Supporting Trade, Integration, and Regional Cooperation in Latin America and the Caribbean

Integration and Trade Sector
2014
INTRODUCTION

Regional and global integration, trade, and regional cooperation are mechanisms that facilitate economic growth and social and sustainable development in the Latin America and the Caribbean (LATAM) region. The Inter-American Development Bank (IDB) has supported integration since its inception, and—through the Ninth General Capital Increase of the Bank (GCI-9)—has strengthened this institutional priority by establishing a financial goal for 2015 of investing 15 percent of its loans in integration projects. This important mandate to stimulate the global and regional integration of LATAM countries requires more creative and dynamic solutions.

The IDB has been executing a strategy of global and regional integration using three essential pillars: integration software, integration hardware, and regional public goods. Integration software involves supporting countries in the reform of regulatory frameworks that enable them to increase their presence in global and regional markets, such as through promotion of exports; attraction of foreign investment; trade facilitation; cross-border integration; support in the negotiation and implementation of trade agreements; and financial integration. The hardware consists of investment in physical infrastructure, energy, and telecommunications as a way to physically connect the region and reduce the wide connectivity gap. Finally, the integration agenda also involves regional and functional cooperation through the provision of regional public goods in education, health, and the environment, among others.

To carry out this ambitious agenda, the Bank provides financial instruments, such as loans and technical cooperations, and non-financial instruments, such as strategic integration initiatives, applied research and information systems, dialogues and public-private forums, capacity building, and strategic partnerships with other institutions. These instruments are funded by both the IDB’s own resources and those of its strategic partners in the integration agenda.

This renewed and strengthened effort by the IDB to promote regional and global integration has required significant institutional adjustments over recent years, such as the creation of the new Trade and Investment Unit (TIU); the reassignment of the Institute for the Integration of Latin America and the Caribbean (INTAL) to the IDB’s Integration and Trade Sector (INT); and the strengthening of technical and operational coordination between INT and other IDB units. This brief summary highlights a series of IDB’s sector strategy and initiatives in support of trade, integration and regional cooperation in Latin America and the Caribbean.
IDB SECTOR STRATEGY TO SUPPORT TRADE, INTEGRATION, AND REGIONAL COOPERATION IN LATAM

- Operational and Financial Support
- Strategic Initiatives and Alliances
- Dialogues and Public-Private Forums
- Applied Research
- Strategic Partners
- Capacity Building
- Regional Public Goods
- Information Systems
COOPERACIONES TÉCNICAS DE INT PARA APOYAR LA INTEGRACIÓN CARIBBEAN

VENUES

<table>
<thead>
<tr>
<th>Region</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mesoamerica</td>
<td>$6.38M</td>
</tr>
<tr>
<td>Caribbean</td>
<td>$2.75M</td>
</tr>
<tr>
<td>Andean Region</td>
<td>$4.8M</td>
</tr>
<tr>
<td>Southern Cone</td>
<td>$7.08M</td>
</tr>
<tr>
<td>Haiti</td>
<td>$1.3M</td>
</tr>
<tr>
<td>Regional</td>
<td>$36.92 M</td>
</tr>
</tbody>
</table>

REGIONAL

<table>
<thead>
<tr>
<th>Region</th>
<th>Number of Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mesoamerica</td>
<td>7</td>
</tr>
<tr>
<td>Caribbean</td>
<td>3</td>
</tr>
<tr>
<td>Andean Region</td>
<td>3</td>
</tr>
<tr>
<td>Southern Cone</td>
<td>9</td>
</tr>
<tr>
<td>Haiti</td>
<td>2</td>
</tr>
<tr>
<td>Regional</td>
<td>40</td>
</tr>
</tbody>
</table>

*Sub-regions according to IDB organizational structure
**INITIATIVES AND STRATEGIC ALLIANCES**

PREMIER SOCIAL NETWORK FOR BUSINESSES IN THE AMERICAS

[www.connectamericas.com](http://www.connectamericas.com)

**CONNECT LEARN FINANCE**

MORE THAN 14,000 accustomed users

**WHAT IS IT?**
An innovative social platform that facilitates the search for business contacts, online courses, policy advice on exports, financing opportunities, virtual business communities, and registration for the main events organized by the Inter-American Development Bank.

**WHO BENEFITS?**
Any SME can access the platform and join free of charge to establish contacts and use all of the available tools. Members can access potential clients, providers, partners, and investors from the Latin American and Caribbean region and other regions throughout the world.

**HOW DOES IT WORK?**

**CONNECT**
Find new opportunities for your business.

**LEARN**
Discover how to expand your business into other countries.

**FINANCE**
Explore financing options available to your international business.

**MORE THAN 90,000 VISITS**

* Figures as of October 2014
The Americas Business Dialogue is an initiative supported by the IDB to promote public-private high-level dialogue that contributes to the economic and social development of the region, with the participation of business leaders and associations.

