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COMMENTS BY THE SECRETARIAT ON THE REPORT
OF THE JOINT INSPECTION UNIT

1. Introduction

The Economic and Social Council of the United Nations laid down that all the regional economic commissions should take note of and review at their regular 1972 sessions the report prepared by the Joint Inspection Unit (JIU) on the activities of each of them. As the meetings of the Economic Commission for Latin America are biennial and are held in odd years, however, this could not be done in 1972. This is why this item is being raised on the present occasion.

The inspection was carried out in October and November 1969 and published in June 1970 under the title of Report on the activities of the Economic Commission for Latin America (JIU/REP/70/3); this document has been distributed at the present session of the Commission with the number E/CN.12/960.

The task of the JIU was "to seek out any difficulties or shortcomings in the activities of the Commission and to make an evaluation of its past and present activities and of its future role, particularly in the light of the evolving pattern of United Nations activities in economic and social development and in the light of the forthcoming Second United Nations Development Decade. Particular attention was paid to the specific circumstances in which the Commission functions" (paragraph 4 of the report).

The ECLA secretariat provided the members of the Joint Inspection Unit with every facility for carrying out an objective and independent inspection. The results of the inspecting group's work are given in the attached document, and the secretariat wishes to express its thanks to the JIU for its real contribution to the improvement of the technical and administrative activities of the secretariat.

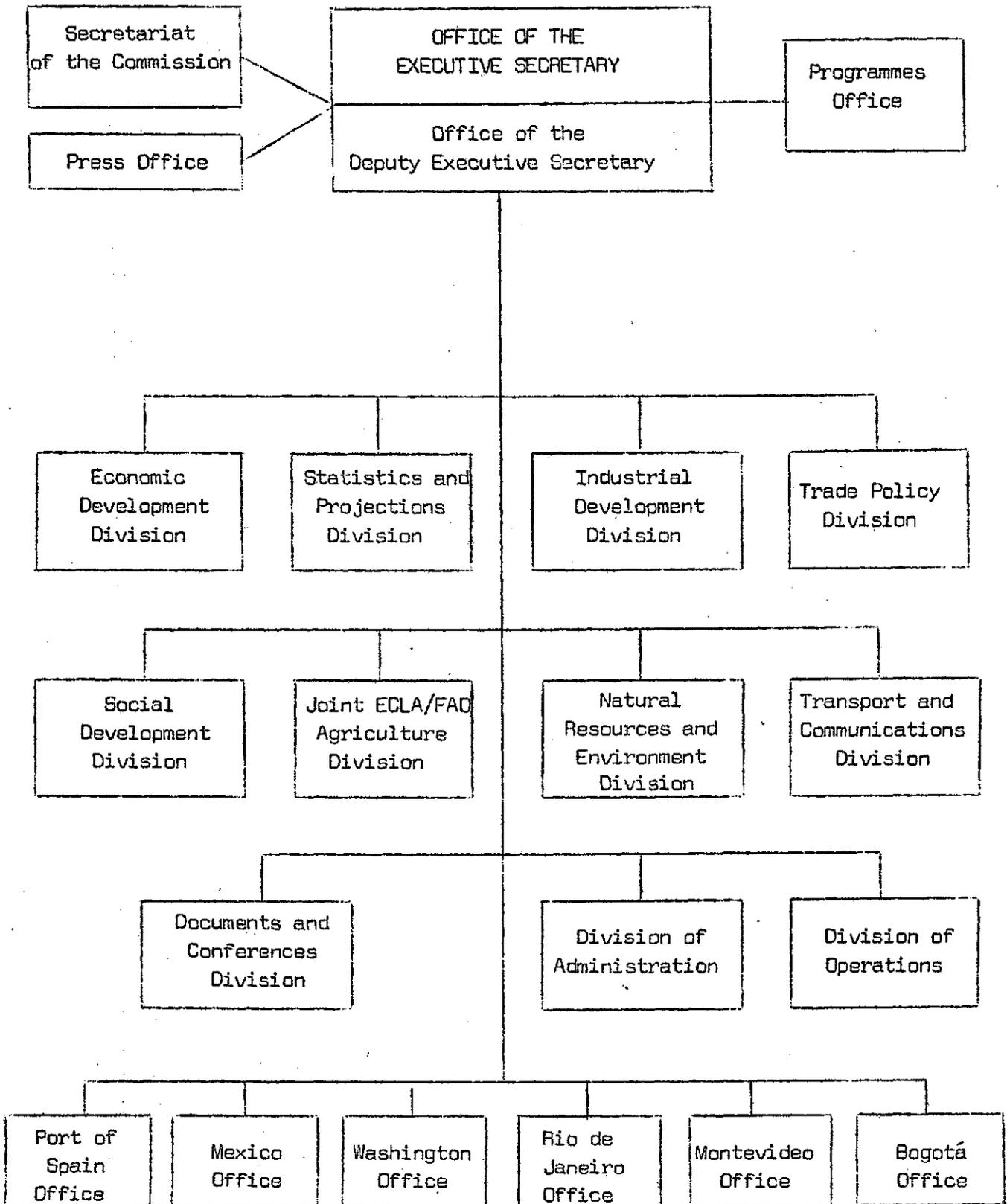
Between 21 September and the end of December 1971, the Administrative Management Service of the United Nations (AMS), set up by the Secretary-General on 10 June 1969, made an in-depth study of management practices, especially as regards the distribution and use of the labour force, with a view to recommending measures that would make the activities of the secretariat more effective and efficient. As many of the AMS's recommendations coincide with those of the JIU, and others modify them to some extent (although in the majority of cases they go deeper and cover a much broader field), it was decided to implement whichever recommendations of either service that were best adapted to the practical needs of the secretariat and the Commission's programme of work.

/So as

So as not to make this note any longer than necessary, comments will only be made on paragraphs and recommendations which show a discrepancy with the present organization or which it has not yet been possible to implement.

