

**PÉREZ-GUERRERO TRUST FUND FOR ECONOMIC AND TECHNICAL COOPERATION  
AMONG DEVELOPING COUNTRIES**

Title of draft project:

**Strengthening cooperation in trade infrastructure in Latin America and the Caribbean: Towards greater integration into value chains**

Summary:

The Project is intended to: i) Identify the main opportunities and challenges for international, triangular and South-South cooperation in strengthening trade infrastructure with a view to facilitating greater participation of the region in value chains; ii) generate synergy for the exchange of successful experiences and best practices in managing trade infrastructure with a view to reducing costs and time in foreign trade logistics; and iii) present the progress in managing trade infrastructure through the evaluation of the status of implementation of physical infrastructure works and the use of information and communications technologies for the modernization of logistical processes.

**Organization submitting the draft project:**

Permanent Secretariat of the Latin American and Caribbean Economic System (SELA)

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**Total budget for the project (in US dollars):**

Seventy five thousand dollars (US\$ 64,000)

Amount requested from the PGTF (in US dollars):

Thirty five thousand dollars (US\$ 24,000)

Key questions: (Please, note that a negative answer to any of the questions below could result in non-consideration of the proposal)

YES NO

1. Does the project involve at least three developing countries?  
(If so, please indicate beneficiary or participating countries)

  X       

The project benefits the 26 Member States of the Latin American and Caribbean Economic System (Argentina, Bahamas, Barbados, Belize, Bolivia, Brazil, Colombia, Cuba, Chile, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Dominican Republic, Suriname, Trinidad and Tobago, Uruguay and Venezuela); as well as the integration and cooperation institutions in Latin America and the Caribbean dealing with the topic of strengthening cooperation in trade infrastructure for greater integration into value chains. This topic is of interest to all Member States of SELA in order to achieve greater and better integration into international trade channels that may boost their economic performance.

2. Have all the beneficiary or participating countries expressed their interest in writing?

  X       

This subject is significantly useful and represents an area of special interest for the Member States of SELA, as part of the strategy to promote international competitiveness and economic growth through better positioning of the region in the global economic dynamics.

In the South American region, through the Initiative for the Integration of the Regional Infrastructure of South America (IIRSA), the planning and implementation of projects have been promoted for the improvement of physical infrastructure in transportation and telecommunications. This initiative, established in 2000, has the technical and financial support of CAF-development bank of Latin America, the Inter-American Development Bank (IDB) and the Financial Fund for the Development of the Cuenca del Plata (FONPLATA).

In the Central American region, the Mesoamerican Project for Integration and Development has been created, and its areas of work in the economic field are aimed at the optimization of transportation systems for goods and people and trade facilitation to promote the competitiveness of the Mesoamerican region. Within the framework of this Project, significant works and programmes are executed, such as the International Network of Central American Roads, the Mesoamerican Corridor of Integration-Acceleration of the Pacific Corridor, the Regional Programme of Bridges and the Mesoamerican Subregional Observatory of Freight and Logistics.

In addition, in the Caribbean region, the "Caricom initiative" has been created within the framework of the Caribbean Community and its founding purpose of promoting regional economic-trade integration. A revised version of the Treaty of Chaguaramas incorporates, in its Chapter IV (Transportation Policy), the creation of a Community Transportation Policy that allows the establishment of standards and the harmonization of practices and procedures that facilitate the provision of transportation services in the member countries of Caricom. In addition, some progress has been made in the creation of an Infrastructure Fund that will allow the financing of projects associated with transport, energy and information and communications technologies.

As part of the work carried out by the Permanent Secretariat of SELA to promote cooperation in trade infrastructure, projects of great regional significance have been promoted, such as the creation of the Latin American and Caribbean Network of Digital and Collaborative Ports and Foreign Trade Single Windows, which allow, through the use of information and communications technologies, the reduction of costs and time of procedures associated with foreign trade.

In addition, through the Latin American and Caribbean Programme for Small and Medium-sized Enterprises (SELA-SMEs Programme), the productive transformation and the internationalization of SMEs has been promoted through the holding of seminars and workshops that explores the opportunities and challenges of regional productive sectors in global supply chains.

3. Have all the confirmations about interest in participating been included in the proposal?

Within the framework of the Permanent Secretariat of SELA and in accordance with the Work Programmes approved by the Latin American Council in the past four years, the strengthening of cooperation in the field of trade infrastructure for greater integration into value chains has been a topic of great interest for the Member States of SELA. In this connection, the Latin American and Caribbean Network of Digital and Collaborative Ports, Foreign Trade Single Windows and the Latin American and Caribbean Programme for Small and Medium-sized Enterprises (SELA-SMEs Programme) have been created and promoted, whose areas of work are mainly oriented towards the creation of a logistics platform to support increased competitiveness and better external positioning of the region in the field of trade.

4. Does the proposal include financing from other sources for an amount equivalent to the resources requested from the PGTF?    
(If so, please indicate the exact amount of resources from other sources)

The Permanent Secretariat of SELA will provide forty thousand dollars (US\$ 40,000.00) to support the mobilization of national authorities responsible for international cooperation in Latin America and the Caribbean, representatives of public institutions responsible for trade infrastructure from the Member States of SELA, as well as experts and representatives of regional and subregional organizations, in addition to the operation and logistics-related expenses of the regional meeting.

