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**ACTIVITIES OF THE ECLAC SYSTEM TO PROMOTE AND SUPPORT
TECHNICAL COOPERATION AMONG DEVELOPING COUNTRIES
AND REGIONS DURING THE BIENNIUM 1996-1997**

Note by the secretariat

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INTRODUCTION

In accordance with the general lines of the 1978 Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries as they apply to organizations of the United Nations system, the secretariat of the Economic Commission for Latin America and the Caribbean (ECLAC) and the rest of the ECLAC system, which includes the Latin American and Caribbean Institute of Economic and Social Planning (ILPES) and the Latin American Demographic Centre (CELADE), carry out a variety of activities designed to promote and support technical cooperation among developing countries (TCDC) at the regional, subregional and interregional levels. These activities are reviewed periodically by the member States at sessions of the Commission, whose institutional structure includes a sessional committee, set up pursuant to ECLAC resolution 387(XVIII), responsible for monitoring such matters.

This report, prepared as a working paper for submission to the sessional committee at the twenty-seventh session of the Commission to be held in 1998 in Oranjestad, Aruba, describes the main operational activities carried out by the ECLAC system since the last session.

Section I of the report gives a brief description of the inter-agency framework in which TCDC is currently carried on at the global and regional levels and the role played by ECLAC in that context.

Section II of the report reviews in greater detail the activities carried out by the ECLAC system during the biennium 1996-1997. It presents a detailed description of TCDC promotion and support activities project by project and then discusses the efforts underway in a few sectors of great interest.

The last section of the report briefly describes some possible future directions and lines of action the secretariat might take in regard to TCDC, which could be of interest for the work of the sessional committee.

I. THE INSTITUTIONAL FRAMEWORK FOR TECHNICAL COOPERATION AMONG DEVELOPING COUNTRIES (TCDC) AT THE GLOBAL AND REGIONAL LEVELS DURING THE BIENNIUM

Since the mid-1970s, the ECLAC system —comprising the Latin American and Caribbean Institute for Economic and Social Planning (ILPES) and the Latin American Demographic Centre (CELADE) along with the ECLAC secretariat— has been carrying out a wide range of activities to promote and support projects and initiatives in the area of technical cooperation among developing countries (TCDC) throughout Latin America and the Caribbean. The main strategic thrust of this technical cooperation is to help the countries of the region to achieve their economic and social development goals. As a regional body of the United Nations, ECLAC is guided in its activities in this field by the resolutions adopted by Governments in the global and regional forums of the Organization and by the guidelines emanating from other regional forums and bodies. Together they form an institutional framework that allows for ongoing follow-up and steady progress in activities designed to promote and support TCDC at different levels. In recent years, the actions of Governments in the region have made it possible to establish an institutional structure for technical cooperation in Latin America and the Caribbean that provides the necessary basis for the consolidation of TCDC as a dimension of growing importance in the activities of Governments and other national agents. This section of the report describes the work done and the initiatives taken in this field during the biennium.

A. THE GLOBAL FRAMEWORK

In the United Nations system the general framework for TCDC is provided by the Buenos Aires Plan of Action, adopted by the General Assembly in 1978, in which it requests the organs, organizations and bodies of the United Nations system to act as catalysts in promoting TCDC activities, which essentially are carried out on the initiative of the Governments involved.

During the biennium 1996-1997, the States Members of the Organization undertook initiatives and adopted agreements of significance for the promotion of TCDC in the United Nations system, specifically at the tenth session of the High-level Committee on the Review of Technical Cooperation among Developing Countries. The Committee, which meets regularly in odd years, held its tenth session at United Nations Headquarters in New York from 5 to 9 May 1997 and in its customary fashion reviewed the progress made by United Nations organizations and by Governments in implementing the Buenos Aires Plan of Action and the Committee's own decisions. On that occasion, the Committee reiterated the importance of decision 9/2, taken at its ninth session in 1995, in which it adopted new directions for technical cooperation among developing countries for the 1990s, thus completing a process of discussion and strategic analysis of TCDC that had begun at the seventh session of the Committee in 1991. Briefly, the new guidelines for TCDC that emerged from this debate were as follows:

- reorientation of TCDC to focus it on initiatives of strategic importance that could have a significant impact on the development of the countries; it was recommended that in future priority areas for TCDC activities should include: links between trade and investment, environmentally sustainable development, links between production and employment, debt, poverty alleviation, education, health, technology transfer, rural development and macroeconomic policy coordination;

- closer integration of technical cooperation and economic cooperation among developing countries (ECDC), to enable TCDC to become an effective tool for supporting schemes of economic cooperation among developing countries;

- promotion of new TCDC “products” that might, by virtue of their intrinsic merits, have the potential to attract funds from potential donors;

- a substantial increase in the resources assigned to TCDC activities in the next programme cycle of the United Nations Development Programme (UNDP) and the promotion of triangular funding arrangements to attract the interest of donors in funding TCDC exchanges in specific areas;

- review and further improvement of forms of support for TCDC, to be put into effect with the help of the UNDP Special Unit for Technical Cooperation among Developing Countries (capacities-and-needs matching exercises, TCDC focal points and the TCDC information referral system (INRES)).

The current operational strategy for applying these new guidelines is in keeping with the TCDC framework prepared by the UNDP Special Unit for Technical Cooperation among Developing Countries. That framework will be the basis for deciding how to use the funds allocated to TCDC by the Executive Board of UNDP for the three-year period 1997-1999. The cooperation framework identifies two broad categories of activities that will be considered high-priority: (i) support for the goals of sustainable human development through projects that relate to poverty alleviation, the environment, production and employment, trade and investment, and macroeconomic management; and (ii) policy formulation and coordination, strengthening TCDC management and support for information activities.

B. THE REGIONAL FRAMEWORK

In order to understand the actions ECLAC is taking in regard to TCDC on the regional level, one should be aware that the countries of the region which are members of the Latin American Economic System (SELA) have empowered that body to act as regional focal point to support the TCDC activities of the national focal points responsible for these matters. Under this organizational arrangement, the national focal points, which are located within national offices or agencies for international cooperation, meet once a year. These meetings currently constitute an extremely valuable mechanism for exchanging information and ideas, keeping national focal points informed of the TCDC activities undertaken by the ECLAC system and collecting the views of the countries of the region as to which sectors and issues are of interest to them. The annual frequency of the meetings, which are convened by the Permanent Secretariat of SELA, allows for good feedback from the technical agencies responsible for coordinating cooperation at the national level.

Hence, during 1996 and 1997, the eleventh and twelfth meetings of directors of international technical cooperation were held on the occasion of the regular meetings of the Latin American Council

of SELA. As usual, the ECLAC secretariat participated in these meetings, reporting on the activities of the ECLAC system in support of TCDC and collaborating with the Permanent Secretariat and the UNDP Special Unit for Technical Cooperation among Developing Countries, which provided the necessary financial support to the countries. The meetings were held in Mexico City and Antigua, Guatemala, respectively. The agendas for the two meetings expressly included a topic related to development policies as a suggested subject area in which to concentrate cooperation efforts and activities at the regional level. For the meeting in Mexico City the topic chosen was the integration of technical and economic cooperation; for the meeting in Antigua, the topic selected was decentralization. At the latter meeting, ECLAC made a presentation based on activities carried out by its experts on decentralization.