2. Organization of the secretariat

The structure of the secretariat shown in paragraph 17 of the JIU report has undergone some changes. Some of the suggestions contained in the AMS report and some of the recommendations made by this service have been scheduled for 1973, in accordance with the following organizational chart:



/This reorganization

This reorganization had, inter alia, the following aims:

(a) To simplify the institutional channels between the Office of the Executive Secretary and the divisions and units of the secretariat so as to allow the most senior officials to devote most of their time to internal policy, planning, organization, management, co-ordination and supervision of activities, and to external policy both as regards the Member States and other international agencies within and outside the United Nations system.

(b) To intensify, rationalize and give more dynamism to the technical work of the Commission so that it will continue to exercise an outstanding influence on economic and social thinking in Latin America.

(c) To initiate and execute multidisciplinary projects through temporary working groups when it is considered that experts from different divisions are needed to solve urgent problems, and

(d) To facilitate and improve administrative functions within the secretariat.

In order to carry out the above-mentioned aims, the following measures have been taken:

(a) A Programmes Office, attached to the Office of the Executive Secretary and under its immediate direction, has been set up to formulate and co-ordinate all programmes of work, determine priorities, allocate resources and exercise evaluation and control responsibilities in order to carry out the Commission's instructions in the sphere of the programme of work.

(b) The Economic Projections Centre, which operated as an independent unit up to 1971, has become part of the Statistical Division, in view of its multidisciplinary nature and the need to prepare projections on different sectors of the economy for the use of the various divisions of the secretariat.

(c) A Division of Operations has been set up to initiate, implement and administer the operational programmes and projects of the Commission and to co-ordinate the technical assistance activities entrusted to the Commission by the United Nations (Office of Technical Co-operation, United Nations Conference on Trade and Development, UNCTAD, and the United Nations Industrial Development Organization, UNIDO).

/(d) A

(d) A Documents and Conferences Division has been set up in order to produce under an integrated system all the documents prepared by the technical divisions of the secretariat. This Division is also responsible for the organization and servicing of all the meetings, seminars and working groups organized by the secretariat.

(e) In other divisions there have been changes of name and modifications in programmes and allocation of staff. Thus, the Economic Research and Development Division has become simply the Development Division and the Social Affairs Division has become the Social Development Division, the functions of both these divisions remaining the same. The Energy and Natural Resources Programme has become the Natural Resources and Environment Division, since in addition to its previous functions it has now been entrusted with the study of environmental matters. The Transport Programme for its part, has become the Transport and Communications Division.

(f) Lastly, thanks to the generous donation made by the Government of the Netherlands for the construction of a building and for financing costs during the first year of operation, the Latin American Centre for Economic and Social Documentation (CLADES) has been set up.

3. The staff of the secretariat

The table reproduced below is for the years 1960 to 1970 and is the same as that given in paragraph 22 of the JIU report. For 1972, the number of posts authorized on the total secretariat manning table has been added, including both staff working in Santiago and staff in the sub-regional offices. Extra-budgetary posts are not included; on 31 December 1972 there were thirty-two of these, of which seven were vacant.

	1960	1965	1969	1970	1972
Executive Secretary	1	1	1	1	1
Director (D-2)	-	1	1	1	1
Principal Officer (D-1)	5	5	8	8	11
Senior Officer (P-5)	13	14	22	22	28
First Officer (P-4)	19	32	31	34	42
Second Officer (P-3)	21	33	42	46	39
Associate Officer (P-2)	26	30	32	32	30
Assistant Officer (P-1)					
Professional category, total	85	122	137	144	152
General Services	123	211	304	312	332
<u>Grand Total</u>	<u>208</u>	<u>333</u>	<u>441</u>	<u>456</u>	<u>484</u>

/It should

It should be noted that although the secretariat has been allocated this number of posts, such factors as the geographical distribution quotas, the freezing of vacancies during 1972, the considerable disparity between United Nations salaries and those of other international agencies and the private and government sectors of many countries of the region, and other causes, have meant that the percentage of vacancies in the professional category on 31 December 1972 stood at 14 per cent. It is easy to appreciate the serious harm that this high proportion has caused to the implementation of the programme of work and the imitation of new work.

4. Internal organization of the secretariat

Paragraph 28 of the report gives some figures on the distribution of professional and senior staff among the various units of the secretariat.

To compare the professional staff appearing in the lists for 1960, 1969 and 1970 with the situation in 1972 a fourth column giving details for the latter year has been added to the table appearing in the paragraph in question.

DISTRIBUTION OF PROFESSIONAL AND SENIOR STAFF AMONG THE
VARIOUS UNITS OF THE SECRETARIAT a/

	<u>1960</u>	<u>1969</u>	<u>1970</u>	<u>1972</u>
Office of the Executive Secretary and attached services	16	21	22	9
Economic Development and Research Division (Economic Development Division)	8	13	12	13
Latin American Economic Projections Centre	-	5	6	1
Statistical Division (Statistics and Projections Division)	9	8	8	13
Industrial Development Division	7	10	10	12
Transport Programme (Transport and Communications Division)	2	4	4	5
Energy and Natural Resources Programme (Natural Resources and Environment Division)	2	5	5	6
Trade Policy Division	3	10	9	8
Joint ECLA/FAO Agriculture Division	3	3	3	3
Social Affairs Division (Social Development Division)	2	8	8	8
				/Division of

	<u>1960</u>	<u>1969</u>	<u>1970</u>	<u>1972</u>
Division of Administration and attached services	9	11	11	13
Division of Operations	-	-	-	8
Documents and Conferences Division	-	-	-	10
Mexico Office	18	26	27	29
Washington Office	7	3	3	4
Rio de Janeiro Office	1	2	2	2
Montevideo Office	-	2	2	2
Office for the Caribbean	-	3	5	6
Bogotá Office	-	1	1	1
				<u>152</u>

a/ The names of divisions given in brackets are the designations adopted following the visit of the Administrative Management Service.

The substantial differences which are to be observed between 1972 and previous years are partly explained by the measures adopted for the organization of the secretariat (see pages 4-6 of this note). More details on these differences will be given below.