5. In case the PGTF were not able to allocate the full amount of resources requested, would it still be possible to carry out the project?    
(If so, please indicate the minimum amount of resources from the PGTF):

The minimum amount of resources requested from the PGTF to cover the costs of mobilization of some government representatives from Latin America and the Caribbean and speakers specializing in trade infrastructure would be approximately US\$ 25,000.00.

6. Does the project deal with any of the sectoral priorities of the Caracas Action Plan on Economic Cooperation among Developing Countries, namely: Trade, Technology, Food and Agriculture, Energy, Commodities, Finances, Industrialization and Technical Cooperation among Developing Countries?

**PROJECT DOCUMENT:**

**Strengthening cooperation in trade infrastructure in Latin America and the Caribbean: Towards greater integration into value chains**

**PÉREZ-GUERRERO TRUST FUND FOR ECONOMIC AND TECHNICAL COOPERATION AMONG DEVELOPING COUNTRIES,  
MEMBERS OF THE GROUP OF 77**

**PERMANENT SECRETARIAT OF THE LATIN AMERICAN AND CARIBBEAN ECONOMIC SYSTEM (SELA)**

Type of project: Interregional

Title: Int/./././.-


**Strengthening cooperation in trade infrastructure in Latin America and the Caribbean: Towards greater integration into value chains**

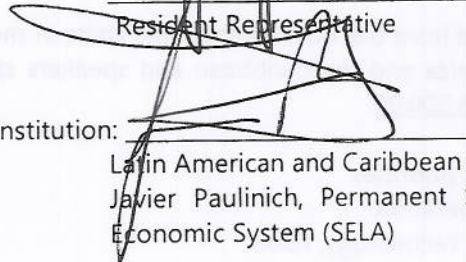
Sector: [UNDP will insert]

The project benefits the 26 Member States of the Latin American and Caribbean Economic System (Argentina, Bahamas, Barbados, Belize, Bolivia, Brazil, Colombia, Cuba, Chile, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Dominican Republic, Suriname, Trinidad and Tobago, Uruguay and Venezuela); as well as the regional and subregional integration and cooperation institutions in Latin America and the Caribbean dealing with the theme of cooperation in trade infrastructure in Latin America and the Caribbean for greater integration into value chains. Also participating in this initiative will be the government authorities responsible for trade infrastructure and foreign trade logistics in the Member States of SELA and private sector institutions.

**Signed on behalf of:**

UNDP

  
Resident Representative

  
Implementing Institution:  
Latin American and Caribbean Economic System (SELA)  
Javier Paulinich, Permanent Secretary of the Latin American and Caribbean Economic System (SELA)



Date:

Date: 12/15/2017

Type of project: Interregional

Title: Int/./././.-

**Strengthening cooperation in trade infrastructure in Latin America and the Caribbean:  
Towards greater integration into value chains**

Sector: [UNDP will insert]

The project benefits the 26 Member States of the Latin American and Caribbean Economic System (Argentina, Bahamas, Barbados, Belize, Bolivia, Brazil, Colombia, Cuba, Chile, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Dominican Republic, Suriname, Trinidad and Tobago, Uruguay and Venezuela); as well as the regional and subregional integration and cooperation institutions in Latin America and the Caribbean dealing with the theme of cooperation in trade infrastructure in Latin America and the Caribbean for greater integration into value chains. Also participating in this initiative will be the government authorities responsible for trade infrastructure and foreign trade logistics in the Member States of SELA and private sector institutions.

**Duration of project:** January 2018 to October 2018.

**Estimated starting date:**

**PGTF inputs:** US\$ 24,000

**Other inputs:** US\$ 40,000

**Total cost of project:** US\$ 64,000

## Part Ia. Situation Analysis

### Strengthening cooperation in trade infrastructure in Latin America and the Caribbean: Towards greater integration into value chains

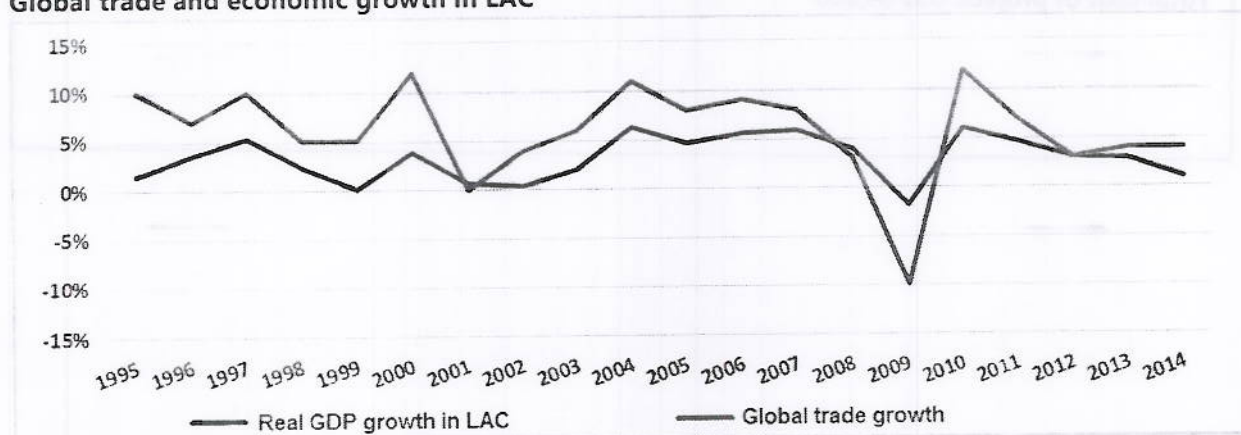
The impact of international trade on the economic performance of countries has been a widely discussed topic in economic theory. According to Bhagwati, J. (December 2013), after extensive discussion the positive link between trade and economic growth is widely accepted. However, the transmission channels through which such link operates are still the subject of study.