At the regional level, further progress was made in inter-agency coordination through the mechanism for regional coordination among the regional bodies and organizations engaged in TCDC. This open and informal operational mechanism, taking as its starting point the debates and agreements of the national directors of international cooperation at the above-mentioned annual meetings, goes on to identify ways in which the various regional organizations can coordinate their efforts to help the countries implement the decisions they have made. During the biennium, the twelfth and thirteenth of these coordination meetings were held, for which ECLAC provided its usual support.

C. TCDC IN THE ECLAC CONTEXT

The activities of the ECLAC system to promote and support TCDC at the regional, subregional and interregional levels are governed by the specific mandates entrusted to the ECLAC secretariat by the States members of the Commission. Under the institutional structure of the Commission, matters related to the promotion and support of TCDC come under the purview of the sessional Committee on Cooperation among Developing Countries and Regions, created at the eighteenth session of the Commission (La Paz, Bolivia, 1979) to review the progress made by ECLAC in the implementation of the Buenos Aires Plan of Action. The Committee has met regularly since 1981, and its work is reflected in the Commission resolutions dealing specifically with the subject of TCDC in the ECLAC system.

At the twenty-sixth session of the Commission held in 1996 in San José, Costa Rica, the Committee approved a draft resolution that was subsequently adopted in plenary meeting as resolution 560(XXVI) on technical cooperation among developing countries and regions. In the resolution, which served as a guide to the secretariat in its activities during the following biennium, the Commission members specified a number of areas in which the ECLAC system could help to promote TCDC in the region.

During the biennium, ECLAC continued to maintain contact and to negotiate with the bilateral and multilateral donors who have customarily contributed extrabudgetary funding for technical cooperation projects. Such negotiations are especially vital for the TCDC activities the ECLAC system undertakes, since most of them are carried out with extrabudgetary resources. Section II of this report describes some of the projects of especial relevance to intraregional TCDC and indicates the amounts and sources of funding.

Publication of the newsletter *Cooperation and Development* has continued. This newsletter, which is the regular means of disseminating information about TCDC support activities carried out by ECLAC, has been published continuously since 1981 in English and Spanish and now appears every four

months. A considerable boost was given to the dissemination of ECLAC activities in general and those in the field of TCDC in particular through the recent appearance of an ECLAC web page on the Internet computerized information network.

II. DESCRIPTION OF ACTIVITIES CARRIED OUT DURING THE BIENNIUM 1996-1997 TO PROMOTE AND SUPPORT TECHNICAL COOPERATION AMONG DEVELOPING COUNTRIES IN THE REGION

A. OPERATIONAL MEANS OF PROMOTING AND SUPPORTING TCDC IN THE ECLAC SYSTEM

ECLAC uses various means of promoting TCDC, notably by: (i) providing information services, especially through the Latin American Centre for Economic and Social Documentation (CLADES), which is part of the ECLAC system; (ii) incorporating elements of horizontal cooperation in the technical and substantive studies the secretariat carries out, with the aim of identifying cooperation opportunities and potential ways of strengthening cooperation among participating countries; (iii) developing specific TCDC-oriented projects and mobilizing extrabudgetary funding to carry them out; (iv) providing technical support to TCDC networks in which the operational agents of such cooperation participate, in many cases private entities in the sector concerned; (v) coordinating with regional organizations that also utilize TCDC in their respective spheres of activity, especially through the networks that operate in the region with the support of UNDP and SELA; (vi) consulting and coordinating with other regional commissions to adopt joint initiatives aimed at promoting TCDC in areas of common interest at the interregional level; (vii) providing technical advisory assistance to national offices in charge of international cooperation matters.

B. DESCRIPTION OF ECLAC PROJECTS THAT INCLUDE HORIZONTAL COOPERATION ELEMENTS

Using one or more of the above means, the ECLAC system promotes and supports TCDC as part of its programme of work. In general, TCDC activities are components of specific technical cooperation projects carried out with extrabudgetary funds from various sources inside and outside the United Nations system; a substantial proportion of them receive support from developed countries which are members of the Commission. The TCDC elements incorporated into such projects serve one or more of the following objectives: to strengthen cooperation networks and support national TCDC focal points; to hold seminars and technical meetings to facilitate an interchange of experiences of interest to the countries; to prepare studies and reports specifically designed to identify cooperation opportunities; and to facilitate the provision of horizontal cooperation services by local experts or consultants associated with projects.

During 1996 and 1997, ECLAC continued to carry out various types of activities to support and promote TCDC in the region in accordance with the recommendations of the Buenos Aires Plan of Action and the mandates of its member States. Most of its activities involved the incorporation of specific TCDC elements in technical cooperation projects organized by ECLAC divisions and units.

Operational activities involving TCDC

ITA/95/S71, “Urban management in selected medium-sized cities of Latin America and the Caribbean”

Objectives: to provide advisory assistance to local governments of medium-sized cities in Latin America and the Caribbean in order to increase and strengthen the strategic management capacity of the municipal structure.

Participating countries: Argentina (Cordoba), Brazil (Ouro Preto), Chile (Valdivia), Colombia (Manizales), Peru (Cusco), Trinidad and Tobago (Port of Spain).

Outputs:

(i) The Municipality of Cordoba undertook the design of a functional and administrative structure for a combined public-private agency for local development, which is to be the focal point for initiatives to promote international business, foreign investment, business meetings and both general and skills training activities; it also worked on the design of a project to foster new businesses, which, it is hoped, will facilitate the start-up and growth of local, innovative small and medium-sized businesses capable of competing successfully in national and international markets;

(ii) The Municipality of Ouro Preto designed a system for managing the urban periphery that involves three components: strategic planning, citizen participation and institutional coordination; it is directed at low-income groups lacking access to services and addresses the areas of housing, infrastructure, facilities and environmental quality;

(iii) The Municipality of Valdivia designed a system for decision-making in the area of planning; the purpose is to streamline the decision-making process in urban planning, especially with regard to implementation of the policies, programmes and projects contemplated in the Communal Plan of Municipal Development; it also designed a system for communicating with the private sector and involving it in municipal management, with the aim of increasing coordination and interaction between the Municipality and the private sector in the area of urban management and development;

(iv) The Municipality of Manizales undertook the design of a system for monitoring, follow-up and control of the Manizales Twenty-first Century Development Plan; the aim is to improve city management by coordinating and rationalizing the work of the offices in charge of executing the policies, programmes and projects contemplated in the Plan; it also worked on the design of a system for disseminating information about and creating awareness of the Plan among the general public, citizens’ groups, the business community and the academic community of the city; the purpose is to help to coalesce the various interests around the concrete image of City Hall and to publicize the goals of the Plan to all sectors of the city;

(v) The Municipality of Cusco worked on the design of a system for re-engineering the organizational structure of the municipal water utility or garbage collection service; the aim is to apply the principles of public-sector modernization to a municipal entity, establishing links to the central apparatus; it also worked on a design of a local management strategic planning system; the aim is to improve municipal planning and management by designing and implementing a set of strategic planning components, processes and tools and providing training in their use;

(vi) The City Corporation of Port of Spain designed an information system, intended to enable the city gradually to develop a registry system, meanwhile serving as an aid to planning; it also worked on the design of a local management strategic planning system to improve urban management by designing and implementing a set of strategic planning components, processes and tools and providing training in their use.

Follow-up: the experiences and outputs obtained in the course of the project will be disseminated through a series of publications on specific topics related to the main problems encountered in the case studies.

Duration: 39 months (January 1995 - March 1998).

Source and amount of funding: Italy, US\$ 877,242.

FRG/95/S79, “Decentralization of fiscal policy and management in Latin America and the Caribbean” (phase II)

Objectives: to enhance and improve the exchange of information among the countries on the use of instruments for decentralized fiscal management.

