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LATIN AMERICAN INSTITUTE FOR DEVELOPMENT PLANNING

Note by the Executive Secretary

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## I. INTRODUCTION

1. In response to requests from the Governments of Bolivia, Brazil, Chile, Colombia and Venezuela, the Managing Director recommended and the Governing Council of the Special Fund approved at its Seventh Session a project to establish an Institute to provide training, research and advisory services to Governments of Latin America in the field of development planning and programming.<sup>1/</sup>
2. The above five Governments made separate requests to the Special Fund during April 1961 for assistance in establishing such an Institute, and during its Ninth Session at Santiago, Chile, in May 1961, the Economic Commission for Latin America (ECLA) unanimously adopted a resolution supporting this initiative and recommending that "the Executive Secretary of ECLA, in consultation with the Managing Director of the Special Fund, prepare the organization of the establishment of an autonomous economic development planning institute, under the auspices of ECLA."<sup>2/</sup>
3. The principal objectives of the Institute as envisaged in the original requests of the Governments are as follows:
  - (a) To raise the technical level of government officials and specialists, both through an expanded training programme and directly by in-service training.
  - (b) To assist Governments in establishing the institutional and technical organization required for a more efficient process of policy formulation and development programming.
  - (c) To assist Governments at a purely technical level in preparing their economic and social development programmes. Within such national programmes, particular attention would be given to investment priorities in the public sector and also to the preliminary evaluation of specific projects, taking into account the need to provide incentives and the infrastructure for the private sector.

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<sup>1/</sup> See annex I: Recommendation of the Managing Director.

<sup>2/</sup> See Annex II: Resolution 199 (IX).

- (d) To carry out a continuous and systematic study of planning techniques with a view to evaluating and improving existing techniques being used not only in Latin America but also in other under-developed areas.
4. Subsequently the original sponsoring Governments requested financial support from the Inter-American Development Bank (IDB) which had from the beginning shown a keen interest in the creation of an institute for development planning to assist Governments in the preparation of national programmes that would facilitate the financing of projects designed to stimulate the growth of Latin American economies. Early in December 1961 IDB announced that it would contribute one million dollars to the Institute.
5. The project approved by the Special Fund provides for that portion of the original request of the five Governments required to finance the Institute's training and research programme at Santiago and a small nucleus of staff to be utilized for advisory work, with the understanding that requests from Governments for assistance in strengthening their national development planning agencies would be considered by the Special Fund if they met its criteria, and when approved, would be operated through the Institute.<sup>3/</sup> The amount that may be contributed in this way will depend.

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<sup>3/</sup> The criteria of the Special Fund for projects calling for such advisory services include the following:

- (a) The purpose of the advisory group's activities will be to assist in the establishment of a permanent new institution, or the addition of clearly defined new functions to an existing permanent institution. "Permanent" is understood in the sense that it is the intention of the Government that the planning and programming activities of the institution shall be carried on for an indefinite period after the conclusion of Special Fund assistance;
- (b) The establishment of a body or institution of this kind will call for the operation of the tapering principle normal to all Special Fund projects concerned with research and training, and will involve the progressive assumption of responsibility by nationals of the country concerned. To permit effective tapering, the duration of the project will normally be not less than three years;
- (c) The institution is to be concerned with planning and programming at the national level, or, if limited to a specific sector, is to be closely tied in with the work of an existing body working at the national level;
- (d) The Government is ready to make the necessary net additional expenditure for the provision of counterparts and other essential local costs; and
- (e) The Government gives the request a suitable priority vis-à-vis other pending requests to the Special Fund.

on the number of individual requests approved for financing by the Special Fund. The Institute might also provide such advisory services financed by other international, bilateral, governmental or non-governmental organizations.

6. The original requests of the Governments to the Special Fund also included an estimated one million dollars to finance fellowships over the five-year period. The fellowship costs were not included in the Special Fund project and will therefore be financed through the United Nations technical assistance programmes or other international programmes, government institutions and non-governmental organizations.