In this connection, Didier, T. and Pinat, M. (2013), argue that international trade will speed up the economic growth to the extent that this causes an increased accumulation of productive factors or increases in productivity, through the dissemination of technologies and knowledge. According to these authors, three features of the commercial structure are of fundamental importance: the industries involved, the form of production of traded products and the commercial connections with the world growth poles<sup>1</sup>.

In their opinion, the positive effect of international trade on economic growth can be observed to the extent that there is a greater exchange between similar industries, the economy experiences a greater inclusion into the global commodity chains, the traded assets are more intensive in human capital, and the links with the poles of economic growth are broader and more solid.

In the case of Latin America and the Caribbean, Chart 1 shows the strong correlation ( $r=0.754$ ) between the growth in the volume of global trade and the economic growth in Latin America and the Caribbean. On average, during the period 1995-2014, the acceleration of the economic activity in the region stood at 3.1%, while global trade, with a more erratic and pronounced evolution, accelerated at an average rate of 6%.

**CHART 1**  
**Global trade and economic growth in LAC**

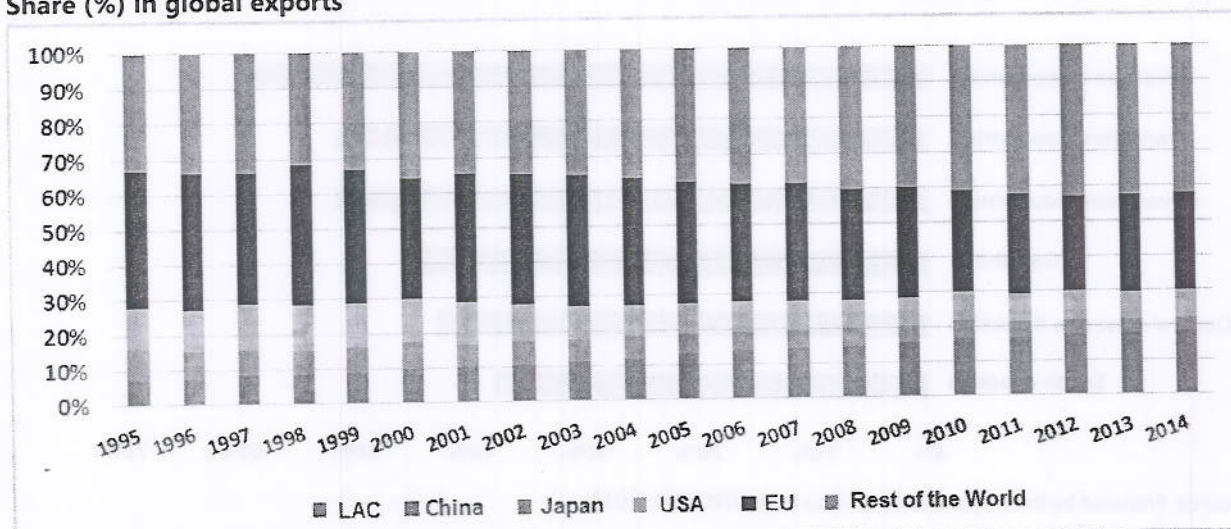


Source: Prepared by the author, based on data from UNCTADstat and the *World Economic Outlook* (October 2016), published by the IMF

<sup>1</sup> "World growth poles" are countries capable of promoting the economic growth of their partners through strong and extensive trade links, investment and technology transfers.

According to estimates by Hoekman, B. (December 2013), during the period 1950-2013, the volume of world trade has expanded 27 times. However, during the period 1995-2014, the share of Latin America and the Caribbean in global trade flows remains technically unchanged, averaging 5.6% of global exports. Standing out for their high dynamism are the member countries of the European Union, averaging 34%, the United States with an average of 10% of global trade, and China with an average ratio of 7% of the total, largely due to the positive performance they have experienced over the last decade.

**CHART 2**  
Share (%) in global exports



Source: Prepared by the author, based on data from UNCTADstat.