**DIALOGUES AND PUBLIC-PRIVATE FORUMS**

**AMERICAS BUSINESS DIALOGUE**

[www.americasbd.org](http://www.americasbd.org)

- **2012**
  - Business Summit of the Americas
    - Origins: Cartagena, Colombia
    - 13 heads of state
    - >700 business leaders from countries throughout the region

- **2013**
  - Presentations on the initiative to CEOs and business leaders in all countries of the region.

- **2014**
  - Organization
    - The following working groups were established:
      1. Energy
      2. Infrastructure, Transportation, and Connectivity
      3. Global and Regional Integration
      4. Regulation
      5. Innovation and Human Capital
      6. Finances
      7. Natural Resources
      8. Social Development

- **2014-2015**
  - Next Steps
    - Presentation of Working Groups in the framework of the LAC Global Summit 2014 (Sao Paulo, June 2014)
    - Presentation of preliminary results at the VIII Forum on Competitiveness of the Americas (Port of Spain, October 2014)
    - Summit of the Americas 2015 (Panama)

**DISSEMINATION, STRATEGIC ALLIANCES, AND CONSENSUS BUILDING**
SYNCHRONIZED FACTORIES: LATIN AMERICA AND THE CARIBBEAN IN THE ERA OF GLOBAL VALUE CHAINS

The fragmentation of global production - in global value chains - is a powerful mechanism of insertion into the global economy. For Latin America and the Caribbean to take full advantage of these opportunities, it is necessary to have more efficient transport systems and logistics, greater regional integration, and an institutional framework to facilitate contractual relationships between firms."

SHAPING THE FUTURE OF THE ASIA AND THE PACIFIC-LATIN AMERICA AND THE CARIBBEAN RELATIONSHIP

The strong growth of trade and investment between Latin America and the Caribbean and Asia and the Pacific has transformed both regions into powerful engines of the world economy, with bilateral trade reaching US$442 billion in 2013. This study indicates that the time has come to deepen this relationship to ensure future growth and prosperity.
INTRADEBID
www.iadb.org/intradebid

12 MILLION TARIFF PREFERENCES
1 MILLION RULES OF ORIGIN
110 COMMERCIAL AGREEMENTS
FREE DOWNLOAD INSTRUCTIONS FOR EXPORTING OVER 5,000 PRODUCTS

WHAT IS IT?
A comprehensive online gateway that includes in-depth data on trade agreements, statistics and indicators that measure the structure and performance of trade in LATAM.

TOOLS
• For Business
• For Negotiators
• For Analysts

TOPICS
• Legal Framework
• Market Access
• Statistics and Indicators

PUBLICATIONS AND SERVICES
• Trade and Integration Monitor
• Trend Estimations
• Policy Briefs
• Modeling Services
CAPACITY BUILDING
TRAINING OF PROFESSIONALS FROM TRADE ENTITIES

OVER 100 COURSES IMPARTED
OVER 3000 CERTIFIED
51% WOMEN

INTEGRATION AND TRADE CAPACITY BUILDING PROGRAM

COURSE TOPICS
+ 20 themes in 4 clusters:
  - Trade Facilitation,
  - Implementation of Trade Agreements,
  - Export Promotion

VIRTUAL COURSES
Customized attention,
Specialized tutors,
From 6-9 weeks length,
Average weekly study of 15 hours,
MOOCs (edX and ConnectAmericas)

FACE-TO-FACE COURSES AND SEMINARS
Imparted jointly with strategic partners
(MODI, WTO, JITC...)
Dialogue between specialists,
Presentation of case studies.

COMMUNITIES OF PRACTICE
Innovative 2.0 training,
6 themes,
Targeted for implementers,
Knowledge-sharing among peers.

REGIONAL PUBLIC GOODS
HORIZONTAL SOUTH-SOUTH COOPERATION

104 PROJECTS APPROVED SINCE 2004
US$78 MILLION IN REGIONAL PROJECTS
54 PROJECTS IN EXECUTION
US$44 MILLION IN EXECUTION

SECTORS (5 PROJECTS)
- Institutions (37)
- Infrastructure and Environment (24)
- Integration and Trade (14)
- Social (28)
- Research (1)

ANNUAL CALL FOR PROPOSALS
- Open to all sectors
- Minimum 3 borrowing countries present proposals

RESULTS
- Coordination of public policy
- Promotion of regional cohesion
- Accumulation of knowledge and innovation
- Regional strategies for global forums

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RIIF
Multidonor Integration Fund
Canada, Colombia, Mexico, Spain, United States
Established in the context of the IDB Integration Strategy to support:
• Reforms and regulatory harmonization of integration
• Institutional capacity building
• Simultaneous investment in integration hardware and software
Total contribution: US$22 million
Projects in execution: 19

Aid for Trade
Multidonor Trade Fund
Canada, Chile, Switzerland, United Kingdom
Established to support the implementation of trade and integration agreements through:
• Strengthening of trade policies
• Promotion of the services sector to increase and diversify trade
• Support for compliance of agricultural standards in export markets
• Promotion of trade facilitation and security
Total contribution: US$14 million
Projects in execution: 29