OEA/Ser.W

CIDI/INF.373/20

16 July 2020

Original: English

# Second Semester of the

# Inter-American Council for Integral Development (CIDI)

# July- December 2020

**THEME: TOWARDS COOPERATION FOR BUILDING RESILIENCE IN THE HEMISPHERE**

**Concept Note**

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**INTRODUCTION**

In recent years, many member states have suffered some of the worse disasters in their history. The challenges presented by such disasters have been further exacerbated by the COVID-19 pandemic, which has produced overwhelming socio-economic declines in the region. In light of this, member states of the OAS have determined that the OAS General Assembly presents an opportune moment to focus the attention of the region on the need to build resilient economic, social and environmental systems. It is imperative for the OAS Community to consider finding shared solutions to buttress the impact of various internal and external shocks.

In preparation for the discussion on resilience within the context of the General Assembly, it is proposed that the next semester of the CIDI be focused on having a more in-depth understanding of resilience building and specifically lay the groundwork for constructing cooperation and partnerships for resilience-building among member states.

In order to better grapple with the matter of resilience building, it is important to understand the context for this issue.

The global resilience agenda has its genesis in a vulnerability reduction agenda, which was set into motion by the release of a 1985 publication entitled**: *Small States in the Global Society: Report of a Commonwealth Consultative Group (CCG) on the Special Needs of Small States***. Since that time, notions about vulnerability have assumed universal relevance as countries, big and small, have been negatively impacted by internal and external shocks, including disasters, global financial crises, as well as energy and commodity price shocks.

Generally, there are three types of vulnerability: *Economic Vulnerability*means the risks faced by economies from exogenous shocks to their systems of production, distribution (including and especially markets), and consumption. *Environmental Vulnerability* is concerned mainly with the riskof damage to a country’s natural ecosystems (e.g., coral reefs, wetlands, freshwater, coastal areas and marine resources, forests, and soils). *Social Vulnerability* reflects the degree to which societies or socio-economic groups of people are affected negatively by stresses and hazards whether brought about by external forces or intrinsic factors – internal and external – that negatively affect the social cohesion of a country(UNDP 2002).

Even as a distinction is made in the literature between these three types of vulnerability, in reality, their interlocking features mean that vulnerability in one area can affect all others. Many forms of economic development erode the environmental resources upon which they must be based. Environmental degradation can be a source of social conflict that can in turn influence economic growth and sustainable development. Poverty is a major cause and effect of global environmental problems (WCED, 1987)[[1]](#footnote-1). Disasters are widely regarded as the source of the greatest threats to economic, social and environmental resilience in Latin America and the Caribbean (LAC) - the second most disaster-prone region in the world. The UN’s Office for the Coordination of Humanitarian Affairs estimates that during the past decade (2000-2019), 152 million people in the LAC region were affected by 1,205 disasters, including: 548 floods, 330 storms, 75 earthquakes, 74 droughts, 66 landslides, 24 wildfires, 50 extreme temperature events and 38 volcanic events[[2]](#footnote-2). The impacts of the disasters described above have been wide-ranging and profound. They include disruptions in economic activity, school closures, job losses, reductions in foreign exchange and national income to governments, psychological impacts, and internal displacement resulting from damages to homes and social and economic infrastructure.

Governments are now grappling to address existing vulnerabilities and the ones exposed or exacerbated by the COVID-19 pandemic. The consensus is that governments and their development partners have an opportunity to transition from vulnerability to resilience, rethinking the way the region’s development is planned in pursuit of a more sustainable and equitable future.

1. **TRANSITIONING FROM VULNERABILITY TO RESILIENCE**

The Resilience Alliance defines resilience, as applied to integrated systems of people, economies and nature, as:

1. The amount of disturbance a system can absorb and remain within the same state or domain or attraction.
2. The degree to which the system is capable of self-organization (versus lack of organization or organization forced by external factors).
3. The degree to which the system can build and increase the capacity for learning and adaptation (Carpenter, 2001).

**Economic Resilience**

Economic Resilience refers to the extent to which an economy can withstand or bounce back from the negative effects of external shocks. The ability of an economy to absorb external shocks is associated with the flexibility of that economy, such as that which provides a fiscal position strong enough to support the use of discretionary expenditure or tax cuts to counteract the effects of negative shocks.