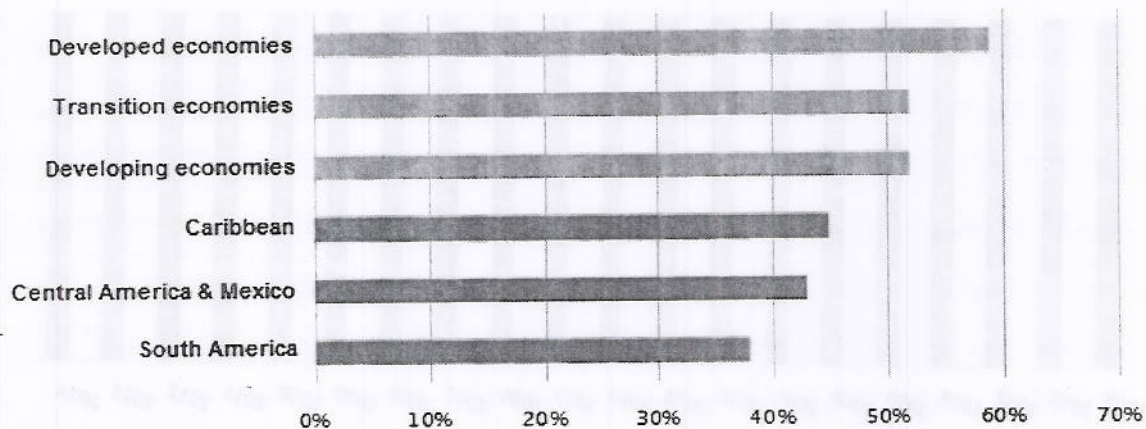
Much of the increase in world trade has occurred in the sector of intermediate goods and services, that are exchanged as part of global supply chains, generated by the reduction in the costs of trade, transport and communications. At present, the dynamics of international trade has distanced itself from the traditional approach with the formation of value chains, and gives countries the opportunity to exploit their comparative advantages without creating vertically integrated industries that complete all phases of the production of goods.

In UNCTAD's view (2013) global value chains (GVCs) are defined as cross-border production systems in which the countries involved incorporate value into their products according to their comparative advantages. Estimates calculated by UNCTAD indicate that those nations that are actively involved in cross-border value chains experience statistically significant premiums in income growth rates. During the period 1990-2010, those countries with high participation in GVCs and high added value in their exports experienced an average annual growth rate of 3.4%, while those with high participation and low added value grew on average at an annual rate of 2.2%.

The insertion of the countries in the productive articulation systems also allows for benefitting from the effects associated with a greater closeness to international markets. A greater productive interconnection can reduce operating costs of transnational enterprises by facilitating the entry of foreign direct investment (FDI) flows and technology transfer processes. In addition, a more active participation in international production systems will boost competitiveness and efficiency of local small and medium-sized enterprises (SMEs) in adapting themselves to the required quality standards and increasing their productivity levels (Javorcik 2012).

Once the virtues of greater involvement in cross-border value chains are recognized, it is necessary to evaluate the positioning of the region in this matter. As can be seen in Chart 3, the subregions of Latin America and the Caribbean locate their participation below the group of developed, developing and transition economies. The Caribbean subregion is the one that shows a greater connection with the global production chains, followed by Central America and Mexico, and finally South America with a considerable lag.

**CHART 3**  
Share in GVCs (% Exports) <sup>2</sup>



Source: Prepared by the author, based on data from UNCTAD (2013)

However, taking advantage from the benefits of entering into value chains in fostering of economic growth not only depends on the level of participation but also on the role played in the productive process. In this connection, it is important to assess the added value contributed to exports as a measure of the intervention of local production factors in international productive articulation.

Chart 4 shows the domestic added value<sup>3</sup> of exports as a percentage of gross domestic product in a selection of subgroups. In Latin America and the Caribbean, the levels of added value in exports resemble that of the developed economies and stand well below the one seen in transition and developing economies.

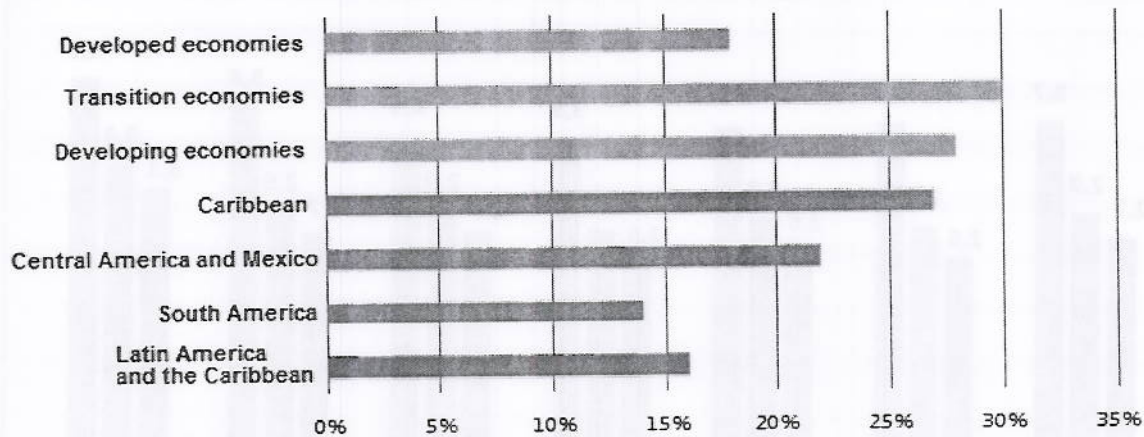
An interesting feature in Latin America and the Caribbean is the heterogeneity among the subregions. The Caribbean, with a domestic added value in exports exceeding 25% of its production level, has the best performance in the region and stands close to the levels of the transition economies. Following are Central America and Mexico, with a ratio slightly over 20%, and finally is South America, with levels lower than 15%. According to Bhagwati, J. (December 2013), the incorporation of Latin America and the Caribbean in the GVCs occurs in early or late stages of the production process, where the added value is reduced and the learning and technology transfer are lower.