Participating countries: Argentina, Bolivia, Colombia, Chile, Ecuador, Guatemala, Mexico, Paraguay, Peru and Venezuela.

Outputs: (i) new case studies on selected countries (Bolivia, Ecuador, Mexico, Paraguay and Peru); (ii) studies on specific topics: fiscal decentralization and macroeconomic policy; fiscal decentralization and distributive considerations; fiscal decentralization and allocation of functions and resources; fiscal decentralization and institutional development: coordination and cooperation considerations; (iii) national and local seminars (to disseminate the results of phase I and publicize the new priority areas to be worked on) in Argentina, Colombia, Chile and Mexico; (iv) a meeting on fiscal decentralization for government officials, organized in collaboration with the Federation of Municipalities of Central America (FEMICA) as a TCDC activity with the participation of experts from Chile and Colombia.

Follow-up: start-up of another project, “Decentralization and promotion of economic development: experiences and policy lessons” (scheduled to begin in April 1998); the objective will be to collaborate in government activities already underway aimed at developing appropriate decentralization strategies and policies to spur economic development on the local and regional levels.

Duration: 33 months (January 1995 - September 1997).

Source and amount of funding: Germany, US\$ 531,088.

ECLAC/ILPES/International Institute for Public Administration (IIAP), “Economic reforms and strategic public management”

Objectives: (i) to train officials from central government agencies and professionals from academic institutes or centres involved in economic planning, fiscal policy, financial administration, public investment or social spending programmes; (ii) to promote a horizontal exchange of information and experience on the various rationales and criteria that underlie the formulation and implementation of public policies in the economic sphere; (iii) to review instruments for evaluating the economic impact of the State’s allocation of resources, with emphasis on methods for improving operational performance; to examine the reforms under way in some key areas of government and the institutional arrangements that have been tried in an effort to put the new systems into practice.

Participating countries: 12 countries which are members of ILPES.

Outputs: Training completed for 30 participants (160 teaching hours).

Sources of funding: International Institute for Public Administration (IIAP-France); Inter-American Public Budget Association (ASIP); ILPES.

FRG/95/S80, “Reform of health system financing in Latin America and the Caribbean”

Objectives: to examine the results obtained under health systems based on privately-financed insurance plans, with or without subsidies, in a number of countries of the region and under decentralized management of health services, in order to draw practical conclusions with respect to financing, benefits, regulation and supervision of health systems. In the exchange of experiences, particular attention has been paid to how private health care delivery systems relate to changing production patterns and social equity.

Participating countries: Argentina, Chile and Colombia.

Outputs: (i) eleven case studies in Argentina, Chile and Colombia on specific topics related to health system reform; (ii) a seminar held in November 1996 on country experiences and the following strategies for reform: reform plans should take into account the specific characteristics of the country; the health market should be strengthened through efficient public management of regulation, supervision, delivery and funding; given the existence of poverty and of imperfect health care markets, the State has an important role to play in the delivery and funding of health care; health care costs can be controlled by integrating service providers and insurance companies in various ways; to avoid exclusion of some groups, particularly those suffering from catastrophic illness, older persons or low-income groups, altruistic elements should be incorporated into the structure of risk insurance; reform of management mechanisms should be pursued with the aim of promoting efficiency in the delivery of services, investment of public funds, targeting of subsidies and regulation and supervision; consideration should be given to advance payment schemes, in which payment is made prior to delivery of services, in the form of capitation (per capita) payments, an overall budget for care centres or payment per group with a similar diagnosis; instruments should be developed that can make competitive systems compatible with the requirements of solidarity (hence in health care funding, contributions based on ability to pay must

co-exist with premiums based on risk); countries differ in the ease with which a political consensus can be reached that will allow reforms to last over time.

Follow-up: in 1998 the second phase of the project will begin in Brazil, Mexico and other countries, and ECLAC will continue to provide technical assistance through regional advisors under horizontal cooperation arrangements.

Duration: 29 months (August 1995 - December 1997).

Source and amount of funding: Germany, US\$ 508,500.

ECLAC/ILPES, "International distance-learning course on identifying and formulating technical cooperation projects"

Objectives: to take advantage of the opportunities offered by modern technology for information exchange and its contribution to methods of training and knowledge transmission by applying it to the training of public officials of central, regional or local governments, at their own places of work or homes, in identifying, preparing and evaluating technical cooperation projects.

Participating countries: Argentina, Chile and Colombia.

Outputs: (i) the ILPES Office of Investment Projects and Programming gave the international distance-learning course on identifying and formulating technical cooperation projects for the first time on an experimental basis in collaboration with the Catholic University of the North (Chile), the National University at Cordoba (Argentina) and Unisur Distance-Learning University (Colombia); (ii) the course is also open to personnel from non-governmental organizations and private companies in the participating countries, the aim being to improve the quality of projects in both the public and private sectors and opportunities for timely access to sources of funding; (iii) the course employs an active teaching method incorporating the principle of "learning-by-doing", based on familiarity with and application of the methodological manual for the presentation of non-repayable technical cooperation projects prepared by the International Technical Cooperation Division of the National Planning Department of Colombia; the programme consists of three modules: the first deals with basic concepts concerning the stages and general characteristics of projects; the second presents a series of steps for identifying and formulating projects; and the third entails the actual formulation of a project.

Duration: six months (July-December 1997).

FRG/95/S69, "Guidelines and consultancy services on controlled, environmentally sound waste management" (phase III)

Objectives: (i) to promote the formulation and implementation by governments and public and private enterprises of integrated policies for the environmentally sound management of urban and industrial wastes, particularly solid wastes; (ii) to strengthen intraregional horizontal cooperation within the region through the mechanism of TCDC in the area of sound, integrated management of urban and industrial wastes.

Participating countries: Argentina, Brazil, Colombia, Costa Rica, Chile and Ecuador.

Outputs:

(i) under the general heading of integrated waste policy, eight main topics were identified: (a) regulatory framework; (b) development of institutional capacity; (c) economic instruments; (d) management instruments; (e) zoning and land-use planning; (f) waste reduction and clean technologies; (g) environmental education and awareness-building; (h) role of the private sector;

(ii) countries were selected that could participate actively in TCDC in this sector: Argentina (Municipality of Cordoba), Colombia (Municipality of Cartagena), Chile (National Environment Commission (CONAMA)) and Ecuador (Municipality of Quito):

Municipality of Cordoba: TCDC activities focused on two areas: use of technologies for managing industrial waste, with the special cooperation of the Companhia de Tecnologia de Saneamento Ambiental (CETESB) of Brazil; and development of the legal framework at the federal, provincial and municipal levels, a subject on which the Municipality had an interesting exchange of experience with the Municipality of Campinas, State of São Paulo, Brazil;

Municipality of Cartagena: TCDC efforts focused on two areas: training in the use of industrial waste management technologies, with support from CETESB; and training in management of urban solid waste sanitary landfills, with the assistance of technicians and experts from Empresa Metropolitana de Residuos Ltda. (EMERES) of Santiago, Chile;

Government of Chile: TCDC efforts focused on three areas: developing the capacity of government institutions to regulate and monitor compliance with regulations governing industrial solid waste; developing institutional capacity for sound management and control of urban and industrial waste, with assistance from the Colombian Ministry of the Environment; and developing mechanisms for community participation in sound management of urban and industrial waste, with assistance from the municipalities of Campinas and Cordoba;

Municipality of Quito: TCDC activities focused on two areas: controlling pollution from industrial sources, including the development of economic instruments, a topic on which the Municipality received support from and exchanged experience with institutions in Brazil (CETESB and the Municipality of Campinas), Colombia (Ministry of the Environment) and Chile (CONAMA and the Regional Environment Commission (COREMA) for the Metropolitan Region); and designing a legal and institutional framework for controlling urban and industrial waste, a task approached with the benefit of the capability and experience developed in Brazil and Colombia;

(iii) a regional course was held on integrated waste management policy instruments, attended by professionals from both the public and private sectors (19-31 August 1996);

(iv) national training workshops were organized, one in Chile on rate systems (July 1996) and two in Argentina, the first on ISO 9000 and 14000 (August 1996) and the second on economic instruments for environmental protection (September 1996).