In building economic resilience, it is essential to determine if there is a specific “asset” deficiency in a country/region. For example, skills mismatch in the labor force, poor quality education, low productivity of small businesses and barriers hindering their ability to have access to capacity building and financial resources, lack of good infrastructure services, low innovation rate, and dependence on a few export products and markets among others.

Job-driven skills strategies, for example, can contribute to building a resilient workforce that is better prepared to transition to the new jobs created by the digital economy. The development of clusters or industries building on a country or region’s unique assets and competitive strengths can help a country foster innovation for locally-driven economic development and reduce its dependence on a few products; while capacity building programs, coordinated business support services, and policy frameworks can effectively assist in the development of micro, small and medium-sized enterprises.

An “early-warning” system or tools can provide regular assessments of the readiness of a country’s economy in case of external shocks. Pre-disruption recovery planning helps define the roles, responsibilities and actions of key stakeholders at the local and national levels. In addition, establishing a process for regular communication and monitoring of the business community and other stakeholders’ needs during and after a disruption will help them recover more quickly. A business continuity and preparedness program, for example, will assist small businesses and other private sector actors in resuming operations after the external shock. Tailored-made programs can help realign and retrain the country’s workforce post-disruption.

In addition, the use of metrology -- the science of measurement – standard-setting and compliance, will be highlighted in the dialogue given its central role in bolstering economic resilience, particularly in a context where international cooperation is paramount. By using comparable measurements and standards, metrology promotes innovation, emerging technologies, scientific cooperation, industrial manufacturing, and international trade, and by ensuring the quality, safety and efficacy of materials and components in products, has direct effects in the quality of life of the population and in safeguarding the environment.

The OAS General Secretariat already assists OAS member states in facilitating horizontal cooperation for the adaptation of successful policies and programs to build economic resilience. Experiences from the Americas Competitiveness Exchange (ACE), the Inter-American Network for Labor Administration (RIAL) and the Caribbean Small Business Development Center (SBDC) Program are evidence of the same.

**Environmental Resilience**

While environmental resilience encompasses various dimensions, the most urgent issues for the region are those related to energy and natural disasters as well as the ability of the citizenry to prepare for, respond to, and recover from the various types of disasters.

*Energy Resilience*

From a perspective of competitiveness building and foreign exchange conservation, the case for shifting to resilient energy infrastructure is persuasive. The challenge, however is to ensure that this transition is done in such a way that does not undermine energy security. While renewable sources might provide for redundancy of energy grids and decentralized systems, new challenges to building the resilience of the source, distribution lines and energy storage systems arise. Electricity security is vital to well-functioning modern societies and economies. Digital technologies, communications, transportation, infrastructure (including health infrastructure), and industrial operations all depend on a reliable and efficient supply of electricity. As energy systems become more interconnected and smart, and as several countries shift to less carbon-intensive sources of electricity, the security of these systems becomes paramount. Consequently, energy systems need to be modern and renewable and be able to withstand wide-ranging indigenous and exogenous shocks. The Energy and Climate Partnership of the Americas (ECPA) has been assisting member states to build a resilient energy infrastructure.

*Disaster Resilience*

The Sendai Framework for Disaster Risk Reduction (2015-2030)[[3]](#footnote-3), recognizes the need for disaster risk reduction practices to be **multi-hazard, multi-sectoral**, **inclusive, and accessible.** These practices are needed in order to be efficient and effective and for all relevant stakeholders -- including business, professional associations and private sector financial institutions -- to address existing challenges and prepare for future ones by focusing on monitoring, assessing and understanding disaster risk and sharing such information and how it is created. It is also important to strengthen disaster risk governance and coordination across relevant institutions and sectors; and to integrate disaster risk management, including business continuity, into business models and practices through disaster-risk-informed investments, especially in micro, small and medium-sized enterprises. Good governance is associated with safeguarding of the rule of law and property rights, as well as the delivery of efficient public services, through an authority that uses mechanisms, processes and institutions to manage the country’s affairs.[[4]](#footnote-4) Without good governance, it would be more likely that adverse shocks lead to economic and social chaos and unrest, thereby exacerbating the effects of economic vulnerability. On the other hand, good governance can strengthen an economy’s resilience because external shocks would be better absorbed and counteracted in an atmosphere of predictable laws and credible policies.