<sup>2</sup> The percentage of the participation in GVCs is calculated as the proportion of total exports of each country possessing foreign added value (imports of intermediate goods) over the percentage of exports that add value to the production of other goods.

<sup>3</sup> The added value is obtained by subtracting the value of the intermediate inputs used in the production process from the value of production.



**CHART 4**  
**Domestic added value in exports (% GDP)**



Source: Prepared by the author, based on data from UNCTAD (2013)

One of the main reasons for the imbalance in the participation in international trade based on value chains is the high cost of international operations in low income countries as compared with more advanced economies. According to OECD, CAF and ECLAC (2013), the lack of an adequate logistic framework in the production, transportation, storage and distribution processes puts at stake the potential for international competitiveness of the economies with a relatively smaller economic size.

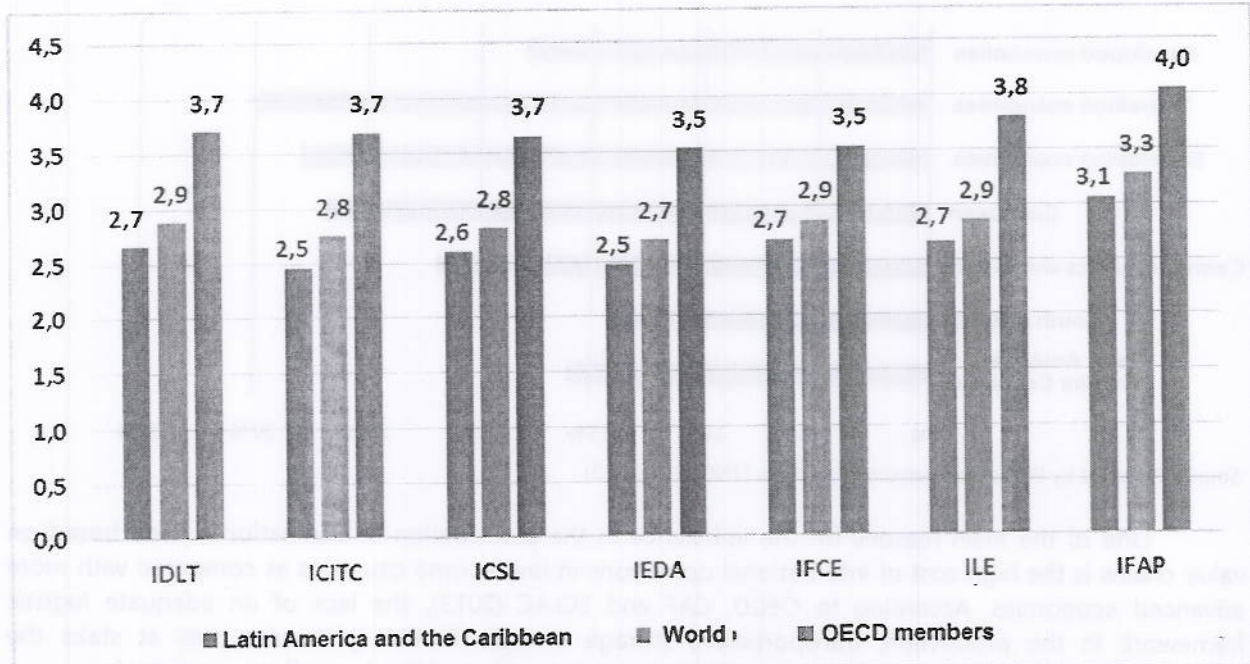
Logistics, understood by the OECD, CAF and ECLAC (2013) as the necessary services and procedures to move products from production centers to consumption centers has become a key element to achieve an optimum insertion of the countries in the international economic circuits and promote their growth.

The costs and quality of logistics have fundamental implications for sustainable economic growth. A better logistic performance facilitates national connectivity and reduces transaction costs, favours trade integration, contributing to increase exports and reduce import costs, and promotes productive diversification as well as the incorporation into global supply chains.

In the case of Latin America and the Caribbean, as can be seen in Chart 5, in comparing its logistic capacity with that of the OECD countries or the world average, the region shows a general lag in the streamlining of logistic processes as it shows lower ratings in all the indicators considered, thus evidencing their competitive disadvantage to insert itself into global trade flows.

For this reason, logistics costs in Latin America and the Caribbean can exceed up to four times those of the countries of the Organization for Economic Cooperation and Development (OECD). At the micro level, estimates of the OECD, CAF and ECLAC (2013) indicate that logistics costs represent between 18% and 35% of the value of regional products exported compared to 8% for the OECD countries. Similarly, on a macro scale, logistics costs account for between 16% and 26% of the regional GDP while in the OECD countries such costs stand at 9% of the size of their economies.

**CHART 5<sup>4</sup>**  
**Logistics for trade (Year 2016)**



Source: Prepared by the author, based on data from the World Bank indicators.

Where: IDLT = Logistics Performance Index, ICITC = Index of Quality of Trade Infrastructure and Transport, ICSL = Index of Competitiveness and Quality of Logistics Services, IEDA = Index of Efficiency in Customs Clearance, IFCE = Index of Facility to Coordinate Shipments at Competitive Prices, ILE = Index of Location and Tracking of Shipments, IFAP = Index of Frequency of Shipments Arrival to the Recipient within the prescribed period.