Duration: 25 months (September 1995-September 1997).

Source and amount of funding: Germany, US\$ 460,000.

INT/96/902, “Incorporation of national focal points for technical cooperation among developing countries into the Internet”

Objectives: (i) to facilitate the dissemination of information about TCDC activities via the World Wide Web on the Internet; (ii) to improve the exchange of information on TCDC activities conducted in Latin American and Caribbean countries through the creation of institutional websites on the Internet.

Participating countries: Argentina, Brazil, Colombia, Chile, Cuba, Mexico, Trinidad and Tobago and Venezuela.

Outputs: (i) a round of consultations was held by means of missions and work meetings with focal points in eight countries of the region with the aim of identifying the technical and substantive elements required in order to create institutional websites on the Internet; (ii) a plan was drawn up whereby the TCDC focal points would set up basic electronic mail and Internet navigation facilities at their headquarters; (iii) it was suggested to the countries that their web pages should offer information on their cooperation projects and initiatives, their national TCDC policies, their national inventories of TCDC supply and demand (capacities and needs matching exercises) and other related topics.

Follow-up: provide technical assistance in training in the management of information resources and technologies with awareness of the new opportunities and challenges that the Internet presents.

Duration: 24 months (September 1996-May 1998).

Source and amount of funding: UNDP, US\$ 35,256.

ECLAC/ILPES/Spanish Agency for International Cooperation (AECI), “Third international course on preparation, evaluation and management of local development programmes”

Objectives: to develop a “project culture”, that is, a permanent institutional capacity for managing viable, fundable and sustainable projects that result in a lasting increase in the productivity of the beneficiaries.

Participating countries: 15 countries which are members of ILPES.

Outputs: (i) the course was attended by 29 officials of central, regional and local governments in 15 Latin American and Caribbean countries with responsibilities in the handling of public investment on a decentralized level; (ii) the participants developed and evaluated specific capital investment projects on the municipal level in the areas of education, health, urban road systems, rural electrification, basic sanitation and solid waste disposal.

Duration: five weeks (September-October 1996).

Sources of funding: Spanish Agency for International Cooperation and ILPES.

HOL/96/S34, "Growth, employment and equity: Latin America and the Caribbean in the 1990s"

Objectives: to conduct comparative studies on 10 countries, analysing levels of economic growth, employment and equity, with a view to improving the overall performance of the region's economies.

Participating countries: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Jamaica, Mexico, Peru and Suriname.

Outputs: (i) a workshop was held in March 1997 on five of the subject modules of the project (reform and macroeconomic, social and environmental policies; reform, investment and growth; reform, technical progress and growth; reform, growth, technical progress and employment; and reform, social policies and equity); (ii) a workshop was held in August 1997 on the modules relating to employment and equity.

Duration: 30 months (February 1997-August 1999).

Source and amount of funding: Netherlands, US\$ 985,000.

FRG/96/S38, "Policies to improve the quality, efficiency and relevance of technical and occupational training in Latin America and the Caribbean"

Objectives: to identify, introduce and disseminate successful training models that help increase productivity and international competitiveness while also improving social equity.

Participating countries: Brazil, Chile, Colombia, Dominican Republic, El Salvador, Guatemala, Jamaica, Mexico and Peru.

Outputs: (i) three case studies were done on training: one in the automotive industry (Brazil), one in the graphics industry (Chile) and one in the electronics industry (Mexico); (ii) case studies are in progress on training in dynamic industries (Colombia); on training in the Hofab conglomerate (Jamaica); and on dual education and the National Apprenticeship and Industrial Labour Service (SENATI) (Peru); (iii) three national workshops were held in Brazil and Chile.

Duration: 24 months (November 1996-October 1998).

Source and amount of funding: Germany, US\$ 518,750.

ECLAC/ILPES, "REDILPES"

Objectives: to set up a channel of communication for exchanging experience and constantly updating information related to State strategic management.

Participants: students and graduates of ILPES courses, universities, study and research centres, non-governmental organizations and any others interested in the work of ILPES.

Outputs: (i) REDILPES members received free of charge the Institute's bulletin and information on its training activities; (ii) the network now has over 200 members in both the public and private sectors and in universities and libraries of the countries of the region and Spain.

Follow-up: continue to expand the number of REDILPES members.

Duration: from mid-1996.

Source of funding: ILPES.

CAR/94/P02, "Integration of population into development planning in the Caribbean subregion"

Objectives: to contribute to the economic and social development of the subregion by providing support to the countries in the training of human resources and the improvement of institutional mechanisms for incorporating population factors in development planning. The project will make possible the creation of a subregional population data base for the Caribbean countries and the training of 100 technicians from the subregion in the analysis of demographic data and use of data for planning.

Participating countries: Antigua and Barbuda, Bahamas, Barbados, Belize, British Virgin Islands, Cuba, Dominica, Grenada, Guyana, Jamaica, Montserrat, Netherlands Antilles, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago and the United States Virgin Islands.

Outputs: (i) technical support was provided to the countries in relation to subregional implementation of the Programme of Action adopted at the International Conference on Population and Development; (ii) the related plan of action for the Caribbean subregion was finalized; (iii) training of government officials and staff of non-governmental organizations was conducted in the analysis of census data for purposes of quantitative planning.

Duration: 54 months (July 1994-December 1998).

Source and amount of funding: United Nations Population Fund (UNFPA), US\$ 378,906.

CEC/95/S82, "Development of a multi-user information system for the Latin American Agreement on Port Control (Viña del Mar Agreement)"

Objectives: (i) to develop a multi-user version of the Latin American Ship Inspection Information System to help the countries of the region to improve control of merchant ships in port; (ii) to install the system at the offices of the secretariat for the Viña del Mar Agreement, located in Buenos Aires; (iii) to train the administrators of the data base.

Participating countries: States signatories to the Viña del Mar Agreement.

Outputs: (i) a multi-user version of the Latin American Ship Inspection Information System was developed; (ii) the system was installed in Buenos Aires; (iii) system administrators and users were trained.

Follow-up: ECLAC will continue to provide distance support for the start-up of the system in Buenos Aires and the installation of the corresponding module by users who may wish to link up to the system from time to time.

Duration: 12 months (October 1995-September 1996).

Source and amount of funding: European Commission, US\$ 36,426.

FRG/95/S95, "Technical cooperation to improve the supply of petroleum to Central America" (phase VI)

Objectives: to support the present process of subregional cooperation in the oil sector until the formal creation of the Central American Committee for Cooperation on Hydrocarbons (CCHAC), a body whose establishment has been approved by six countries of the subregion.

Participating countries: Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Mexico and Panama.

Outputs: (i) the bodies responsible for the gas and oil sector in each of the countries initiated the process of having the final version of the agreement constituting CCHAC ratified by their national authorities in accordance with their respective laws; (ii) support was provided for initiatives to coordinate and harmonize the new sets of laws, regulations and standards; (iii) the new data base was transferred to CCHAC; (iv) semi-annual statistical reports were published; (v) work began on the design of model environmental regulations for the oil and gas sector.