7. The Special Fund project, including the contribution of the Inter-American Development Bank on behalf of its member Governments, will provide 4,068,500 dollars over a five-year period. This, together with the contribution of the Government of Chile of the equivalent of 120,000 dollars for the premises at Santiago, will enable the Institute to build up a continuing staff of highly qualified professionals, most of whom will be specialists, for the training programme and research. Some experts will also be available for short-term special missions and for supervisory functions of advisory groups. Staff for advisory groups may also be contributed by the Organization of American States (OAS) and the Inter-American Development Bank under the terms of the OAS-IDB-ECLA Tripartite Agreement (Document E/CN.12/601).

## II. FUNCTIONS OF THE INSTITUTE

### A. Training

8. The ECLA Secretariat under the United Nations technical assistance programme has been conducting an eight-month training course at Santiago yearly since 1952. The course was of a general nature giving emphasis to techniques of programming and project preparation and evaluation. Some twelve to fifteen participants, generally government officials at the technical level, attend each year. The course was reorganized in 1961 to provide training for a larger number of participants and more specialized training. To

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carry out these objectives the course has been divided into two periods of four months each. The first half is devoted to general programming techniques and the necessary tools needed for planning, such as statistics, national income accounts, project preparation and evaluation, budget programming, administration, and the elements of fiscal, monetary, exchange and foreign trade policy. All trainees participate in this general course. During the second period the trainees divide themselves into groups according to their fields of specialization. The fields of specialization for the 1962 course include general programming, public investment, industrial, transport and budget programming.

9. The Institute will take over the course beginning in July 1962. Within the next two or three years it is expected to raise the number of participants to at least eighty and possibly one hundred per year. The number of specialized fields will all be increased to include such aspects as agriculture, social programming and natural resources development.

10. In addition to the eight-month course at Santiago, the ECLA Secretariat has given intensive three-month courses, under the technical assistance programme in individual countries at the request of Governments in order to familiarize a greater number of government officials with planning and programming methods. These courses will also be continued by the Institute on the basis of government requests financed through United Nations technical assistance and other multilateral and bilateral, governmental and non-governmental programmes.

#### B. Advisory Services

11. During the past three years the United Nations has provided advisory services to several Governments through the ECLA secretariat. It is expected that with the establishment of the Institute this type of assistance can be greatly expanded to respond to the many requests received from Governments since the Punta del Este Conference.

12. Advisory services in planning may vary widely in substance and form. Where such services require that a comprehensive mission should be sent, over a period of several years, for the purpose of establishing a permanent

planning institution together with the services related to it in the ministries and agencies responsible for one or another aspect of programming, they may be financed by the Special Fund if the government requests meet its criteria (see footnote on page 2). Where such advisory services call for sending one or more specialists for short periods of time, or in other respects do not meet the criteria of the Special Fund, they may be financed by the United Nations technical assistance programmes or by regional bilateral or other programmes.

C. Research on Techniques

13. The Institute should be particularly well equipped to study planning techniques in relation to the Latin American countries and will, of course, have a special interest in improving them. Research in this field should stem directly from problems encountered in advisory and training work and in turn be useful in solving them.

14. Special research is needed for improving techniques in such areas as social programming (including education, health, housing and urbanization) for which resources are being increasingly allocated in most Latin American countries. The research programme of the Institute should include studies to establish criteria for allocation of resources in these fields.

15. In addition, the Institute will need to undertake research on the improvement of its teaching materials, including the preparation of case studies and teaching manuals.

III. ORGANIZATION OF THE INSTITUTE

16. The funds provided by the Special Fund, the Inter-American Development Bank and the Government of Chile will make possible the establishment and operation of the Institute for the initial period of five years. To facilitate the early creation of the Institute as envisaged by ECLA resolution 199 (IX), referred to above, the Executive Secretary, in accordance

with paragraph 1 of that resolution, hereby recommends to the Committee of the Whole the following pattern of organization and terms of reference for the Institute, its Council of Directors and its Executive Director.

17. The Institute would be established under the auspices of the Commission by a resolution granting it autonomous authority within the terms of reference proposed in this document. It would be governed by a Council of Directors and administered by an Executive Director. It would be understood that these arrangements are intended to provide for the initial operations of the Institute during its developmental period but that they would be superseded by a permanent organization of the Latin American Governments as foreseen in paragraph 7 of resolution 199 (IX) of the Commission.