Evidence has shown that resilience assessments and strategies that are broad-scale, and top-down in nature are nowhere as effective as participatory, community-based, bottom-up approaches. For this reason, the OAS advocates the adoption of a “whole community approach” to resilience that involve sub-national and national governments, the private sector, academia, and community-based organizations, among others.

Disaster Resilience is an imperative for OAS member states. For example, given the competitive nature of the tourism industry on which all countries depend, there is often a lag between the speed of the reconstruction of damaged properties and social and economic infrastructure, and the speed of post-disaster recovery of the industry, as business tend to move elsewhere. The recovery of market share often requires already cash-strapped, affected properties and destinations to invest in costly marketing campaigns in source markets. Invariably, properties and destinations that are not directly impacted by the passage of a Hurricane are indirectly affected by a perception within source markets that the entire region is unsafe.

Ultimately, the social, political, environmental, or economic shocks associated with slow and rapid-onset disasters affect people’s well-being, including their health and livelihoods and more generally, their coping and adaptive abilities.

Rapidly developing information and communication technologies can empower governments and citizens to become more resilient and to participate more effectively in decision-making at the household, community, sub-national and national levels through access to extensive real-time information for risk management (as well as improving data provision in data-scarce regions)[[5]](#footnote-5).

Yet, as the pandemic has revealed, despite the increasing availably of tools to inform decision-makers, “surprise seems to be the new normal”. In its latest flagship publication, the GAR19[[6]](#footnote-6), the UNDRR was premonitory: “ironically, in this age of data, information and connectivity, even though we can quantify more of what was previously uncertain, it makes apparent how much more we don’t know. New risks and correlations are emerging in a way that we have not anticipated. Threats that were once considered inconceivable, no longer are.”

In this context, strategies and plans must be able to include real-time adjustments that anticipate and respond to change when pursuing economic activity and sustainable development with flexibility and nimbleness. This means adaptive, anticipatory planning frameworks that seek to identify the drivers of risk across systems to prevent and mitigate risk, and that allow implementers to react quickly.

**Social Resilience**

Social development and social cohesion are regarded as essential components of economic and environmental resilience. They indicate the extent to which: (i) relations within societies are properly developed, and can enable resilient economies and societies without the hindrance of civil unrest; and (ii) effective social dialogue takes place in an economy, which, in turn, would enable collaborative approaches towards resilience-building measures.

*Education resilience*

In the midst of the COVID-19 pandemic, educational learning systems worldwide have faced unprecedented disruption, with 1.5 billion students and 80 million teachers displaced from classrooms and campuses, abruptly transitioning to virtual modalities, thus exacerbating inequalities in access to education and exposing the fault lines of a system already in distress. In LAC, with few exceptions, countries lack a comprehensive digital learning system and connectivity levels remain low, particularly in remote communities and poor households. Recent studies estimate that only 20% of 15-year-old students attending disadvantaged schools can access an effective online learning support platform, compared to 50% of those attending advantaged schools.

But there is a silver lining. Glimpses of promising possibilities through innovative solutions fueled by digital learning and open education have emerged. Beyond responding to the health emergency, digital learning technologies allow teachers, governments, and educational institutions to find new answers to what, how, where and when students learn best, which can effectively transform education systems.

Yet, as all schools are not equally prepared or equipped, simply allowing these forces to play out on their own will not lead to positive outcomes and on the contrary, could further amplify existing divides in education. To reduce inequalities, all students must have access to digital infrastructure, facilities, equipment and content. Furthermore, targeted support is necessary for less advantaged students and their families to benefit from technology by building foundational, cognitive, and digital skills[[7]](#footnote-7).

Now is the moment to envision a new and better future for education systems in the region. Systems that are resilient and responsive to rapid change. Systems that leverage new knowledge about effective learning and provide all people access to a safe, high-quality, affordable education that equips them with the skills to thrive in the economy of the future and to be an informed and engaged citizenry.

*Food and Nutrition Security*

Food security refers to “the situation that exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs for an active and healthy life” (FAO, 2006). The COVID-19 has the potential to affect food security in all its dimensions: food availability, access, stability, and use.

