



VERBAL PRESENTATION TO THE CIDI

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The development agenda within the oas:
Growth, sustainability and inclusion)

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- Chair
- Secretary General Insulza
- Distinguished Permanent Representatives and Delegates
- Colleagues

First, I wish to thank Ambassador Pary, Chair of CIDI, for taking the initiative to build upon the work of previous Chairs and organize an entire session to propel a strategic and focused discussion on the development agenda within the OAS.

A historic change took place during the last decade in Latin America in which the region experienced high growth and poverty reduction. More inclusive policies helped 61 million people escape poverty over the last decade, from 225 million poor in 2002 to 164 million in 2013.¹ The macro numbers say a lot but they don't tell the whole story.

- In spite of progress in recent decades, the region remains the most unequal region in the world. Half of those living in poverty in Latin America are minors.
- The Caribbean, for the most part, is excluded in this overall rosy picture. 21% of the population lives below the poverty line and public debt is at 80% of GDP.
- Where challenges are unidentified or glossed over, the likelihood of dedicated or differentiated support practically disappears despite the presence of real need.

What does this tell us?

- Development cannot be measured purely in terms of GDP growth but also in terms of access to and quality of education, housing, water and sanitation, energy, income, social protection, the environment, and other factors. Equally significant is the impact on poverty indices of the situation of vulnerable groups.
- While different types of poverty are visible in each of the region's countries, one thing is clear in all: public policies must address all of these dimensions to offer a sustainable way out of poverty.
- Drilling down from the macro level, there are significant spaces of intervention for policy support, horizontal cooperation and capacity building. These long-term

¹ ECLAC: *Social Panorama of Latin America, 2013*

- interventions, linked to broader issues of governance, stability, security and human rights while not having a clear 1:1 ratio, over time tend to be sustainable.
- This *multidimensional* or *integral* approach to development is where the OAS provides real value and brings a different perspective that is not replicated by any of our partner institutions. This is the unique space that the OAS inhabits.

In this sense, the theme chosen by Paraguay for the 44th General Assembly captures these points exactly. There is also an implicit recognition that the intellectual and practical framework for analysis of development should perhaps be revisited to address economic and social development as a new, joint paradigm (a position being advanced by some lead economists).

The question of sustainable and inclusive growth is becoming more and more central to the development equation. We saw that in three important statements recently -- the report of the United Nations High-Level Advisory Panel (of which OAS Secretary General Insulza was a member), the official communique from the just completed World Bank spring meeting, and the IDB annual meeting.

I highlight these because, under the leadership of Secretary General Insulza, the OAS has already begun repositioning itself programmatically and operationally to do exactly what is now being advanced by our partner institutions and is being espoused in the context of the *post-2015 development agenda*.

OAS/SEDI TODAY

Over the last 18 months, with the support of delegations, OAS-SEDI has transformed itself and realigned programs to better optimize functional synergies, strengthen internal capacity to respond effectively to member state needs in the areas of:

- ***Economic and Social Development,***
- ***Human Development, Education and Employment,*** and
- ***Sustainable Development.***

In each of these areas, the OAS-SEDI designs programming to capitalize on three key areas of strength in which the Organization positions itself differently from other institutions and in which it can show real deliverables, namely ***policy dialogue, development cooperation and capacity building.***

1. POLICY DIALOGUE

The OAS is the only inter-American organization that has an “all-of-government” approach. This is a unique asset and constitutes an important competitive advantage in the formulation and implementation of an integrated development agenda that is not limited by a single issue but rather benefits from having inter-sectorial and cross-disciplinary input. No other institution in the Americas has the same broad policy reach, working simultaneously with Ministries of Foreign Affairs, Labor, Education, Tourism, Social Development, Sustainable Development, and Science and Technology while at the same time maintaining a relationship of trust with civil society, the private sector and academia. Ministerial processes are fundamental to the Organization’s unique positioning, underscore its singular value and bolster what is perhaps the most consultative and holistic approach to policy formulation and decision making at the hemispheric level. Policy dialogue forms the core of the OAS development approach and informs the initiative and actions of the General Secretariat that generally revolve around: capacity building and institutional strengthening, and the broadening and deepening of strategic partnerships for cooperation that buttress the Organization’s ability to deliver and show results. Through the OAS, these high-level, inter-sectorial exchanges are transformed into policy in action. This is achieved through technical assistance and capacity building programs, most of which benefit from horizontal cooperation. The Organization could further capitalize on this asset by:

- i. Optimizing the opportunities presented by Meetings of Ministers and High Authorities, including greater participation by the Permanent Missions to ensure implementation as well as consistency within the framework of the broader OAS agenda;
- ii. Building program implementation into planning, scheduling Ministerial meetings at a minimum of two-year intervals to allow for follow-up and execution;
- iii. Continuing to promote inter-ministerial and inter-sectorial dialogue at Ministerial meetings to further enhance policy coherence and strategic action, and emphasize the cross-cutting nature of development work; and
- iv. Strengthening the link between the Summit, General Assembly and Ministerial meetings, including inviting pertinent line ministries to participate in the General Assembly depending on the thematic focus to fully optimize the OAS’s unique, all-of-government niche.

2. CAPACITY BUILDING/TECHNICAL ASSISTANCE

To help build durable human and institutional capacity, and assist member states in taking advantage of emerging opportunities, the OAS-SEDI:

- i. *Continues to Invest in Quality Education* to prepare our citizens for the 21st century, narrowing the skills gap, developing productive talent, building human capacity, reducing inequality, increasing inclusion and bolstering competitiveness and sustainability.

- ii. *Works to strengthen institutions* that support business creation and employment and works with governments to support the creation of enabling environments.
- iii. *Provides training and capacity-building*, particularly for smaller countries, in the preparation and implementation of programs/projects with the potential for scaling-up and for generating investment.
- iv. *Supports the formulation of policies* that facilitate economic growth, social responsibility, innovation, sustainability and resilience, among other areas,
- v. *Capitalize on existing expertise within General Secretariat* e.g. joint programs with CIM on labor and social protection, effective public management collaboration with Political Affairs, innovation and entrepreneurship with YABT and disaster risk and resilience with PADF.

3. COOPERACION SOLIDARIA/DEVELOPMENT COOPERATION

Horizontal cooperation and South-South cooperation represent an area of significant potential growth for the Organization. We believe that the strengthening of these strategic partnerships will go a long way toward optimizing resources and improving our delivery capacity in efforts to reduce poverty, enhance competitiveness and provide opportunity. Consequently, OAS-SEDI has:

- i. *Strengthened Networks/Communities of Practice* to facilitate the exchange of experiences and successful practices particularly through horizontal and triangular cooperation, enabling member states to share best practices and experiences among themselves e.g. the Inter-American Labor Network (RIAL), Inter-American Social Protection Network (IASPN), Inter-American Competitiveness Network (RIAC), Inter-American Teachers Education Network (ITEN) and the Inter-American Water Resources Network (IWRN) are established, successful mechanisms.
- ii. *Capitalize on Public-Private Partnerships (PPPs)* where practicable to optimize resources; generate broader citizen buy-in and support private and public sector dialogue and cooperation that sets a more sustainable and comprehensive course for investment.
- iii. *Attempted to consolidate development cooperation programs in SEDI* to support a more coherent, focused and strategic approach.
- iv. *Continued to work with Institutional Partners*, including IFIs, to solidify areas of complementarity and provide the ground work and capacity building that helps countries to scale up to the point of approaching IFIs for support.

If financial or in-kind support is an indication of success, then the OAS is doing something right. In 2013, the amount of specific funds contributed to SEDI increased significantly over the previous year.. The regular fund accounted for 14% and specific, voluntary and in-kind contributions accounted for 86% i.e. more than \$88 million. For every \$1 dollar invested in the

Regular Fund, SEDI has a return of \$6.16 from External Contributions (the actual ROI should be much higher if the in-kind information were complete). The Department of Sustainable Development has the highest ROI of \$17.96 for every dollar invested in the Regular Fund thanks to the support of the UN Global Environmental Facility, the United States and others. The Department of Education and Human Development received \$7 million but through its partnerships with Brazil, Mexico, the European Union and others, ran a program of over \$62 million in 2013. Almost all countries, large or small contributed in terms of resources or capacity. Contributions thus far, we expect the upward trend to continue in 2014.

The robust investment in the OAS development agenda tries to marry needs with responses, demand with supply. The trans-nationalization and interdependence of the development challenges being faced by the hemisphere require more collaboration between the OAS and its full range of partners if the complexity and differentiation of needs confronted by member states at different levels of development are to be met.

In sum, the OAS development agenda is fundamental for strengthening its commitment to democracy, human rights and security; and represents a solid and dependable space for dialogue and cooperation among Member States.

The Secretariat looks forward to the outcome of today's debate and welcomes the opportunity to participate in this discussion.