(a) Office of the Executive Secretary

The unit which has perhaps undergone most changes since 1969 is the Office of the Executive Secretary, the aims being to give this office and its staff an opportunity to devote all their time to strictly executive work and external relations. This was why, in line with recommendations 42 to 50 of the AMS, all non-executive functions were assigned to the Operations Division, Documents and Conferences Division and the Programmes Office. The senior staff of the Office of the Executive Secretary was thus reduced from 22 to 8. The Editorial and Language Service and the Documents Distribution Service became the Documents and Conferences Division, to which were also added the documents reproduction and typing sections formerly coming under the Division of Administration.

The Technical Assistance Unit became part of the Operations Division.

/Finally,

Finally, the Programmes Office was set up to formulate, co-ordinate, control and evaluate the Commission's programme of work. This Office, which operates under the direct guidance of the Executive Secretary, plays a role of vital importance in the technical work of the organization. In the future, it will also be responsible for co-ordinating the programmes of the sub-regional offices with those of the headquarters in Santiago.

(b) Economic Development Division

The elimination of the word "research" from the name of this office was only for reasons of brevity, since it continues to do the same work.

Paragraph 35 of the JIU report mentions the existence of a special statistical department within this Division. This is not accurate, since the data used are normally provided by the Statistical Division. Only in some research work requiring special data, and in cases of extreme urgency, does the Economic Development Division obtain this data directly, but this does not mean that there is a special statistical department for this purpose.

The Office of the Executive Secretary is not in agreement with the suggestion to attach the Statistics and Projections Division to the Economic Development Division, since it considers that the former should attend to the needs of all the divisions of the secretariat. Moreover, research work is very different from that of compiling and systematizing data, both as regards the nature of the work and as regards the technical skills required.

Paragraph 36 and recommendation 4 of the report suggest the possibility of converting the Economic Development Division into "the nerve-centre for economic thinking and for stimulating comprehensive measures for regional economic co-operation". This should be the end result of all the work of the secretariat, and not just of one of its divisions. Moreover, originality of ideas, depth of analysis and lucidity of recommendations should not be confined solely to general topics but should also be the role in sectoral matters, which are the responsibility of other divisions.

The Division periodically studies aspects of planning, but research proper and technical assistance to Governments has been transferred to the Latin American Institute for Economic and Social Planning, an agency operating under the aegis of ECLA.

/The comments

The comments made on the Economic Survey of Latin America in paragraph 37 are valid as far as the belated distribution of the printed version is concerned, but not as regards its preparation, since the mimeographed version appears in March or April, with information for the previous year. The necessary measures are being taken for the Survey to be printed in the secretariat's own workshops so that it can be in the hands of users by May of each year at the latest but a quicker form of postal dispatch than that used at present needs to be authorized for this purpose.

The Office of the Executive Secretary does not agree with recommendation 5 of the report, to the effect that the Economic Survey for Latin America should be published biennially. This document contains valuable up to date information on the rapidly changing economic events of the region, it is in great demand by Governments and economic research institutions, and it is the vehicle for the publication of various research studies on topical matters in the economic and social field.

(c) Statistics and Projections Division

As regards paragraph 39 of the report, it should be noted that although one of the main duties of the Statistics and Projections Division is to collect and process statistical data for the Economic Survey, it only devotes around 20 per cent of its resources to this end. The rest is given over to collecting, analysing and presenting statistical series for the use of ECLA and ILPES and for general information, to methodological work, and to the provision of advisory services to the countries of the region. Up till now, it has published the twice-yearly Statistical Bulletin for Latin America; from 1973, however, this will become the Statistical Yearbook for Latin America, while a quarterly bulletin containing short-term statistical data will also be issued. The new Yearbook will contain regional and country series on population, agriculture, industry, construction, electricity, prices, external trade, transport and national accounts, which were previously included in the Statistical Bulletin for Latin America, and in the future statistics will be added on the balance of payments, demography and social aspects.

It is observed in the report that one of the difficulties in the field of statistics is that Latin America is the only region lacking a body, similar to the Conference European Statisticians, responsible for the development of statistics. It should be mentioned, however, that although the importance of this type of body is recognized, no real conclusions have been reached on this matter, because of the need to study political and technical aspects of the countries which would be part of such a conference and to consider the special position in the continent of the Inter-American Statistical Institute (IASI), a subsidiary of the Organization of American States (OAS), which already performs some of the functions devolving upon such a conference.

/The comments

The comments made in paragraph 40 of the report on the lack of data-processing equipment are to the point. With a view to overcoming this serious problem, the secretariat has set up a working group to study the possibilities of setting up a computer centre to attend to the needs of the ECLA technical divisions and of the Latin American Centre for Economic and Social Documentation.

Recommendations 6(b) and 12 suggest the possibility of the Statistical Division and the Economic Projections Centre becoming part of the Economic Development Division. The Office of the Executive Secretary is not in agreement with these recommendations, since both these units take care of the requirements of the various divisions of the secretariat for statistics and projections, and if the above suggestion were accepted there would be a risk of their efforts being mainly concentrated on the needs of the Economic Development Division alone, neglecting the other divisions.

To improve to the maximum the output of the two offices, they have been provisionally merged, with the approval of headquarters, as the Statistics and Projections Division and have been operating in this form since 1972.

In addition to its normal routine work, this Division has also been carrying out the following:

(i) The preparation and study of economic and social indicators for the co-ordinated work of appraisal of the Second United Nations Development Decade, and

(ii) Work aimed at improving national statistics through regional technical assistance advisers (at present there are six adviser posts, five of them financed by the United Nations Fund for Population Activities; two of these latter posts are still vacant).

Among the specific tasks of the Projections Centre, the following may be mentioned:

(i) Joint work with the Economic Development Division, especially on models for the comparison of development styles, and

(ii) The identification, statement and solution of policy problems, especially as regards the external sector, jointly with the Trade Policy Division and the recent ECLA/UNCTAD/UNDP Programme on the 1973 multilateral trade negotiations.

/The Division

The Division, provisionally defined as above, has 13 professional posts and the six regional adviser posts mentioned above.