18. It is recommended that the resolution of the Committee of the Whole provide for the following:

19. A Council of Directors to be composed of the following:

- (a) Members, initially numbering five, each to be designated by one of the five Latin American Governments whose requests led to the formation of the Institute, namely, Bolivia, Brazil, Chile, Colombia and Venezuela. At the Tenth Session of the Commission, to be held in May 1963, the composition of the membership of the Council would be reviewed by the Governments actively participating in the Institute with a view to assuring their broadest representation on the Council compatible with its efficient operations.
- (b) One member designated by the Executive Secretary of ECLA;
- (c) One member designated by the Secretary General of the Organization of American States;
- (d) One member designated by the President of the Inter-American Development Bank; and
- (e) The Executive Director of the Latin American Institute for Development Planning.

20. The Council of Directors would select one of its members to act as Chairman and adopt rules of procedure for its meetings. It would meet at least once a year.

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21. The Council would be responsible for reviewing and approving the policy proposals, programmes and budget submitted to it by the Executive Director of the Institute.
22. The Council would be authorized to approve the Plan of Operation for the Special Fund project and to empower its Chairman to sign it on behalf of the participating Governments.
23. The Council would transmit the annual report of the Executive Director on the work of the Institute to the Commission with its comments.
24. An Executive Director will be appointed by the Secretary-General of the United Nations, in consultation with the Council of Directors. The Executive Director would have the authority to execute the Institute's programme, including selection of staff and fellows, determination of the curriculum of the training programme, negotiations with Governments for the services of the Institute, and to make expenditures under the budget of the Institute.
25. The Executive Director would be authorized:
  - (a) To receive contributions for financing the activities of the Institute from Governments, international organizations, private foundations and institutions;
  - (b) To agree with Governments for the provision of intensive training or advisory services requested of the Institute and to assist Governments in preparing requests for these activities;
  - (c) To reach agreement on behalf of the Institute, with the Executing Agency and the Special Fund on any changes in the budget included in the Plan of Operation of the Special Fund project;
  - (d) To co-ordinate the work of the Institute with other international, regional and bilateral programmes in related fields; and
  - (e) To report on the work of the Institute to the Commission through the Council of Directors and the Executing Agency.

26. To assure that the specialized agencies of the United Nations are given full opportunity to collaborate with the Institute in their respective fields, the Executive Director would seek their views and advice in the development of curricula, training programmes and advisory services, as appropriate.

27. To further the purposes of the Tripartite Agreement in the Act of the First Session of the Ad-Hoc Co-operation Committee of OAS, IDB and ECLA (Document E/CN.12/601), the Executive Director would review with representatives of these agencies any requests from the Governments for intensive training and advisory services in advance of their approval.

28. The Executive Director would deal with Governments on the provision of training or advisory services in collaboration with the Resident Representatives of the Technical Assistance Board, who are Directors of Special Fund programmes.

29. The Executive Director would present, through the Council of Directors, to the Commission prior to its 1966 session, a proposal for establishing the Institute as a permanent agency of the Latin American Governments in furtherance of the aims of paragraph 7 of resolution 199 (IX).

#### IV. SCHEDULE

30. Following the signature of the Plan of Operation, the Institute will be initiated under the Special Fund project on or before 1 July 1962. In the interim, the training programme and advisory services of ECLA will be continued under present arrangements.

31. In order to maintain this schedule, a resolution will be required by the Committee of the Whole establishing the Institute along the lines set forth above.

32. The recommendations of the Committee of the Whole should be approved by the Economic and Social Council at its April meeting in accordance with Rule 10 of the Commission's terms of reference. Subsequent to this approval, the Council of Directors should have its initial meeting in order to approve and authorize the signature of the Plan of Operation to be agreed between the Council, on behalf of the Latin American Governments participating in the Institute, the Special Fund and the Executing Agency.