Duration: 32 months (January 1996-August 1998).

Source and amount of funding: Germany, US\$ 142,500.

HOL/94/S44, "Promotion of trade and investment in Latin America and the Caribbean"

Objectives: to improve the exchange of information on trade and investment among the participating countries, and to that end to support the formulation and implementation of the programme of work of the Association of Caribbean States in this field and the establishment of links among the various subregional integration schemes.

Participating countries: Argentina, Brazil, Bahamas, Barbados, Chile, Costa Rica, Cuba, Dominican Republic, El Salvador, Guatemala, Guyana, Honduras, Mexico, Nicaragua, Panama, Peru, Saint Kitts and Nevis, Suriname, Trinidad and Tobago and Venezuela.

Outputs: a meeting was held on the promotion of intraregional trade and investment in Latin America and the Caribbean (Port of Spain, 23 and 24 September 1997), and a synthesis of the results of the meeting was published.

Follow-up: the project output has served as input for the discussions of the working groups on investment and services for the Free Trade Area of the Americas (FTAA), for which ECLAC is providing technical support.

Duration: 18 months (March 1995-September 1996).

Source and amount of funding: Netherlands, US\$ 228,260.

HOL/94/S22, "Income distribution and poverty in relation to recent stabilization and adjustment policies in Latin American and Caribbean countries"

Objectives: (i) to offer the Latin American and Caribbean countries guidelines for stabilization and adjustment programmes, with the aim of helping them identify and apply policies that enhance equity and relieve poverty; the project involves 10 national case studies; (ii) to analyse recent or ongoing experiments with stabilization and adjustment programmes in Latin America and the Caribbean in order to draw conclusions and come up with suggestions for improving the design and implementation of such policies with respect to their impact on equity and poverty.

Participating countries: Argentina, Brazil, Chile, Colombia and Mexico.

Outputs: (i) three case studies (Argentina, Brazil and Colombia), five household surveys (Argentina, Brazil, Chile, Colombia and Mexico) and comparative studies between the three cases (Argentina, Brazil and Colombia) and between the five household surveys were completed; (ii) the following meetings were held: a technical seminar on the national cases studied (Santiago, Chile, May 1996), technical seminar on income distribution (Santiago, Chile, November 1996) and four national seminars (Colombia, April 1997; Argentina, May 1997; Mexico, June 1997; and Chile, June 1997).

Duration: 42 months (April 1994-September 1997).

Source and amount of funding: Netherlands, US\$ 400,020.

HOL/93/S91, "New emergent actors for technical cooperation among developing countries: linkages between government and the private sector in selected countries in Latin America"

Objectives: to formulate policy guidelines for collaboration between public and private agents in particularly significant sectors in order to create the conditions for sustainable growth with equity, taking as a basis some successful instances of cooperation between government and the private sector in those areas.

Participating countries: Argentina, Brazil, Chile, Colombia and Mexico.

Outputs: (i) studies were completed on eight specific, successful instances in which new forms of cooperation between government and the private sector were tried in Brazil, Chile, Colombia and Mexico; (ii) a seminar was held on government-private sector cooperation to allow participants to exchange information on fruitful experiences in this area.

Follow-up: exchange of information with focal points on international technical cooperation in the region concerning activities carried out involving TCDC.

Duration: 26 months (May 1994-June 1996).

Source and amount of funding: Netherlands, US\$ 66,670.

FRG/96/S48, “Energy and economic development in Latin America and the Caribbean” (phase II), joint project of the Latin American Energy Organization (OLADE), ECLAC and the German Agency for Technical Cooperation (GTZ)

Objectives: to foster reciprocal technical assistance in the execution of cooperation projects specifically concerned with the integration and linkage of energy policies with economic and social development policies in the countries of Latin America and the Caribbean and with any other issues relating energy to sustainable development in the Latin American and Caribbean region that call for horizontal cooperation.

Participating countries: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Honduras, Mexico, Nicaragua, Paraguay, Peru, Uruguay and Venezuela.

Outputs: (i) case studies on Chile and El Salvador were published; (ii) a document was published entitled “Energía y desarrollo sustentable: una propuesta conceptual para América Latina y el Caribe”; (iii) a document was published entitled “Energy and sustainable development in Latin America and the Caribbean: approaches to energy policy”; (iv) agreements were concluded to conduct case studies in Bolivia and Brazil; (v) a regional course was held on regulation of privatized public utilities (Merida, Peru, July 1997).

Duration: 24 months (June 1996-May 1998).

Source and amount of funding: Germany, US\$ 257,658.

CAN/97/S25, “Industrial restructuring, innovation and international competitiveness in Latin America” (phase II)

Objectives: to carry out comparative research in the following areas: institutional and industrial organization related to the development of clusters in the raw materials processing industry; new forms of coordination, cooperation and synergy now emerging in the field of metalworking and their impact on the development of domestic technological competitiveness; institutional and factor market constraints that hamper the adaptation and technological modernization of small and medium-sized enterprises in labour-intensive industries, such as shoe, apparel or textile manufacture.

Participating countries: Argentina, Brazil, Chile, Colombia and Mexico.

Outputs: (i) a work meeting was held preparatory to the seminar on exploitation of forest resources and development of related industries (October 1997); (ii) a meeting was held preparatory to the seminar on a recent assessment of contractual relations between auto parts industries and end producers of vehicles (November 1997); (iii) a seminar was held on innovation and how it relates to the formation of sectoral production clusters (December 1997).

Duration: 30 months (November 1996-May 1999).

Source and amount of funding: Canada, US\$ 483,370.

HOL/97/S93, "Small and medium-sized industrial enterprises in Latin America and the Caribbean and international competitiveness"

Objectives: (i) to develop, systematize and analyse information relating to the economic, technological and social structure and dynamism of small and medium-sized industrial firms in the region, with emphasis on identifying the main obstacles to their development; (ii) to formulate policy proposals, in collaboration with government agencies and private-sector associations, to strengthen and accelerate the economic and technological development of small and medium-sized industrial firms, with reference both to competitive international markets and to domestic equity.

Participating countries: Argentina, Brazil, Chile, Colombia, Ecuador, Dominican Republic, El Salvador, Mexico, Nicaragua, Paraguay, Trinidad and Tobago and Uruguay.

Duration: 36 months (April 1997-March 2000).

Source and amount of funding: Netherlands, US\$ 280,000.

C. SELECTIVE DESCRIPTION OF ACTIVITIES TO PROMOTE AND SUPPORT HORIZONTAL COOPERATION

What follows is a description of TCDC promotion and support activities conducted by the ECLAC system in certain specific areas. The activities described include some of the projects already mentioned, which may serve as catalysts to encourage and reinforce technical cooperation among the countries of the region. The approach ECLAC takes in this field is, first of all, to do a detailed analysis of one or more cases, with consultants and specialists from the countries concerned working in close collaboration with ECLAC experts in the relevant disciplines. The next step is to compare the observations and lessons derived from the case studies in order to use them as a basis for the formulation of policy guidelines and proposals in the area in question. This exchange of experience is vital for the subsequent development of possible technical assistance and cooperation activities using the mechanisms of TCDC. The next step is the dissemination of sectoral proposals at the regional level, a process involving the participation of private agents operating in the sector, public authorities responsible for regulating it and

intergovernmental and non-governmental organizations concerned with the sector at the subregional or regional level. This work of dissemination is an essential element in promoting cooperation between countries.