(d) Industrial Development Division

Since the completion of the report of the JIU, the Division has devoted most of its resources to studying industrial policies and, more recently, to the regional appraisal of industrial development within the context of the International Development Strategy. Mention should be made of the advisory assistance which is being given to the Board of the Cartagena Agreement on industrial matters, for which studies have been undertaken of the possibilities of integrated development in the steel, metal manufactures, fertilizers, paper and pulp, petrochemical and motor vehicle industries, with a view to preparing sectoral integration agreements.

In addition, a detailed study was made of the plastics sector in Latin America, which was submitted to the Regional Symposium convened by UNIDO in Bogotá (November and December 1972). Advisory assistance has also been given to the Government of Colombia on the utilization and export of coking coal, and the Division has co-operated with the LAFTA secretariat in defining requirements as to the origin of manufactured goods.

While the comments in paragraph 46 on the transfer of technology are to the point, it should be borne in mind that, although no definitive programme has as yet been evolved in this respect, the Office of the Executive Secretary has been doing a great deal to tackle this question, despite the marked shortage of financial resources. The Division co-operated in the Latin American section of the World Plan of Action for the Application of Science and Technology to Development, in close contact with the Advisory Committee (ACAST), the specialized agencies and the Organization of American States. Documents covering the technology issue at the regional level and laying down guidelines for action have also been prepared for UNCTAD and the Special Committee on Latin American Co-ordination (CECLA). In addition a practical study has been completed on the transfer of technology and industrial development in Brazil.

The Division has an establishment of 12 professional posts, 2 of which were vacant on 31 December 1972. It also has 4 regional adviser posts, financed by UNIDO, 2 of which were vacant on the same date, although talks are being held with UNIDO to fill them as soon as possible.

/(e) Transport

(e) Transport and Communications Division

The former Transport Programme has been transformed into the Transport and Communications Division, although as yet, owing to its heavy workload and the problem of finding suitable candidates for the two vacancies in its professional complement of five posts, it has not been able to do more than maintain its substantive work along much the same lines as before. Work has continued on the studies on road and maritime transport and the economic integration of Latin America, with special reference to problems relating to the Andean Group. Work has proceeded under a continuing programme on the study of maritime transport problems related to the ECLA work programme and the activities of UNCTAD, the Intergovernmental Maritime Consultative Organization (IMCO), OECLA, and LAFTA. National and international transport receives an equal amount of attention, and special attention is devoted to analysing the many problems of maritime transport. Work began recently on a study of the impact of technological innovation on maritime transport in the region.

In 1972, work began on the appraisal of the development of transport, communications and insurance in the region during the Second United Nations Development Decade, and on a joint project with the World Bank on information systems for the planning of regional transport, for which the Bank has assigned a consultant to the Division.

Paragraph 48 of the report criticises the lack of communication in 1970 between the Division and the Resources and Transport Division at United Nations Headquarters. The situation has improved markedly in 1971 and 1972, and both offices co-operated closely in the preparations for the United Nations/IMCO Conference on International Container Traffic as well as participating in a number of internal meetings. It is considered, however, that there is still room for strengthening working relations between the two divisions.

(f) Natural Resources and Environment Division

The Natural Resources and Energy Programme has been transformed into the Natural Resources and Environment Division since, in view of the great amount of work being undertaken by the United Nations on matters relating to the environment, the Commission considered it necessary to make provision in its regular work programme for the environmental problems encountered in the region. Because the environment issue spans a wide variety of disciplines, the Division must work in co-ordination with other Divisions that are also concerned with it, and a new form of organization is at present being considered for work on this issue (see document E/CN.12/957).

/Among the

Among the comments on this Division contained in the report, those in paragraph 50 lay special emphasis on the work being done in connexion with water resources but does not reflect the importance of work on energy and mineral resources. In addition to meetings on water resources, there have also been seminars on energy (electricity and petroleum), and this issue has been dealt with in substantial detail.

The Division's activities, which have mainly concerned water resources, energy and minerals, have been directed at more than just diagnostic studies and evaluation of the contribution of these sectors to development: they also comprise operational activities, including co-operation with Governments in the evaluation of projects and the formulation of specific plans.

Paragraph 51 of the report presents a manning picture that has changed to some extent. On 31 December 1972, the establishment consisted of six permanent professional posts, one of which was vacant. Similarly, six regional advisers are assigned to co-operate with the Division, but one of these posts is vacant.

The comments in paragraphs 52 and 53 and recommendation 8 are to the point, but it should be noted that, although the secretariat would have liked to increase its contacts with the specialized agencies and the Resources and Transport Division of the United Nations, this has not been possible owing to lack of funds, chiefly in the travel budget. The joint survey planned with Headquarters on the development of non-agricultural natural resources in the Central American countries has not been undertaken as no funds were approved for the respective programme.

(g) Trade Policy Division

This Division's programme has continued to keep closely to the recommendations contained in ECLA resolution 291 (XIII) and to the responsibilities devolving upon it in the appraisal of the International Development Strategy, pursuant to resolution 310 (XIV).

The staff of the Division has undergone some small changes compared with the situation described at the end of paragraph 56 of the report, since at the end of 1972 it had only eight permanent posts in the professional category and two regional adviser posts. These two posts have been transferred to the Export Promotion Programme which is currently operating under the Operations Division after having been directly subordinate to the Office of the Executive Secretary up to mid-1972.

/The comments

The comments in paragraphs 58 and 59 and recommendation 11 largely coincide with the policy followed by the secretariat with a view to setting up an Export Promotion Centre or at least a programme to stimulate this important activity and co-ordinate it with the trade promotion centres of other regional economic commissions and with the UNCTAD/GATT International Trade Centre. Unfortunately, this has not been possible owing to the shortage of resources, so it has only been possible to establish the Export Promotion Programme in the hope of later converting it into a centre. Up to the end of 1972, the Trade Policy Division, the Industrial Development Division and the Public Administration Unit collaborated with this programme.