Recent studies confirm that COVID-19 containment strategies in LAC had direct and indirect consequences on food security. For example, a reduction in disposable income affected food demand and intake by low-income populations. It is estimated that between April and May of 2020, almost 40% of the poorest households in the region experienced hunger, and nearly 50% shifted their consumption to less healthy diets (Cornell University and IDB, 2020)[[8]](#footnote-8).

This comes at a time when several OAS member states, notably those in South and Central America and in the Caribbean, face severe chronic or acute food and nutritional insecurity crises. In some countries, these crises are primarily chronic in nature and have their roots in factors such as: lack of access to financing, technologies, advice and training; limited on-farm investments; aging or deteriorated infrastructure, such as irrigation systems and storage equipment; vulnerability to commodity and currency price shocks; high levels of household poverty; low creation of added value in food-producing sectors; and high vulnerability to extreme weather events and to climate change.

1. **Towards Cooperation for Building Resilience in the Region: The Inter-American Council for Integral Development (CIDI)**

**Goal:**

The goal of the CIDI Meetings is to produce a forward-looking dialogue to inform action-oriented cooperation for resilience building in the Americas.

**Objectives:**

Provide OAS member states an opportunity to:

1. Engage in a meaningful discussion on their shared economic, social, and environmental vulnerabilities.
2. Identify concrete steps that they can initiate or continue, at the national level and regional level, to build their resilience in the face of these vulnerabilities; and
3. Agree on multilateral cooperation and partnership actions for building resilience to avoid or lessen the impact of internal and external shocks in member states.

**Structure of the Second Semester of the CIDI**

The second semester of the CIDI will be structured as a series of discussions (one per month, as per the proposed calendar below) among delegations from member states and leading voices from regional international institutions with a record of accomplishment in resilience building. The specific themes will help to highlight the opportunities for public and private participation and investment in building economic, social, and environmental resilience, with innovative financing cooperation and partnerships for resilience as crosscutting.

***Social Resilience***

**Subtheme: Re-tooling Education in a post COVID environment.**

*Tentative date: July 28*

This session will examine some of the following issues/questions:

* How has the pandemic impacted education in the region? What do schools look like in a post COVID context?
* What types of policies and plans could reverse or minimize the effects of the crisis on student learning, particularly in the most vulnerable populations?
* What measures may be taken to reduce the digital and technological divide to ensure inclusion? (public policy, private sector involvement, administrative reform, etc/)?
* What are the most successful approaches for integrating educational technologies and preparing students and teachers in this context?
* What is the silver lining of this situation? (impetus to expand internet access and modernize educational systems, others)?

**Subtheme: Addressing Food and Nutritional Insecurity in the Americas**

*Tentative date: August 25.*

This session will examine some of the following issues/questions:

* What has the pandemic demonstrated about the severity of the food and nutritional insecurity crisis in the Americas?
* What actions may be taken by governments to safeguard food security, particularly for the poorest households in the region?
* What are the best practices in terms of policies and strategies that are being employed to address challenges in food security?

***Economic Resilience***

**Subtheme: Innovation and Technology for Economic Resilience.**

*Tentative date: November 17.*

This session will examine some of the following issues/questions:

* What actions can be taken to diversify the economic base of Member States (Blue, Green Orange Economy)?
* How can businesses be assisted to understand their vulnerabilities—which include supply chains—in the face of disruptions and take the necessary actions to resume operations after an event?
* Which innovative approaches can be pursued to bolster workforce development, technology investment, support for local entrepreneurs, and expansion of traditional economic assets?
* What key transformational technologies are required to support the implementation of a resilience building agenda?
* What policies, strategies and job-driven skills can help to build a resilient workforce that can better shift between jobs or industries when their core employment is threatened by internal and external shocks?
* What role can the OAS play in strengthening and improving metrology infrastructure in the Americas?
* What role can the OAS play in building on the region’s unique assets and competitive strengths and assist firms with economic recovery post-disruption?

***Environmental Resilience***

**Subtheme: Building back better; the key to a resilient recovery**

Tentative date: September 29.

This session will examine some of the following issues/questions:

* What regulatory policies are crucial for economic, social, and environmental resilience?
* How can science and technology support decision-making on environmental resilience?
* What information, data, and/or obstacles need to be addressed first to increase the region’s resilience to disasters?
* How to ensure that economic growth policies do not undermine environmental quality?
* What strategies can be pursued by member states for promoting a resilient energy infrastructure and incentivizing investments in green infrastructure?
* How do we measure and build resilience against disaster in communities and households while dealing with growing levels of uncertainty?
* How can citizens be empowered to gain a fuller appreciation of the risks they face? Best practices in whole-of-community approaches to resilience building.