1. Small and medium-sized enterprises and systems of financing

Under a technical cooperation project on establishing a system of financing for small and medium-sized enterprises (SMEs) in Latin America and the Caribbean, experts from ECLAC and UNDP analysed some recent experiences in that area in seven Latin American countries (Brazil, Bolivia, Chile, Colombia, Costa Rica, Ecuador and Mexico). One of the fruits of this research was a document entitled “Políticas de financiamiento de las empresas de menor tamaño: experiencias recientes en América Latina” (LC/L.911), prepared by the Development Finance Unit of the International Trade, Finance and Transport Division of ECLAC.

Smaller firms in Latin America account for over 95% of total manufacturing, wholesale, retail and service establishments. They employ over 70% of the work force in these sectors and account for some 50% of sales. However, SMEs still include “a vast contingent of own-account workers and family-run micro-enterprises producing on a very small scale, using obsolete technology and demonstrating low levels of productivity”, which are primarily engaged in servicing specific segments of local markets.

In view of this situation, efforts to promote development must accord priority to helping such enterprises, with particular attention to mechanisms to improve their access to credit, an essential element in their consolidation and expansion. The mechanisms studied included the “financial assistance subsidies (SUAF)” offered by Chile’s Production Development Corporation (CORFO), instruments to encourage contributions to capital used in Chile and in Mexico, and efforts to set up special low-cost service facilities in Mexico, Ecuador, Bolivia and Brazil. The study held Bolivia’s Banco Solidario (BANCOSOL) to be “the region’s most important experiment in setting up a bank especially for small- and micro-scale enterprises”. The study surveyed the various ways of covering credit risk in use in the region, including market-based credit instruments (working capital lines of credit, leasing, factoring); credit insurance; guarantee funds (notably in Ecuador, Bolivia, Colombia and Mexico) and joint credit groups.

Despite the importance of these initiatives —particularly those designed to set up not just isolated institutions or mechanisms, but a whole financing system— they have still not advanced beyond the stage of “experiments, rather than far-reaching public policies”. The amounts and the number of firms involved are limited; little thought has been given to the externalities related to starting up and expanding small firms and the public subsidies consequently required; and major elements are missing (for example, incentives for prior saving before undertaking new business initiatives). Without further subsidies, it will be difficult to encourage the growth of any sizeable number of small-scale entrepreneurs and firms. Subsidies, however, are only one aspect of an overall policy to foster the development of small firms. For such efforts to succeed, a variety of approaches, involving financial, technological and management support, must be taken simultaneously.

In this regard, ECLAC signed an agreement with Chile’s Technical Cooperation Service (SERCOTEC, an agency of CORFO) on 31 January 1997 that will allow for an analysis of the situation of micro-enterprises and small and medium-sized firms. The aim of the agreement is to coordinate and supplement studies and research on promoting that sector of production and to carry out a number of

joint studies to identify possible initiatives in aid of small firms, both in Chile and in other countries; the goal is to assist some 20,000 small firms and micro-enterprises in Chile by the year 2000. ECLAC is also working on a project with the Inter-American Development Bank (IDB) to promote an exchange of information on the topic among the Mercosur and Andean Group countries.

2. Pension systems in Latin America and the Caribbean

Pension system reform in the region is progressing, although there are major differences between countries in the approach taken to the three main problems in system design. The first concern is how to finance the fiscal cost entailed in replacing a pay-as-you-go system, wholly or in part, by an individual funded system. The second is how emerging financial markets can be used to finance better pensions through contributions that take the form of individual savings accounts. The third problem is how to finance altruistic schemes to cover those who would otherwise be excluded when a defined benefit system is replaced by a defined contribution system.

ECLAC organized a seminar in October 1997 on the status and prospects of pension reform in Latin America and the Caribbean, which was attended by officials and experts from 11 countries of the region (Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, Honduras, Paraguay, Peru and Uruguay). Chile reformed its system in 1981; Argentina, Colombia, Peru and Uruguay made changes in their systems more recently; Bolivia, Brazil, Costa Rica, Ecuador, Honduras and Paraguay are planning or just starting to implement reforms.

One of the conclusions reached at the seminar was that the reforms all profess adherence to certain basic principles to be followed in order to correct common problems that have kept the old pension systems from working well. Seven of these principles can be identified: first, each individual's pension benefits should be linked to his or her contributions over the course of a lifetime; second, the efficiency of the pension administration system needs to be enhanced; third, there should be effective penalties for late payment of contributions; fourth, pension funds should be insulated from political pressure by making the sources of financing for social security and redistributive programme more transparent; fifth, pension rights and obligations should be made separable from the place of work and should follow the individual; sixth, it should be borne in mind that pension funds are long term and can be used to finance investment projects that generate productive employment; and, seventh, the intermediation of pension funds should be improved by linking them to the development of capital markets in appropriate macroeconomic and institutional contexts.

In the course of the seminar it became clear that there is no one single solution to the problem of combining the insurance and redistributive functions of social security: the approach depends on the political context in which the implications of each alternative are evaluated. The Chilean reform, which replaced a pay-as-you-go system with an individual funded system, supplemented by an altruistic component financed by the Treasury, has not been precisely reproduced in any other country in the region. The most similar reforms are those adopted in Peru and proposed and now being considered in Paraguay. In Bolivia, a system has been proposed that is similar to the Chilean model, but has major differences with respect to the treatment of potential retirees and the way in which prior contributions are recognized and compensated, and the compensation financed. Colombia's system offers two parallel and competing alternatives: one involving an average premium and defined benefits, the other involving individual savings accounts and an altruistic component. Uruguay introduced a mixed system with two complementary components: a pay-as-you-go scheme combined with an individual funded scheme.

Pension system reform has given rise to three major challenges. The first is the problem of quantifying the stock of pension liabilities and, once that is done, facing the implications in terms of the fiscal resources (i.e., the flows) needed to pay for it. The second challenge involves finding a mechanism of pension fund intermediation that provides both an adequate return to contributors and a source of financing for investment by domestic firms that will generate wealth and employment within the country—this in the context of emerging capital markets. The third challenge involves expanding coverage to more of the population.

3. Energy and development

ECLAC activities in the area of energy fit under the broader umbrella of initiatives undertaken by United Nations bodies, programmes and agencies to promote sustainable development in accordance with a series of international agreements signed by the countries of the region.

There are two main channels for ECLAC efforts in this field, with constant opportunities for interaction between the two, a situation that enables a team of professionals to approach different subject areas in coordinated fashion.

(i) *ECLAC programmes as such.* ECLAC programmes include initiatives in the areas of petroleum, rational energy use and renewable resources. With respect to petroleum, trends in the world oil market have been studied to elicit their implications for foreign direct investment in the petroleum industries of Latin American and Caribbean countries. In addition, a comparative analysis on petroleum laws in the region has been prepared and made available to national authorities.

From a number of studies and meetings organized by ECLAC on rational energy use, the conclusion has emerged that the region needs to make a sustained effort towards conservation and diversification of its energy supply. Energy efficiency is the key to relieving financial pressure on the sector, making rational use of natural resources and minimizing negative effects on the environment. With this in mind, ECLAC organized two events that proved to be of great significance for the countries of the region.

- With the collaboration of the United Nations Department for Development Support and Management Services and the participation of European Union experts, ECLAC organized a workshop on reforms and strategic alliances for efficient use of energy in Latin America; the conclusion that emerged was that specific regulatory mechanisms were needed in order to put rational energy use policies into effect.