The main element that explains the low performance of the region lies in the infrastructure deficit associated with the storage, distribution and transportation sector. There is a high use of road transport compared to other mobilization modalities which affects the possibilities of complementarity and cost reduction in Latin America and the Caribbean. According to estimates by OECD, CAF and ECLAC (2013), the high concentration of road transport in the region is 15 times higher than in the United States and increases logistics costs by 57%.

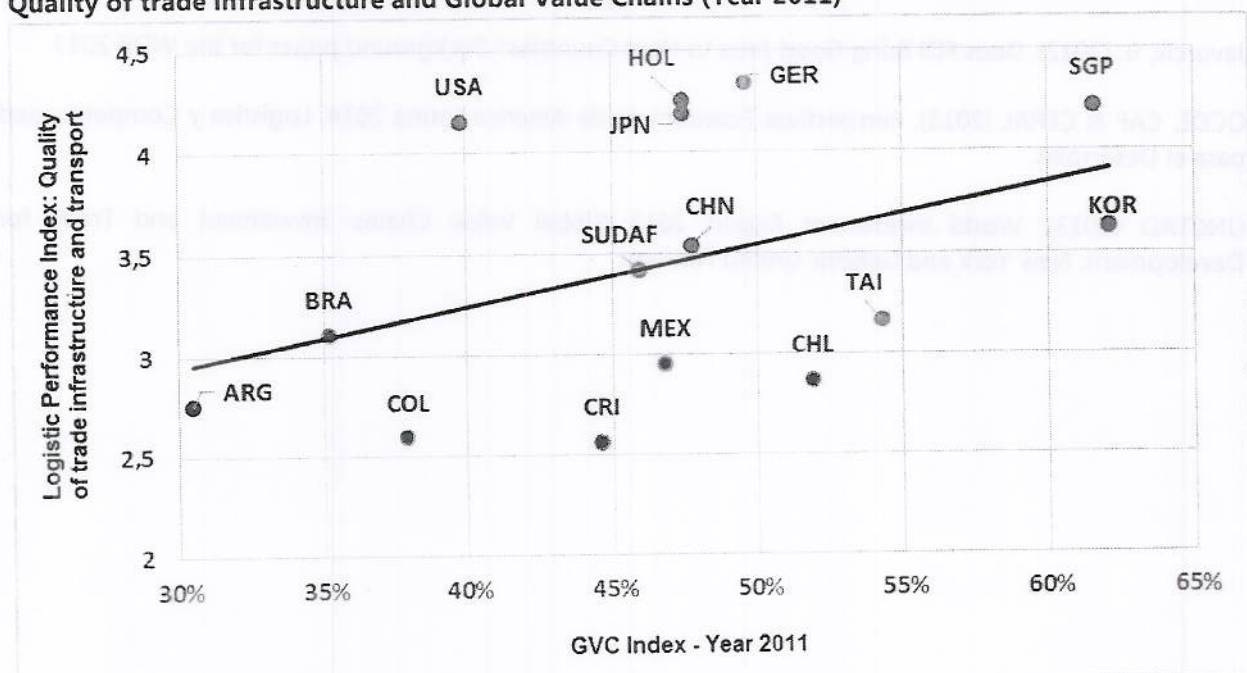
Although maritime transport, supports much of the Latin American and Caribbean trade flows to the rest of the world, at the intra-regional level it is almost non-existent. Similarly, the quality and size of the ports in the region is limited and there are important gaps compared to the performance of other geographical areas. Also, in the case of air transport, despite the progressive increase in the number of passengers and cargo, the airport infrastructure does not have an optimal performance. With respect to railroad transport, the existing network has stagnated and its coverage has specialized in the extractive industries.

<sup>4</sup> Ratings range from 1 to 5, where a top rating shows a better logistic performance.

This entails a complex situation because, according to OECD, CAF and ECLAC (2013), the proportion of intensive regional exports in logistics services is three times higher than in the OECD countries. For the region, the reduction of transportation costs would facilitate repositioning in global value chains by increasing intra and extra-regional trade thanks to a greater territorial interconnection and access to more competitive prices.

The research conducted by the aforementioned organizations also indicates that trade in parts and components is 50% more sensitive to an improvement in the logistics performance than trade in final goods, which would allow for more inter-industrial trade and would increase productive complexity in the region. As a proof of this, Chart 6 shows the positive relationship between the performance of trade infrastructure and transport, and the insertions of countries into global supply chains.

**CHART 6**  
**Quality of trade infrastructure and Global Value Chains (Year 2011)**



Source: Prepared by the author, based on data from the World Trade Organization (WTO)

In this connection, it is necessary to include logistics infrastructure as an area of crucial importance for international cooperation framed within the dynamics of the functioning of global value chains. At present, major projects and initiatives on logistics infrastructure in the region are being undertaken, such as the Initiative for the Integration of the Regional Infrastructure of South America (IIRSA), the Mesoamerica Project, and CARICOM, as well as the boost to the Digital and Collaborative Ports and the Foreign Trade Single Windows, which will allow for interoperability of logistics port chains through the use of information and communication technologies.