Lastly, the Division holds annual courses on trade policy which are attended by some 20 officials from governments and foreign trade promotion bodies. It is also co-operating with CECLA on an increasing scale, since at recent meetings of this Committee the secretariat of ECLA has acted as secretariat pro tempore of CECLA through its Trade Policy Division.

(h) Social Development Division

Since the visit of the Joint Inspection Unit, the work programme of this Division has been centred mainly on problems of employment, population, regional and local development, and urban marginality; on studies on a unified approach to development; and on the execution of studies on general social policy. The studies on employment have focused on certain population questions and on a general survey for the appraisal of the Second United Nations Development Decade. The research on population has been intensified with financial assistance from the United Nations Trust Fund for Population Activities (UNFPA). In December 1972 ECLA convened a meeting of experts to study a long-term programme in this field.

As regards regional development, the outstanding feature has been the technical assistance provided to the various countries by the regional advisers attached to the Division. This is not to detract, however, from the importance of the research activities - which have been limited by the shortage of resources - aimed at the conceptual identification of regional development problems. Meanwhile, ECLA's co-sponsorship of the project on a unified approach to development analysis and planning has made it possible to expand the scope of this work, which was formerly carried out under the heading of social policy. In the research on social problems of urbanization, the

/analysis of

analysis of surveys in Santiago and Guayaquil (the latter by the Planning Board of Ecuador) is now being completed. Lastly, the Division's activities in connexion with the appraisal of the Second United Nations Development Decade have made it possible to shed new light on changes in social structures and conditions of living, and their relationship with overall development trends.

The comments in paragraphs 62, 63 and 64 of the report are no longer applicable, as ECLA has ceased to collaborate in the ILO/PREALC (Regional Employment Programme for Latin America and the Caribbean) project. Since the report was published, PREALC has solved its problems of leadership and has adopted a more realistic work programme, so that the criticisms are no longer valid.

There have been no changes in the Division's technical manning table. It still has eight permanent posts in the professional category, two of which are vacant, and four posts financed by the United Nations Trust Fund for Population Activities. There are also three regional adviser posts.

(i) Joint ECLA/FAO Agriculture Division

The comments in the report on this Division are, generally speaking, to the point. There have been no changes in its organization or its assignment of staff.

The suggestions put forward in paragraph 70 regarding the desirability of reorienting the work of the Division towards the study of basic questions of agricultural development and agrarian reform are being put into practice. The studies on trade in some agricultural products will be discontinued, while more attention will be focused on the analysis of certain questions of basic importance to agricultural development in the region (such as internal trade in foodstuffs) and a continuing review of the situation and the technical and structural advances achieved in Latin American agriculture.

/(j) Public

(j) Public Administration Unit

The comments on this Unit in paragraph 74 and recommendation 13 are applicable. In view of the physical impossibility of enlarging its sphere of action, owing to the complete lack of resources, advantage has been taken of the fact that two of its staff members have left and one of its regional adviser posts was eliminated to put an end to its operation as a unit. The only remaining associate regional adviser will work on the study of urgent problems of internal reorganization to be initiated shortly.

(k) Division of Administration

As in previous cases, many of the comments contained in the Inspection Unit's report on this Division no longer apply and have been replaced by the recommendations of the Administrative Management Service. However, some points which may be of interest are discussed below.

In paragraph 75 of the report no mention is made of the fact that this Division is responsible for many of the administrative activities arising in connexion with the Latin American Institute for Economic and Social Planning (ILPES) and the Latin American Demography Centre (CELADE). These entail a heavy workload over and above its normal activities.

Moreover, some changes have been made in the internal structure of the Division. Thus, the Library and the typing and documents reproduction services have been incorporated in the newly established Documents and Conferences Division. In addition, the Electronic Data Processing Unit has been set up, but since for the time being it has only one professional staff member (in the manning table it is assigned two professional staff members, one assistant research specialist and a secretary, whom it has not yet been possible to recruit), it has devoted its efforts to organizing an integrated staff records system based on electronic data processing.

5. Staffing

Paragraphs 99-104 discuss some of the staffing problems of the ECLA secretariat. Although mention has already been made of the serious problem confronting the organization in that it is finding it increasingly difficult to recruit staff with the right professional qualifications, it is worth while stressing that the greatest obstacles are the geographical quotas and the low salary scales. The problem has become really acute and is seriously hampering the fulfilment of the Commission's work programme.

6. ECLA headquarters building

Many of the shortcomings mentioned in paragraphs 105-108 with respect to the ECLA headquarters building have been solved by means of a programme of improvements which has provided better facilities for the staff's work. The cost of these improvements was 928,000 dollars, or 400,000 dollars less than the original estimate of 1,320,500 dollars.

United Nations headquarters should consider the suggested preparation of a manual for standardizing the construction of United Nations buildings, since there is a recognized need to establish similar rules for all cases.

7. Sub-regional offices

The setting-up of the Mexico Office and the sub-regional offices was not exclusively due to reasons of geographical convenience but also to political and technical reasons. The great benefits these offices have brought to the different sub-regions fully justify their establishment and operation. Improvements are being planned for some of them with a view to expanding their services to the countries lying within their radius of action.

(a) Mexico Office

This large office has undergone several important changes in its organization and staff since 1970.

Paragraph 77 states that the Mexico Office has come to act as technical adviser to the Central American Economic Council and to carry out studies and enquiries at its request. While it is true that aid is provided to the Council and to other Central American integration organizations, however, most of the research work provided for in the programme of work of the Mexico Office is carried out at the request of

/the Central

the Central American Economic Co-operation Committee and its dependent agencies or in accordance with the resolutions of the Commissions and of the United Nations.

An illustration of the latter is what happened in connexion with the Nicaragua earthquake in December 1972. As soon as the disaster suffered by the capital of Nicaragua and its population was known, the Office of the Executive Secretary, in consultation with the Governments of the member States of the Commission, called an urgent meeting of the Committee of the Whole, held at ECLA headquarters from 16-18 January 1973, and this meeting adopted a resolution empowering the secretariat to carry out various activities to assist in the work of reconstruction being carried out by the Government of Nicaragua.

