

Forum of the Countries of Latin America and the Caribbean on Sustainable Development 2022

Fifth meeting of the Forum - San José, 7-9 March

On site meeting | 08 March 2022

Panel 1: From development in transition to development for action: towards renewed international development cooperation

09:00 to 10:00 Main Room

7 minutes intervention

Dear Excellencies, dear colleagues,

It is such a great pleasure to meet all of you here today - finally in person. In my position for the last six months or so, as the Director of the Development Centre I have met many of you on numerous occasions, but only virtually, As a matter of fact, on day 3 in my job, I participated virtually at the Extraordinary Meeting of the Committee on South-South Cooperation, in Chile., and most likely met almost all of you!

First of all, I would like to start by warmly thanking Ms Alicia Bárcena, Executive Secretary of ECLAC for kindly inviting me to join this panel, alongside such distinguished speakers today. She and Mario gave a good description of the background of the DiT concept as we know it and it was encouraging to hear their account of the good cooperation that the Development Centre of the OECD has had with UN ECLAC and the European Union, in particular, over the last few years on this issue. I can guarantee that there will be no change in that on my watch at the Development Centre.

Ladies and Gentlemen,

I would like to congratulate Costa Rica for hosting the 5th Forum of the Countries of Latin America and the Caribbean on Sustainable Development. It is truly a pleasure for me to be here with you today in Costa Rica – a country that leads by example and ranks high across many development indicators in the region.

On this day today, the International Women's Day, it is especially relevant and important to highlight Costa Rica's accomplishments in the field of gender equality, such as that Costa Rica ranks second in the OECD for the share of women in ministerial positions, fifth for the number of women in Parliament, and first in the OECD's pilot index on development of a diverse central government workforce.

I must add, that it was truly an inspiration to listen to the incredibly impressive women here in the panel before us sharing their views and experience. Happy international women's day to all of us.

Ladies and Gentlemen,

This Forum comes at a crucial time for the region and for international development cooperation. The COVID-19 crisis has shown that we were ill-prepared to deal with unpredictable global systemic crises. The health crisis that soon turned into an economic crisis with global consequences, has demonstrated the importance of working together to protect and provide global public goods.

Since the onset of the COVID-19 pandemic, the region has experienced a sharp setback. In 2020, the poverty rate rose to that of ten years ago, while extreme poverty climbed to levels last seen over 20 years ago. This is happening in a vulnerable context where 45% of the region's population live in households that entirely depend on informal employment.

In 2015, the SDGs charted a new course for development thinking and measurement. The impacts of the pandemic are a stark reminder that development frameworks need to **prioritise the wellbeing of people and of the planet**, take into account **how global and local dynamics are connected** and **identify synergies between different policy areas**. The crisis has also revealed how development is a **multidimensional and continuous** process that can be reversed in any moment.

As highlighted in our *Latin American Economic Outlook 2019*, jointly produced with ECLAC, CAF and the European Union, Development in Transition seeks to better understand the region's interlinked development traps: low productivity, high informality

and insufficient social protection, weak trust in institutions and the obstacles to a low-carbon development model. DiT also seeks to identify the international frameworks that can help LAC countries break out of these structural traps and reach higher levels of development.

So how do we put Development into Transition into action?

First, by building broad public and political support and creating development plans that anchor wellbeing priorities into long-term government operations. For that we need to have wellbeing indicators in place to measure the success of these plans and the diverse dimensions of wellbeing, such as life expectancy, employment, homicide figures and air quality, to name just a few.

Although we see a progressive increase in the number of development plans adopting this multidimensional perspective in the region, focusing solely on economic objectives still prevails.

Recent work on adapting the OECD Well-being framework to Latin American countries was a step forward. For instance, the well-being framework was adjusted to address the key challenge of informality in LAC through dedicated indicators. We have also analysed the current availability of data, shedding light on areas that need investment in statistical capacity. Moving forward we need to explore how this multidimensional well-being approach could also serve orienting new international partnerships.

Second, we need concrete policy tools, to further align national and international priorities, because global dynamics affect national capacities to overcome development traps. For instance, we will need to face the digital and the green transitions together. Understanding and responding to different starting points and endowments will be essential for the recovery. We need to create spaces for dialogue to build coordinated and integrated international support, including:

- Innovative finance– the debt for climate action swaps are a good example;
- The co-creation of standards and norms – very much relevant when it comes to cybersecurity, data protection and transparency in data management or the ethics of artificial intelligence;
- And capacity building to support countries in getting closer to agreed international standards and norms.

The third requirement, I believe, is strong regional integration. Regional collaboration provides a unique space through which countries, facing similar challenges, can share best practices and guidance on how to design policies and compare results and outcomes.

International co-operation and partnerships should support important regional efforts, such as ECLAC's Sanitary Self-Sufficiency Plan, approved by the 33 LAC countries at the recent Summit of Heads of State and Government of the Community of Latin American and Caribbean States. This Plan that sets out lines of action to strengthen capacities to produce and distribute vaccines and medicines in the region. Supporting this effort is contributing to create stronger health systems in Latin America and the Caribbean.

Dear colleagues,

A number of countries in the region, have sought our support in putting the Development in Transition approach into action, including Costa Rica, Chile and Uruguay at the latest Ibero-American summit. European countries have also agreed on the need to update their co-operation with the region to address the multidimensional and prevailing vulnerabilities of middle-income countries following the DIT approach.

Let us continue to foster our partnerships and take innovative measures to secure a strong and sustainable recovery and a prosperous future for LAC.

The Development Centre stands clear and ready to be of all service possible. I guarantee that I will take Alicia up on her challenge and promise her to ensure a loud voice of DiT in Paris.

I thank you again for the opportunity to participate in this panel and look forward to the discussion.

Background

Development in Transition (DiT) has become more than a stream of work, also a political agenda, as it has opened up a space for voices of change in international co-operation. As a result of steering this political agenda, Development in Transition has served the OECD Development Centre to achieve important milestones and political statements towards the pressing need of redefining development models:

- DiT has contributed to the reflection of EU development policies, notably it has contributed to the new Neighbourhood, Development and International Cooperation Instrument (NDICI) - Global Europe, which will expand EU co-operation efforts also to countries that have graduated from ODA, from 2022 onwards.
- DiT was a key priority of the Portugal Presidency of the EU Council (June 2021); the European Council conclusions on the EU partnerships with Middle-Income Countries highlighted the opportunities for consolidating the DiT agenda;
- The Special Communiqué at the XXVII Ibero-American Summit where LAC countries approve the initiative led by Uruguay, Chile and Costa Rica, showed the engagement of the region to promote and consolidate DiT to advance towards a more inclusive forms of co-operation and multilateralism.
- The President of the EU Council, Charles Michel, and the President of EU Commission, Ursula Von der Leyen, alongside the Heads of State of 7 LAC countries holding the presidencies of regional/sub-regional organisations, formally welcomed LEO 2021 in the EU-Latin America & Caribbean Leaders' Meeting (2 Dec. 2021), which is the building block of the DiT narrative for Latin America and the Caribbean.