- ECLAC also organized a seminar of regional experts on the role of new and renewable energy sources in the sustainable development of Latin America and the Caribbean: the case for geothermal energy; this seminar led to a cooperation agreement with the European Union.

(ii) *Projects co-sponsored by other organizations.* In recent years ECLAC has been working with the Latin American Energy Organization (OLADE) and the German Agency for Technical Cooperation (GTZ) on developing and proposing guidelines for harmonizing energy policy with macroeconomic, social and environmental policy. The features the guidelines have in common are their flexibility and adaptability to the particular conditions of different countries.

These activities have been carried out under an agreement signed by the three organizations in 1993 to carry out a project on energy and sustainable development in Latin America and the Caribbean with the aim of promoting awareness on the part of decision-making bodies in the political, economic and energy-related spheres of the need to make energy development compatible not only with economic growth, but also with social equity and environmental protection.

The results so far achieved indicate that the project is indeed helping the energy sector in Latin America and the Caribbean to restructure itself to play an important role in sustainable development.

Basically, the objective of the first phase of the project was to answer a series of questions about the baseline status of the relationship between energy and sustainable development and then to identify approaches, instruments and initiatives in the area of energy policy that might achieve the proposed objectives.

Analysis of energy sector reform and regulation revealed the need to improve energy productivity, meet the basic energy needs of low-income strata, achieve a significant boost in the efficiency of residential energy use and make better use of natural resources (in view of the exhaustion of firewood resources in some countries and questions about oil exporting in others). While Latin America and the Caribbean contributes relatively little to global environmental problems, the region faces serious local pollution.

The second phase of the project opened with case studies in Brazil and Bolivia, designed to shed greater light on the key elements of sustainable development.

4. Women and development

The Women and Development Unit of ECLAC held a regional meeting in April 1997 on non-governmental organizations (NGOs) and the State in Latin America and the Caribbean, which was attended by specialists from Argentina, Bolivia, Chile, Costa Rica, Dominican Republic, Ecuador, El Salvador and Guatemala. The aim of the meeting was an exchange of experience on the role of NGOs in promoting the participation of women in all spheres, particularly in decision-making, and a debate on the nature and potential of the current relationship of NGOs to the State. Also addressed was the challenge of improving the living conditions of poor women.

Following a presentation on the issues by the ECLAC secretariat, participants shared their experiences and viewpoints. They also passed in review the nature of NGOs in recent decades: their relation to the State and governments, their capacity to represent society and women in particular, their links to political parties and their priority issues, including ethics in politics, human rights, the restoration and consolidation of democracy, fuller exercise of citizenship and participation at all decision-making levels.

The meeting was among the activities preparatory to the seventh session of the Regional Conference on the Integration of Women into the Economic and Social Development of Latin America and the Caribbean, for which the Presiding Officers proposed two main topics with many cross-linkages: access to decision-making and overcoming poverty.

In order to bring some order to the broad and complex range of experiences and situations addressed and outline some proposals to make action more effective while respecting the autonomy and independence of the actors involved, attention was also given to topics currently of high priority for women's groups and issues that should continue to be of concern to the State; modes of participation and cooperation between State and society; NGO funding; what happens when women who have been active in NGOs become government officials; and the significance of the theoretical step from the concept of "women" to the concept of "gender".

5. Government-private sector cooperation in Latin America

The subject of relations between government and business has had different connotations over the years. For several decades relations were increasingly confrontational, especially in those countries where political changes caused priority to be given to social demands as expressed by popular movements. It often happened that policies to improve income distribution and social equity were identified with restrictions on the activities of private enterprise and even with nationalization of the means of production. More recently, however, this trend has been reversed, and strategies of cooperation between the public and private sectors are becoming more and more common.

In the new policy framework, government-private sector relations are assuming new importance. If private enterprise is truly to become the main agent of growth and international competitiveness, firms will have to go much further in pursuing the changes modernization can bring about. New production technologies have unsuspected implications: their effects will be felt not only in the markets for goods, but in the way companies are organized and how they fit into the social and political context. An obvious example of these changes is the introduction of information technology into the production process, a technical advance that is bringing companies closer to the markets, to scientific and technical institutions and to the educational, social and international spheres.

In order to promote cooperation between government and the private sector through TCDC mechanisms, the International Trade, Finance and Transport Division of ECLAC has developed a course entitled "Course on port modernization: a pyramid of interrelated challenges", designed to be given to participants from ministries, port authorities, carriers, export or import firms and trade unions in the region.

The course, which has so far been given in Colombia (Barranquilla), Honduras (Puerto Cortés) and Saint Lucia (Castries), seeks to provide participants with information enabling them to identify and understand major trends and strategic signals in international trade and the port industry, advocate a commercial outlook and formulate an action plan for their ports. The basis for such a plan should be the introduction of modern technologies, participation of private interests and market-based reform of port labour regimes.

The first module of the course deals with the structural changes required to enable ports to function, not as separate entities, as they traditionally have, but as integral links in the chain of production, export and trade, conceived of as a single system.

The subject of the second module is private participation. It begins by analysing the sources of the initiative for port reform, including public outcry at high port costs, risk of theft and other inefficiencies and competition as a factor that promotes efficiency. It goes on to examine four presumed

effects of privatization often cited as grounds for objecting to reform, namely that privatization will: convert a public monopoly to a private monopoly; socialize losses and privatize profits; eliminate the port labour movement; and compromise national sovereignty.

The third module concerns labour reform. It demonstrates that technological changes, macroeconomic policies, economic globalization and private participation are gradually making labour reform inevitable. The costs of reform in terms of lost jobs and social disintegration should be acknowledged and overcome through retraining, creating new jobs and reorienting the concept of social equity towards opportunity.

D. STRENGTHENING TCDC FOCAL POINTS THROUGH INFORMATION TECHNOLOGY

The twelfth Meeting of Directors of International Technical Cooperation (Antigua, Guatemala, May 1997) passed a resolution calling for analysis of innovative information strategies to take advantage of the potential of the Internet for purposes of international cooperation.

The joint ECLAC/UNDP/SELA project on linking national TCDC focal points to the Internet got under way in September 1996, at the urging of the UNDP Special Unit for Technical Cooperation among Developing Countries, with the aim of improving the exchange of information on technical cooperation activities conducted by TCDC focal points through the creation of institutional websites on the Internet. The plan of holding four subregional seminars to provide training on information management strategies to some 200 persons from government, non-governmental organizations and the private sector was well received by the countries of the region.

One of the first activities under the project was to present to the countries for their consideration a concept document suggesting a model for organizing the information that TCDC focal points might offer the international community on their Internet websites. The document was examined in a round of consultations in eight countries of the region (Argentina, Brazil, Chile, Colombia, Cuba, Mexico, Trinidad and Tobago and Venezuela).

At the meeting in Antigua, the directors of international technical cooperation were presented with a detailed report on the round of consultations conducted by ECLAC with the aim of arriving at agreement on the most suitable technical and operational means of linking TCDC focal points to the Internet. As a result of this consultation process, the government agencies concerned now agree that it is necessary to go ahead with formal training of focal points by means of the above-mentioned seminars. ECLAC and SELA are seeking funding.