Annex I

Recommendation of the Managing Director of the United Nations Special Fund

REGIONAL: BOLIVIA, BRAZIL, CHILE, COLOMBIA AND VENEZUELA

Latin American Development Institute

Special Fund allocation	\$3,068,500
Governments' counterpart contribution <sup>1/</sup>	\$1,120,000
Duration:	Five years
Purpose:	To establish an institute to provide training, research and advisory services to Governments of Latin America in the field of development planning and programming
Executing Agency:	The United Nations <sup>2/</sup>

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<sup>1/</sup> This includes a contribution of \$1,000,000 to be made on behalf of the requesting Governments by the Inter-American Development Bank. See paragraph 10.

<sup>2/</sup> See paragraph 11.

## I. Introduction

1. The Managing Director submits the following report and recommendations on the application of the Governments of Bolivia, Brazil, Chile, Colombia and Venezuela for assistance in establishing a regional institute, to be located in Santiago, Chile, to provide training, research and advisory services in planning and programming for economic and social development in Latin America. All Governments present indicated their interest in the establishment of such an Institute in a resolution passed at the ninth session of the Economic Commission for Latin America in May 1961, and some of these, additional to the five Governments mentioned above, are also expected to indicate their formal support of the request.

## II. Background

2. In Latin America, as in other developing areas, planning agencies and staffs to advise on economic policy are nothing new for some countries. There has thus been some demand for training of government officials and others concerned with economic development and for outside advisory groups to assist planning agencies, finance ministries, budget offices and specialized ministries in the development field. However, as a consequence of the Act of Bogota, passed by the Organization of American States in 1960, and of that body's Punta del Este conference in August 1961, Latin American countries almost without exception will engage in comprehensive development planning, and will do so under considerable time pressure. They will need several times their present number of trained and experienced technicians for staff work on the size of development programmes, the priorities to be assigned to sectors and projects, the evaluation of individual proposals, and on a host of policy issues, from fiscal or foreign trade policy to decisions on educational programmes and land reform.

3. For a number of years the Secretariat of ECLA has been providing training and advisory services on a limited scale, in addition to the more usual research and service functions of a United Nations regional commission. The training courses and advisory services have been financed primarily by the Expanded Programme of Technical Assistance through the United Nations Bureau of Technical Assistance Operations, and to a lesser extent through the Food and Agriculture Organization of the United Nations. Approximately 1,000 persons have received some training in the techniques of economic development programming, many of them in short courses, but some in the eight-month training course offered to ECLA Headquarters. The average number of trainees in the latter course has risen from fifteen to the present figure of thirty-five.

4. Research on the techniques and problems of development programming has been carried out for a number of years by the Secretariat of ECLA, and a number of country studies have been carried out. An advisory group provided

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to the Government of Bolivia through ECLA has been in operation for 1 1/2 years, and shorter individual advisory missions have been undertaken to Colombia and Venezuela.

### III. The Project

5. The purpose of the present project is to establish an autonomous institute to provide greatly expanded facilities for training and research in the field of economic and social planning and programming, and to serve at one and the same time as the nucleus and the channel for the provision of advisory services as separate projects, to be financed either by the Special Fund if within its criteria, by the EPTA or by other organizations. It is envisaged that many of the staff of the Institute will divide their time between the three functions of training, research and serving in key positions on advisory teams, reinforcing each activity with experience gained in the others.
6. Training is to be offered not only in techniques of over-all development programming, but in sectoral programming, with emphasis upon such fields as budget and financial planning, foreign trade, industrialization, agricultural development including land reform, transport and communications, housing and urbanization, manpower planning, and educational and social service programming. The number of specialized units and courses will change from time to time, according to the availability of staff and the current activities of the Institute. The Institute will enlist the co-operation of the relevant Specialized Agencies in connexion with training programmes in their respective fields of competence.
7. Research work will be focused upon the preparation of teaching materials, and upon subjects connected with or arising from the activities of the advisory groups.
8. While the main emphasis of the present project is upon those aspects of the work of the Institute which are concerned with training and research, a certain number of posts are included to provide a nucleus for the advisory groups which may be requested by individual countries, and particularly to provide the team leaders and certain key posts in the advisory groups. As previously mentioned, however, even these staff members will in most cases devote some of their time to teaching.
9. Requests to the Special Fund for advisory teams on planning and programming will be treated on an individual basis, according to the usual criteria of the Special Fund as regards size, duration, composition and priority with regard to other pending requests from the given country. There is, however, no intention to limit the activities of the Institute to the provision of advisory groups financed by the Special Fund, since the Institute may serve equally as the channel for assistance under EPTA or from other sources.