The Mexico Office immediately took charge of the field studies to evaluate the damage occasioned by the earthquake and presented a detailed report to the Committee of the Whole which enabled a picture of the magnitude of the catastrophe to be gained and measures to be taken to assist in the preparation of the reconstruction and development plan. At the special request of the Government of Nicaragua, these new tasks were made the responsibility of the Mexico Office, which has already made a start on them.

As regards the allocation of staff, paragraph 80 of the report states that in 1970 this office had 26 posts in the professional category, 60 in the General Service category, and 16 regional advisers. By 31 December 1972 the situation had changed in part, however, since the office had 29 professional posts, 63 General Service posts and 16 regional advisers.

The difficulties of recruiting suitable professional staff seem to be even greater in the Mexico Office than in Santiago, since at 31 December 1972 there were six vacancies (23 per cent).

As regards paragraph 81 of the report on the structure of the office, it may be observed that some changes have taken place, following the recommendations of the JIU and the AMS. The different sections are not, of course, autonomous, nor do they act independently: all of them come under the Office of the Director and maintain close links among themselves, since they often undertake interdisciplinary projects in which different sections, under the orders of a project chief, collaborate and allocate staff from several sections.

Since 1969, the Industry Section and the Social Affairs Section have disappeared as separate entities and have been merged into the Development Section.

The Office of the Director has been reinforced by two co-ordinators, one for regional integration and the other for socio-economic research.

As regards the observations made in paragraph 82 and in recommendation 14 (c) on the need to review the co-ordination function of the Office in relation to the United Nations Technical Assistance Programme, it may be noted that gradual progress is being made towards closer co-ordination of the work of the regional advisers in the countries with that of the experts and staff of the office.

(b) Office for the Caribbean

In connexion with the activities of this office, which are referred to in paragraph 76 of the report, it is worth noting some facts which have been passed by, but which are important.

Like the Mexico Office, this office was set up to serve countries in a specific geographical area. Priorities were allocated for this work, however, so as to carry it out according to the availability of resources.

In October 1970, the Office of the Executive Secretary laid down that the main criterion for establishing the geographical coverage of the duties of this office should be membership of the countries in the Caribbean Free Trade Association.

(i) First priority will therefore be given to attending to the needs of countries which are members of CARIFTA;

(ii) Second priority will go to countries which have requested membership in CARIFTA;

(iii) Countries which are not members of CARIFTA but which request assistance in matters connected with CARIFTA countries will receive assistance according to the resources available, and

(iv) Requests for bilateral assistance from countries which are not members of CARIFTA will be attended to directly by ECLA headquarters in Santiago with the collaboration of the Office for the Caribbean.

/The summary

The summary of activities in paragraph 84 of the report is to the point, except as regards the programmes of work on industry, agriculture and tourism, which it has not been possible to implement because the posts requested for this purpose have not been made available.

It may be observed here that the manning table of the office on 31 December 1972 had only six professional posts: three general economists, a transport specialist, an administrative officer and another post which was vacant. It also had three regional adviser posts, one of which was vacant.

For a more precise statement of the work carried out in 1972, the following comments may be made on paragraph 85 of the report.

Lately, most of the work of the office has been aimed at promoting the economic integration of the sub-region, and studies have been made on, among other things, the harmonization of fiscal incentives for industry, the rationalization of agriculture, the establishment of a common tariff, and the formulation of a sub-regional industrial policy including industrial location. The office has also collaborated with the Governments of the sub-region to improve the quality and expand the coverage of economic and social statistics and formulate possible solutions for some of the social problems resulting from the development process.

As regards paragraph 90, it may be observed that, subsequent to the presentation of the report, the Office was the executing agency for the ECLA/IDB project on transport infrastructure.

(c) Rio de Janeiro Office

The situation of this office has changed radically since the visit of the JIU and the AMS. A new agreement has been made with the Government of Brazil whereby the Commission is to provide two permanent professional posts and the temporary services of its regional advisers when requested, while the Government will provide 50,000 dollars annually for the recruitment of additional staff, the payment of some auxiliary services and the acquisition of office furniture and equipment.

As regards the observations contained in paragraph 94 and recommendation 16, it should be pointed out that the Rio Office was set up in 1957 to collaborate with a country whose surface area, population and size of economy are equal to more than half the combined corresponding figures for the other countries of the region and which presents problems

/requiring special

requiring special attention. Consequently it is considered that the existence of this office is fully justified, and it is planned to give it greater importance in the future.

(d) Montevideo Office

The comments in paragraphs 95 and 96 regarding the office are completely valid and are in line with actuality except as regards staffing. This has remained unvaried since 1970, so that there are only two professional posts on the manning table, plus one allocated by FAO for the Joint ECLA/FAO Agriculture Division; these are insufficient to carry out adequately all the office's functions.

(e) Bogotá Office

For a clearer picture of what this office actually is, it would be preferable to use the following wording, instead of the text given in paragraph 97 of the report:

The ECLA Bogotá Office was set up under resolution 212 (IX) of the Economic Commission for Latin America, and began work in April 1967. Until 1972, its programme of work was centred, in accordance with the above-mentioned resolution and at the request of the sponsoring Governments 1/, on collaboration with these Governments in the review and orientation of specific economic development problems and in aiding and participating in work entrusted by ECLA to the Executive Secretary. In the first of these fields, attention was given to co-operation through programmes of development and frontier integration, bilateral and third country trade relations, participation in the economic integration process, and studies and proposals for industrial agreements within this framework. At the request of the signatory Governments of the Declaration of Bogotá, preference was given, until the Cartagena Agreement came into force in May 1969, to work connected with the studies and negotiations which led to the signing of this Agreement and that setting up the Andes Development Corporation.

In the second field, the work of this office was mainly to collaborate with the Office of the Executive Secretary in preparing the annual studies of development and economic trends in Colombia, Venezuela and Ecuador; to participate in the co-ordination of and preparation of studies on co-operation and technical assistance programmes for these Governments, and to conduct training programmes and disseminate information on the activities of ECLA and ILPES.