E. TECHNICAL AND ECONOMIC COOPERATION AMONG COUNTRIES OF DEVELOPING REGIONS IN THE FRAMEWORK OF MECHANISMS FOR CONSULTATION WITH THE SECRETARIATS OF THE OTHER REGIONAL COMMISSIONS

In accordance with the recommendations of ECLAC resolution 560(XXVI) on technical cooperation among developing countries and regions and in the framework of the mechanisms for consultation with the secretariats of the Economic Commission for Africa (ECA) and the Economic and Social

Commission for Asia and the Pacific (ESCAP), ECLAC has undertaken initiatives to promote technical and economic cooperation between the Latin American and Caribbean region and the regions of Africa and of Asia and the Pacific, including the following activities:

(i) *Course on port modernization: a pyramid of interrelated challenges.* In a world in which economies are increasingly open and globalized, the State-run ports of Latin America and the Caribbean are still to a great extent locked into antiquated patterns: inward-oriented development, heavy State intervention in the economy, serious inefficiency and labour regimes motivated by socio-political rather than commercial considerations.

As a result, a major segment of the region's port system is not responding adequately to the new demands of globalization. In many instances, bureaucratic red tape, the slow pace of operations, the use of outmoded technologies and the dominance of entrenched interests stand in the way of full integration into the global economy. If countries are to progress along the path of export-led development, they must go further in reforming and modernizing their ports, a process some have already begun.

To assist in this process, the Transport Unit of the ECLAC International Trade, Finance and Transport Division has developed a course entitled "Course on port modernization: a pyramid of interrelated challenges", designed to be given to participants from ministries, port authorities, carriers, export or import firms and trade unions in the region.

In view of the similarities between ports in Latin America and the Caribbean and those in other parts of the developing world, the course is also being given outside the region in such countries as Bangladesh and Thailand. The Transport Unit is conferring with the Economic Commission for Africa and the Economic and Social Commission for Asia and the Pacific about offering the course in those regions.

(ii) *Comparative study of development strategies of selected East Asian and Latin American countries, with special reference to trade and industrial policies under the new international trading system.* The purpose of the project, financed by the Government of Japan, is to analyse and compare past and present industrial and trade policies and their probable future evolution in selected countries in Asia (Korea, Indonesia and Malaysia) and Latin America (Argentina, Brazil and Chile) in relation to the new international trading system inaugurated with the creation of the World Trade Organization.

The rationale for the project is the following: the experience of the Asian countries shows that, in order to build up physical and human capital more rapidly and intensively and promote export growth, action is needed simultaneously on several fronts through the implementation not only of "neutral" and "horizontal" policies (i.e., policies that do not discriminate between sectors), but also of "selective" policies that can have a lasting impact on the systemic competitiveness of the economy.

Under the commitments of the Uruguay Round, however, and under other trade agreements of a regional nature, developing countries will be more severely restricted in the selective industrial and trade policies they may apply. They will be required to eliminate export subsidies and other subsidies that influence export prices. Their freedom to impose quantitative restrictions to improve the balance of payments will be reduced. Measures requiring local content or "balanced" trade, like those mentioned by way of illustration in the Agreement on Trade-Related Investment Measures, are now prohibited. In consequence, countries can no longer rely on practices of this kind, which were used to great advantage by the East-Asian economies in the past.

On the other hand, it is obvious that room for manoeuvre has by no means disappeared altogether. There are many areas developing countries can explore, and it is still possible to take measures to protect infant industries or to correct for externalities, “coordination” failures and asymmetry of information in markets for goods and services and in capital markets. One of the chief concerns of countries in Latin America and the Caribbean and in East Asia in the future will be how to put such measures into practice. In this regard, both regions have something to learn from the other’s experience.

In carrying out this project, it has been extremely useful and helpful to be able to count on the support of academic and research institutions in Asia, and in particular that of the Economic and Social Commission for Asia and the Pacific (ESCAP). In locating Asian consultants and determining the approach and terms of reference, the technical support of ESCAP and the studies it has already done on the subject have been invaluable in the initial phase of the project.

III. SOME STRATEGIC AND OPERATIONAL GUIDELINES FOR ACTIVITIES OF THE ECLAC SYSTEM TO PROMOTE AND SUPPORT TECHNICAL COOPERATION AMONG DEVELOPING COUNTRIES

In line with its proposal for changing production patterns with social equity, which it considers the priority task in the development of Latin America and the Caribbean in the 1990s, the ECLAC secretariat has formulated a number of suggestions on ways of overcoming deficiencies in the economic and lags in the social spheres in order to advance simultaneously towards sustained economic growth and greater social equity. One of the suggestions, explicitly stated, is that intraregional cooperation should be intensified in a wide range of areas in which it could further the strategy of changing production patterns with social equity.

As ECLAC sees it, TCDC is a prime mechanism for mobilizing cooperation in areas of key importance to the strategy, such as technology diffusion and transfer; the quest for new markets; exchange of experience on educational innovations that contribute to changing production patterns; trade negotiation with economic blocs; and international competitiveness in general.

Work at ECLAC has shown that the specific areas in which TCDC activities are of value in extracting maximum advantage from the countries' efforts cover a broad spectrum, as the second section of this report illustrates. The States members of the Commission have shown an interest in establishing priorities regarding the particular areas of the work programme in which TCDC mechanisms and elements should be incorporated. The ECLAC secretariat hopes that in the course of the Committee's debates the delegations will give some clear indications in this regard.

In this regard, it should be noted that in order to make full use of the potential of TCDC to help implement and consolidate the strategy of changing production patterns with social equity, some cooperation guidelines should be set that take into account of the features of the development scenario as projected to the end of the decade. Among the most important of these features are the institutional changes the countries of the region are now undergoing and the emergence of new actors in the area of cooperation. At the last few sessions of the Commission, the secretariat has presented a set of strategic criteria for the future course of TCDC that it may be of interest to recall here. The first of these relates to the reformulation of the role of the State in the development process; this entails both a thorough redimensioning of the State apparatus and a substantial improvement in the State's capacity to regulate the process of changing production patterns and to lead the way in efforts to promote social equity. Another criterion relates to enhancement of the role of local government, an increasingly prominent item in State policy. At the institutional level, this means adopting and implementing policies that favour greater decentralization of public decision-making and more precise targeting of social investment. In this regard, there is an evident and steady increase in emphasis on the local dimension in the actions of both public and private agents. A third strategic criterion has to do with the greater importance to the private sector—including the business community and non-governmental organizations—is assuming in the

process of economic and social modernization. The fourth and last of the strategic criteria that should inform future TCDC policies is greater attention to social programmes as a high-priority area for intraregional cooperation. Put into practice, this criterion would make TCDC a more effective tool for overcoming poverty, which appears to be an endemic feature of the development experience in the region.

From the operational standpoint, it is worthwhile recalling some of the methods of operation ECLAC has applied in an effort to realize more fully the potential of TCDC in the region, for example: (i) increasing use of extrabudgetary resources to fund TCDC, which is usually a component of specific projects, the design of which involves the active collaboration of technical counterparts in the participating countries; (ii) active participation in regional or subregional coordination initiatives that evidence a similar appreciation of the potential of TCDC to promote economic and social development in the region; (iii) collaboration with and support for national TCDC focal points at the request of Governments, especially in areas in which ECLAC specializes and is recognized as having comparative advantages; (iv) support for regional activities programmed by UNDP to promote the use of TCDC by organizations of the United Nations system; (v) provision of technical assistance in the development of cooperation networks in areas pertinent to the ECLAC work programme, with an emphasis on networks in which both the public and the private sector are represented; (vi) selective dissemination of information about ECLAC projects and activities particularly well suited for TCDC promotion and support, taking advantage of the broad potential for interconnection offered by existing computer networks and by helping national TCDC focal points to use these computer networks more effectively to the benefit of technical cooperation in the region; (vii) strengthening the contacts already established with other regional commissions in order to promote interregional cooperation in the current climate of globalization.