Making decisions that point to the promotion of a greater public-private partnership that drives investment in infrastructure, greater use of information and communication technologies for the reduction of timeframes and costs in customs procedures, the modernization of the land transport network, as well as the promotion of an efficient use of multimodal transport systems through the construction of a major railway network and modernization of ports and airports, have become important areas of work within the common agenda for regional integration. All of this needs joint efforts in order to

achieve political and institutional consensus at the national and regional levels, thus enabling the execution of works that require the disbursement of huge financial resources and long construction periods. This, in addition to allows for reaping the benefits mentioned above, will strengthen regional governance for the achievement of major agreements, and will expand the areas of cooperation by increasing territorial connection.

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OCDE, CAF & CEPAL (2013). Perspectivas Económicas de América Latina 2014. Logística y Competitividad para el Desarrollo.

UNCTAD (2013). World Investment Report 2013 Global Value Chains: Investment and Trade for Development. New York and Geneva: United Nations.

## Part Ib. Strategy

The strategy of this project is intended to strengthen and promote cooperation in the field of trade infrastructure for greater integration into value chains through an initial meeting, aimed at generating synergies and deepening the discussion of this subject, so that the specialized regional and subregional institutions can schedule other meetings that enable them to share experiences, exchange offers and requests for cooperation, develop inter-institutional agreements and identify areas of mutual interest in their respective work programmes.

## Part II. Results Framework

### PROJECT RESULTS AND RESOURCES FRAMEWORK

#### Intended Outcome:

The Project is intended to: i) Identify the main opportunities and challenges for international, triangular and South-South cooperation in strengthening trade infrastructure with a view to facilitating greater participation of the region in value chains; ii) generate synergy for the exchange of successful experiences and best practices in managing trade infrastructure with a view to reducing costs and time in foreign trade logistics; and iii) present the progress in managing trade infrastructure through the evaluation of the status of implementation of physical infrastructure works and the use of information and communications technologies for the modernization of logistical processes.

#### Outcome indicator:

- Make an evaluation of the progress of physical infrastructure works and the implementation of information and communications technologies in foreign trade logistical processes in Latin American and Caribbean countries.
- Develop a survey of the main initiatives, programmes and projects that are implemented by the different regional and subregional cooperation schemes in Latin America and the Caribbean, giving priority to the identification of successful experiences and best practices.
- Develop a survey of information on opportunities for international, South-South and triangular cooperation that are available to the Latin American and Caribbean countries in the field of trade infrastructure in Latin America and the Caribbean.
- Identify proposals and mechanisms for better use and coordination of international cooperation in the field of trade infrastructure in Latin America and the Caribbean.

Project title and number: -----				
Intended Outputs	Activities	Inputs	Budget Line	Budget (2018)
Study on strengthening cooperation in trade infrastructure in Latin America and the Caribbean: Towards greater integration into value chains.	Preparation of the study on strengthening cooperation in trade infrastructure in Latin America and the Caribbean: Towards greater integration into value chains.	Assessment, proposals and recommendations on cooperation in the area of trade infrastructure in LAC for greater integration into value chains.	SELA	US\$ 6,000
		Travel and accommodation expenses of consultant	SELA	US\$ 2,800
Meeting space to evaluate cooperation in the area of trade infrastructure in LAC, with emphasis on integration of countries into value chains.	Convening of the XXIX Meeting of International Cooperation Directors for Latin America and the Caribbean: "Strengthening cooperation in trade infrastructure in Latin America and the Caribbean: Towards greater integration into value chains".	Travel expenses of representatives of regional institutions specialized in trade infrastructure in Latin America and the Caribbean (11)	PGTF	US\$ 12,950
		Accommodation expenses of representatives of regional institutions specialized in trade infrastructure in LAC (11)	PGTF	US\$ 11,050
		Travel expenses of International Cooperation Directors for LAC (12)	SELA	US\$ 14,400
		Accommodation expenses of International Cooperation Directors for LAC (12)	SELA	US\$ 12,600
		Logistic and operational expenses: Conference room rental, etc.	SELA	US\$ 1,700
		Translation and Interpretation		
		Refreshments	SELA	US\$ 2,000
		Reproduction	SELA	US\$ 260
		Publications, final report and CDs	SELA	
Report on Conclusions and Recommendations arising from the meeting	Preparation of Final Rapporteur's Report on the meeting	Memoir of the regional meeting to be disseminated among participants and interested institutions		
Rapporteur's report on the meeting				
		Execution Fee %		US\$ 240
		<b>Total</b>		<b>US\$ 64,000</b>
		<b>PGTF funds</b>		<b>US\$ 24,000</b>
		<b>SELA funds</b>		<b>US\$ 40,000</b>

### **Part III. Management Arrangements**

#### **Management arrangements**

This project will be implemented by the Permanent Secretariat of the Latin American and Caribbean Economic System (SELA).

SELA is a regional intergovernmental organization with headquarters in Caracas, Venezuela. It is made up of 27 countries in Latin America and the Caribbean (Argentina, Bahamas, Barbados, Belize, Bolivia, Brazil, Colombia, Costa Rica, Cuba, Chile, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Dominican Republic, Suriname, Trinidad and Tobago, Uruguay and Venezuela). It was created on 17 October 1975 through the Panama Convention.

The fundamental purposes of SELA are: i) To promote intra-regional cooperation in order to accelerate the economic and social development of its members; ii) To provide a permanent system of consultation and coordination for the adoption of common positions and strategies on economic and social matters; and iii) To promote regional integration through actions designed to contribute to coordination among existing subregional schemes.