***Leveraging Partnerships and Cooperation***

**Subtheme:** **Public Private Partnerships and Cooperation for Resilience.**

*Tentative date: December 8. Observer Members.*

This session will examine the following issues/questions:

* Cooperation: Exchange of experiences, lessons learned and good practices for resilience building in its three dimensions: Economic, Social and Environmental
* What are the financing, cooperation and partnership opportunities available for building resilience?

**Tentative Calendar of CIDI Meetings:**

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| --- | --- | --- |
| **Tentative Dates:** | **Themes:** | **Subthemes:** |
| July 28 | Social Resilience | Re-tooling Education in a post-COVID environment |
| August 25 | Social Resilience | Addressing Food and Nutritional Insecurity in the Americas |
| September 29 | Environmental Resilience | Building back better; the key to a resilient recovery |
| October 22 | (Procedural CIDI in preparation for the OAS General Assembly) | |
| November 17 | Economic Resilience | Innovation and Technology for building Economic Resilience |
| December 8 | Leveraging Partnerships and Cooperation | Public Private Partnerships and Cooperation for Resilience |

1. **RELEVANCE TO OAS MANDATES**

The OAS Charter mandates the CIDI to promote cooperation among OAS member states to achieve integral development and, in particular, to help build resilience. The Charter also directs CIDI to "promote, coordinate and assign responsibility for the execution of development programs and projects to the subsidiary bodies and relevant organizations, on the basis of the priorities identified by the Member States, in areas such as economic and social development, including trade, tourism, integration and the environment." The OAS has a long history of promoting Partnerships for Development (*Cooperación Solidaria)* in the Americas and has served as a catalyst for integrated, sustainable, resilient and inclusive development of the region.

The Inter-American Program for Sustainable Development (PIDS) entrusts the GS/OAS to collaborate with member states and coordinate with other entities and international organizations to help meet the 2030 Agenda for Sustainable Development and its Goals. Furthermore, the Secretary General of the OAS issued an Executive Order directing that the Agenda be mainstreamed within the programs and activities of the General Secretariat.

Considering that all OAS member states and development partners continue to focus on meeting the 2030 Agenda – while also addressing the challenges imposed by the COVID-19 pandemic --- this is an opportune time for the OAS to adopt a coherent approach to address the resilience needs of its member states through the use of its existing development cooperation mechanisms.

1. World Commission on Environment and Development: Our Common Future, 1987 [↑](#footnote-ref-1)
2. United Nations Office for the Coordination of Humanitarian Affairs (OCHA). [Natural Disasters in Latin America and the Caribbean, 2000-2019](https://reliefweb.int/report/world/natural-disasters-latin-america-and-caribbean-2000-2019) (January, 2020) [↑](#footnote-ref-2)
3. Adopted at the Third UN World Conference in Sendai, Japan, in March 18, 2015 [↑](#footnote-ref-3)
4. World Bank. [Governance Global Practice](https://www.worldbank.org/en/topic/governance/overview). [↑](#footnote-ref-4)
5. Paul, J, Hannah D, and Liu W, “Citizen Science: Reducing Risks and Building Resilience to Natural Disasters [↑](#footnote-ref-5)
6. United Nations Office for Disaster Risk Reduction (UNDRR) (2019). [Global Assessment Report on Disaster Risk Reduction (GAR19)](https://gar.undrr.org/report-2019). [↑](#footnote-ref-6)
7. OECD (June, 2020). [Is COVID-19 widening educational gaps in Latin America? Three lessons for urgent policy action](https://oecd-development-matters.org/2020/06/04/is-covid-19-widening-educational-gaps-in-latin-america-three-lessons-for-urgent-policy-action/#_ftn2). [↑](#footnote-ref-7)
8. Inter-American Development Bank (IDB) (June, 2020). [Ensuring food security in LAC: Challenges and interventions in the context of Covid-19](https://publications.iadb.org/en/ensuring-food-security-in-lac-in-the-context-of-covid-19-challenges-and-interventions). [↑](#footnote-ref-8)