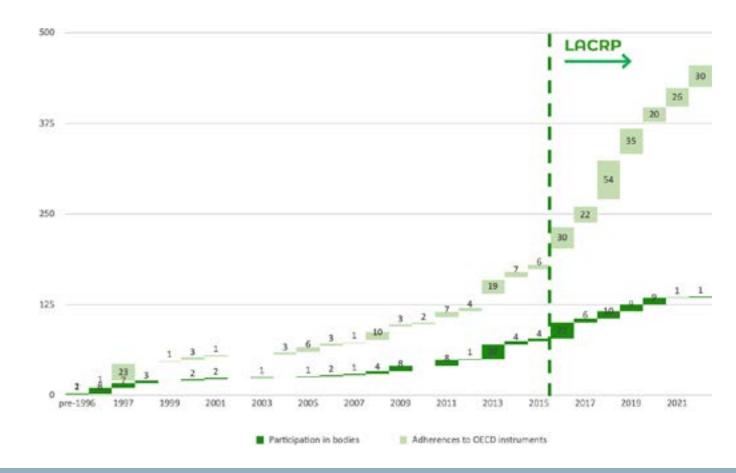
HIGH QUALITY POLICY ADVICE

GREATER ADOPTION OF OECD STANDARDS

Over the years, more than 71 regional reports and 329 country specific reports were produced, covering 35 countries in the region



LAC countries' adherence to OECD instruments grew markedly from 102 in 2016 to 263 today. Participation of LAC countries in OECD bodies also grew strongly, from 48 (in 2016) to 103 today...



























Support the OECD LAC Regional Programme

To remain an inclusive platform for LAC countries, the OECD LAC Regional Programme does not charge membership fees and mainly relies on Voluntary Contributions (VCs) from some Advisory Board and Steering Group members, Business partners and Foundations. If you would like to partner with this transformative initiative intended to advance policy reforms in the LAC region and support countries reach higher policy standards, do not hesitate to contact us.

LACRegionalProgramme@oecd.org

FOR MORE INFORMATION

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