During its 42 years of existence, SELA has been organizing events, forums, seminars, workshops and programmes with a regional scope in various areas related to development, cooperation and integration in Latin America and the Caribbean. SELA has not limited its efforts to the Latin American and Caribbean region, but has also tried to incorporate other developing regions of the world in its activities. This includes actions aimed at boosting technical cooperation among developing countries and South-South Cooperation (horizontal cooperation).

SELA has accumulated vast experience in promoting Latin American and Caribbean regional cooperation. Since its inception in 1975, the Latin American Council – the highest decision-making organ of SELA – has adopted a variety of Decisions to strengthen regional cooperation, which have involved the inclusion of different activities in this regard in the Work Programmes of the Permanent Secretariat.

It must be noted that, with such efforts, the Permanent Secretariat has undertaken actions to strengthen South-South Cooperation, thanks to the support and collaboration of the Perez-Guerrero Trust Fund.

This new project, entitled "Strengthening cooperation in trade infrastructure in Latin America and the Caribbean: Towards greater integration into value chains," being submitted to the Perez-Guerrero Trust Fund (PGTF), is aimed at deepening the actions undertaken by SELA to support South-South Cooperation.

The project would also allow for joining regional efforts towards the definition and implementation of a better coordinated cooperation programme in this priority subject for the region.

In this connection, the Permanent Secretariat has identified and remains in contact with regional, subregional and national counterparts responsible for cooperation and foreign trade policies that will be convened to participate in this regional project.

**Project Budget**  
**INT/--/K--/95/99 [UNDP will insert] – [Title of Project]**

Budget "A"

Main Source of Funds: Perez-Guerrero Trust Fund.

Bud. Line	Description	Exe. Agy	Total	2018
<b>10</b>	<b>PERSONNEL</b>			
<b>11.01</b>	<b>International Consultants</b>		<b>US\$</b>	
	<i>LAC Consultant (Study)</i>	SELA		
<b>15.01</b>	<b>Official Travel</b>		<b>US\$</b>	
16.01	Missions (international travel)			
	<i>Representatives of institutions specialized in trade infrastructure for greater integration into value chains in LAC</i>	PGTF	12.950	12.950
<b>30</b>	<b>TRAINING</b>			
<b>32.01</b>	<i>Representatives of institutions specialized in trade infrastructure for greater integration into value chains in LAC</i>	PGTF	<b>US\$</b> 11.050	11.050
<b>39</b>	<b>TRAINING COMPONENT TOTAL</b>		<b>US\$</b>	
	<b>40 Equipment</b>			
45.01	Expendable equipment			
45.02	Non-expendable equipment			
<b>50</b>	<b>MISCELLANEOUS</b>			
<b>52.01</b>	<i>Reporting Costs</i>		<b>US\$</b>	
	<i>Interpretation</i>			
	<i>Translation</i>			
	<i>Reproduction</i>			
	<i>Refreshments</i>			
	<i>Publication and CDs</i>	SELA		
<b>59</b>	<b>MISCELLANEOUS COMPONENT TOTAL</b>		<b>US\$</b>	
<b>90</b>	<b>EXECUTION FEE</b>			
<b>96.01</b>	<i>Execution Fee (%) [Leave blank when submitting. To be inserted by UNDP]</i>		<b>US\$</b>	
096.99	Line Total		<b>US\$</b>	
<b>99</b>	<b>BUDGET TOTAL</b>		<b>US\$</b>	<b>24,000</b>



**Annex 1 Work plan.**

**Work plan for the next [x] months**

INT/--/--/-- [to be inserted by UNDP]			Revision: A					
Outcome	Output	Activities and Management Actions	Jan-Feb 2018	Mar- Apr- 2018	May-Jun 2018	Jul-Aug 2018	Sep-Oct- 2018	Nov- Dec- 2018
T01	1	<p>Regional and subregional focal points specialized in <i>trade infrastructure in LAC</i></p> <p>Action 1: Identifying and contacting focal points in charge of trade infrastructure in LAC. Action 2: Preparing the Directory of Focal Points specialized in the subject.</p> <p>Responsibility: SELA</p>						
			Feb-18	Mar-18				
T01	2	<p>Studies on Strengthening cooperation in trade infrastructure in Latin America and the Caribbean: Towards greater integration into value chains</p> <p>Action 1: Commissioning the study</p> <p>Responsibility: SELA</p>						
				Mar-18				
T01	3	<p>XXIX Meeting of International Cooperation Directors for LAC: Strengthening cooperation in trade infrastructure in Latin America and the Caribbean: Towards greater integration into value chains.</p> <p>Action 1: Convening of the Meeting of International Cooperation Directors for LAC: Strengthening cooperation in trade infrastructure in Latin America and the Caribbean: Towards greater integration into value chains.</p> <p>Responsibility: SELA</p> <p>Action 2: Conducting the Meeting</p> <p>Responsibility: SELA</p> <p>Action 3: Drafting conclusions and recommendations</p> <p>Responsibility: SELA</p> <p>Action 4: Drafting Rapporteur's Report on the Meeting.</p> <p>Responsibility: SELA</p>						
					Jun-18		Sep-18	
							Sep-18	
								Oct-18