1/ Colombia, Ecuador and Venezuela.

From 1970 onwards, various circumstances made it necessary for the work of the office to be directed towards specific aspects of the economic policy of Colombia and Ecuador, such as the share of these two countries in the process of Andean sub-regional integration, and towards collaboration in studies and programmes undertaken jointly by ECLA and ILPES for the organs of the Cartagena Agreement. The office continued to co-operate with the Government of Venezuela on particular aspects of the economic development of that country, and continued with work for the secretariat.

During the period in question, the office had only one permanent post on the secretariat establishment. From 1967, a technical official of the Government of Colombia was available, and between 1967 and 1970 an expert from Venezuela. Office operating and secretarial expenses were paid throughout by the Government of Colombia.

In 1972, the Executive Secretary of ECLA made known the new orientation of the work of the Commission and its secretariat for the coming years. These directives indicate the need to strengthen the action of the secretariat at the sub-regional level through the sub-regional offices and give priority to co-operation with Governments and research activities.

On these bases, the process of strengthening and preparation for the new orientation of the work and responsibilities of the Bogotá Office was begun in the second half of 1972. Work has been initiated in three fields: (i) the expansion of the office's geographical radius of action to cover Colombia, Ecuador, Haiti, the Dominican Republic, Venezuela and the Netherlands Antilles; (ii) the strengthening of the manning table by the establishment of a small central core to direct activities, the participation of other secretariat officials in rotation, the co-operation of experts working for ECLA and consultants recruited through ECLA, and the technical support on specific projects of economists from the countries and territories served by the office, and (iii) the delimitation of its future activities through the preparation of a programme of work whose first stage will cover 1973 and 1974.

(f) Washington Office

Although no comments are made on this office in the report, it is perhaps worth noting that it was established at the beginning of the 1950's to collaborate with the substantive divisions in the procurement and analysis of economic data for the various studies carried out by ECLA, especially the Economic Survey of Latin America, and to provide technical and administrative support for ECLA staff members participating in the many international meetings which are held in Washington.

/In 1969,

In 1969, with a view to collaborating even more closely with the Latin American Institute for Economic and Social Planning, the office began to provide it with these same services, thus becoming the ECLA/ILPES Washington Office.

At the end of 1972 it had four professional and three general service staff members provided by ECLA, plus one professional and one general service staff member provided by ILPES.

8. New ECLA divisions not included in the Joint Inspection Unit report

After the JIU inspection group had visited ECLA and prepared its report, the Administrative Management Service studied administrative aspects and the utilization of available resources in ECLA. As a result of the report prepared by this Service and the recommendations it contained, the administrative structure of ECLA was reorganized and two new divisions were set up which are not included in the Joint Inspection Unit's comments: the Documents and Conferences Division and the Division of Operations.

(a) Documents and Conferences Division

This Division was established in order to unite under one management the whole process of the editing, reproduction and distribution of documents issued by the secretariat and the organization and servicing of all conferences, seminars and meetings convened by ECLA or other United Nations agencies.

The main functions of this Division may be summed up as follows:

- (i) To assume responsibility, within an integrated system, for the issue of all ECLA documents after their preparation by the divisions concerned. This includes criticism of the documents from the editorial point of view, editing, translation, final reproduction, and distribution;
- (ii) To take care of the organizational aspects of conferences, seminars and the like, including physical facilities and supporting services, contacts with participants and with appropriate bodies and offices, and obtaining contributions of documents and extrabudgetary funds, where appropriate.

The Documents and Conferences Division incorporates the following services which already existed in ECLA;

- (i) Editorial and Language Services
- (ii) Conference Unit
- (iii) Documents reproduction
- (iv) Documents distribution
- (v) Typing pool - text
- (vi) Typing pool - tabular matter
- (vii) Graphic Presentation (Artwork) Unit
- (viii) Library

These services have been transferred to the new Division with their present establishment of 11 professional and 45 general service staff members.

By agreement with ILPES, the Director of this Division will also direct the Institute's typing and documents reproduction services, which occupy premises in ECLA.

(b) Division of Operations

At the beginning of 1970 the secretariat of ECLA decided that operational activities should be carried out in the form of programmes, grouping together in each programme several regional advisers on related questions and supplementing some of the programmes with specialized training courses and high-level technical seminars. The aim of this arrangement is to harmonize and co-ordinate these activities with the research which the secretariat is carrying out in the fields covered by each of the operational programmes, with the twofold purpose of achieving a common unified approach to both types of activity and transferring the results of the research to the various countries through technical assistance. The final objective of this system is to ensure that ECLA's research activities can be put to practical use.

With the object of creating an instrument for harmonizing and co-ordinating these two activities, the ECLA Division of Operations was set up in May 1972, its duties being to determine an order of priority

/for ECLA

for ECLA technical assistance and to administer operational programmes and projects approved in line with the policies and the order of priority established in the Commission's work programme, while at the same time translating broad objectives and general policy directives into specific operational objectives.

For this purpose, the Division of Operations identifies and formulates multinational, regional and sub-regional technical assistance projects and programmes, taking into account the development objectives of individual countries or groups of countries, the resolutions adopted by intergovernmental organs, and the degree of complementarity there may be between such projects and programmes and country projects. It also co-ordinates the assistance provided by ECLA to the Latin American countries, both through the regional advisers and through secretariat staff members and, in consultation with the substantive divisions of the secretariat, it co-ordinates the execution of interdisciplinary and multi-divisional projects whose main objectives are (i) to collaborate in the solution of priority economic and social problems at the request of countries or groups of countries in the region; (ii) to assist in developing their economies and institutions; and (iii) to strengthen the regional and sub-regional economic integration process.

In addition, at the request of governments, UNDP, or participating and executing agencies, the Division of Operations co-ordinates the assistance rendered by ECLA to the governments of the region in the preparation of the background documents and reports required by the United Nations Development Programme as a first phase in that organization's country programming work and as a basis for the identification and formulation of projects included in the programme approved by the Governing Council of UNDP.

The staff of this Division is composed of the staffs of the old Technical Assistance Co-ordinating Unit and of the Export Promotion Programme, with the addition of some technical posts.

9. Specific features of the formulation of
ECLA'S work programme

The comments on the preparation of the work programme contained in paragraphs 109-111 of the Joint Inspection Unit's report relate to something which has been a feature of the Commission for many years, i.e., the small number of meetings of subsidiary organs of the Commission which could exercise more active parliamentary control over the preparation and implementation of the work programme.

The secretariat is fully aware of and concerned about this situation, and at recent sessions of the Commission it has advocated stronger action by the working group which meets every two years at the sessions of the Committee of the Whole of ECLA to consider the programme of work, the aim being gradually to increase the participation of the government delegations of the member States in the study and improvement of the draft programme of work which the secretariat submits for the consideration of the Commission. Thus, at the fourteenth session of the Commission, the working group on the work programme held long detailed discussions and introduced important changes in the draft presented by the secretariat.

10. Regional projects of the United Nations Development
Programme (Special Fund)

The secretariat is in full agreement with the observations in paragraphs 113 to 121 inclusive and has no further comments on them.

11. Operational role of ECLA

The time which has elapsed since the visit of the Administrative Management Service has meant that a large part of the report is no longer valid, especially as regards the operational role of ECLA, since the AMS made recommendations which led to the reorganization of these activities, while the new UNDP programming system came into force on 1 January 1972. The following comments may therefore be made on the report and on recommendation 18:

(a) Paragraph 126 (a). It is apparently still required that estimates for training courses should be submitted for approval to the United Nations Office of Technical Co-operation or UNCTAD, which is the UNDP's executing agency. This continues to cause undue delay in implementing projects. The ideal solution would be that the budget presented to UNDP with the project, once approved, should be considered by the finance services at Headquarters as valid authority for allocating funds to ECLA.

/(b) Recommendation

(b) Recommendation 18 (b) and paragraph 126(b). Despite repeated requests, no machinery has yet been established with the OTC, UNCTAD, the UNCTAD/GATT International Trade Centre and UNIDO, whereby the experts assigned to technical assistance programmes in fields of special interest to ECLA would visit the headquarters of ECLA or its regional offices, as the case might be, for briefing and instruction about the operational and research activities of the secretariat in areas of technical assistance similar or analogous to those in which the expert will be working in the country to which he will be sent.

(c) Recommendation 18 (c) and paragraph 126 (c). Under UNDP's new programming system, the Resident Representatives have instructions from UNDP to send to ECLA, for comments, copies of the Background Document, the UNDP country programme and the project documents which the country presents to UNDP on the basis of the national UNDP country programme.

(d) Recommendation 18 (d) and paragraph 126 (d). As from 1971, numerous periodic and final reports have been received on ex-Special Fund type projects in areas of interest to ECLA, especially projects implemented by the United Nations and FAO. This has not been the case, however, with reports on projects implemented by the World Bank, the majority of which are of direct interest to ECLA, since they are projects on transport and natural resources.

(e) Recommendation 18 (e). Under UNDP's new programming system, this recommendation - and the bases for it given in paragraphs 126 (e) and (f) and 133 (a) - is already partly obsolete because (i) the initiative for proposing regional and sub-regional projects mainly devolves upon countries or specially authorized intergovernmental agencies, although this does not prevent the regional economic commissions from proposing projects of this type to the relevant specialized agency for consideration by UNDP; (ii) if countries so request UNDP there is nothing to prevent the implementation of these regional and sub-regional projects from being delegated to ECLA, as the regional co-operation representative of the executing agency designated by UNDP, especially in the case of ex-Technical Assistance-type projects. It is to be supposed that the same principle applies to ex-Special Fund-type projects, since the new UNDP programming system does not distinguish between the two types.

As regards the advance evaluation of regional and sub-regional projects of interest to ECLA, it should be pointed out that these projects are not always submitted to the secretariat for this purpose, especially when the initiative for proposing them comes from the executing agencies.

/(f) Recommendation

(f) Recommendation 18 (f) and paragraphs 126 (f) and 133 (b). The same comments made in respect of paragraphs (c) and (e) of this memorandum apply here also.

(g) Recommendation 18 (g) and paragraph 133 (c). The advance evaluation of projects has already been commented on. No machinery has yet been set up by which ECLA could co-operate with UNDP or with the executing agency in the evaluation of projects during implementation and on completion.

(h) Recommendation 18 (h) and paragraph 133 (d). The designation of ECLA as directing and co-ordinating agency of the advisory groups on planning adopted as UNDP country projects depends exclusively on the decision of the Governments concerned. It should be pointed out, however, that for many projects of this type the countries concerned have requested UNDP to delegate ILPES to direct and co-ordinate project activities.

(i) Recommendation 18 (i) and paragraph 133 (e). This matter has already been commented on above.

(j) Paragraph 133 (f). It is our understanding (although this is not self-evident) that the Resident Representatives have instructions from the relevant executing agency to send ECLA reports on the progress and conclusion of regional projects in which ECLA is not directly concerned but which are of interest to it.

(k) Recommendation 18 (j) and paragraph 133 (g). This recommendation has been partly fulfilled with the creation of the Division of Operations as a result of the recommendation of the AMS report and the decision of the Executive Secretary of ECLA. This Division still needs to be supplied with sufficient staff to carry out its activities efficiently and rapidly, however.

(l) Paragraphs 127, 128, 129, 130, 131, and 132. The comments of the JIU report continue to be completely valid.

(m) Paragraph 134. The comments of the report continue to be completely valid.

12. ECLA's relations with the central organs of the United Nations and the specialized agencies

The ECLA secretariat considers that all the points dealt with in this section are still relevant and is in complete agreement with the observations appearing in the Note by the Secretary-General addressed to the Advisory Committee on Administrative and Budgetary Questions on the JIU report on the activities of the Economic Commission for Latin America (document E/4935/Add.1 of 5 November 1970).