10. The Special Fund will assist by providing funds for experts' services. The Inter-American Development Bank has under consideration a contribution in the equivalent of \$1,000,000 on behalf of the requesting Governments, and the Government of Chile will provide the premises for the Institute in Santiago. These contributions are a pre-condition of the assistance to be provided by the Special Fund to the Institute.

#### IV. Executing Agency

11. The United Nations has indicated its readiness to serve as Executing Agency, and has informed the Managing Director of its intention to act through the Economic Commission for Latin America.

#### V. Financial Provisions

12. It has been estimated that the total Special Fund allocation will be \$3,068,500 over five years. The Special Fund contribution will be \$3,068,500, of which \$2,800,000 will be for an estimated 135 man-years of experts' services, \$8,500 for the cost of consultants to advise the Managing Director, in connexion with the evaluation of the project, and \$260,000 for Executing Agency costs. The counterpart contributions envisaged from the IADB, and from the Government of Chile respectively are estimated at the equivalent of \$1,120,000. The phasing of the assistance will be worked out in detail in the Plan of Operation.

13. To the extent administratively desirable, it is the intention of the Managing Director, subject to the concurrence of the Inter-American Development Bank, to include in the gross project budget and in the Special Fund allocation the counterpart contribution to be made in cash.

#### VI. Recommendations

14. The Managing Director

- (a) RECOMMENDS that the Governing Council approve an allocation of \$3,068,500 for this project, of which \$2,800,000 will be for project costs, \$8,500 for preliminary investigations and \$260,000 for clearly identifiable additional costs incurred by the Executing Agency in the execution of the project; and
- (b) REQUESTS the authorization of the Governing Council to conclude the appropriate arrangements.

Annex II

Resolution 199 (IX) of the Economic Commission for Latin America  
ESTABLISHMENT OF AN INSTITUTE FOR PLANNING ECONOMIC DEVELOPMENT

The Economic Commission for Latin America,

Considering the importance and urgency of planning economic development in Latin America for fostering and securing the accelerated economic development of the region,

Considering the need for economic development training and advisory assistance in Latin America on a much larger scale than in the past to support these planning activities,

Considering that an economical and expeditious way of meeting this need is to expand the already existing ECLA activities in the fields of training, research and advisory assistance,

Being aware that, in spite of the increased contributions of United Nations technical assistance programmes, the resources at the secretariat's disposal for carrying out economic development training and advisory activities are not adequate to meet all the requests received,

Considering that the United Nations Special Fund lends its assistance to planning, training, and other pre-investment activities like those referred to above,

Appreciating the specific interest expressed at this session of the Commission by the Managing Director of the United Nations Special Fund in economic development programming and planning,

Appreciating further the Managing Director's readiness to recommend to the Governing Council of the Special Fund that it approve a special allocation of funds to permit preparatory work for a draft request for the establishment of an institute for planning economic development in Latin America,

Noting that the Governments of Chile, Colombia and Venezuela have submitted a request to the Special Fund for the establishment of such an institute, and that other Governments intend to do likewise,

Decides:

1. To recommend that ECLA's current training and advisory activities in the field of planning be expanded to the extent necessary, and that to this end the Executive Secretary of ECLA, in consultation with the Managing Director of the Special Fund, prepare the organization of the establishment of an autonomous institute for planning economic development under the auspices of ECLA, and so organized that it will be empowered to receive and administer funds from sources other than the Latin American Governments and the United Nations Special Fund;

2. To recommend that the said institute should aim at building up a permanent team of development planning experts to work at the regional or national level and at establishing close liaison with the planning

/institutions of

institutions of the Latin American Governments, in order to maintain a continuous process of training exchange of experience and improvement of planning techniques;

3. To request the Executive Secretary of ECLA to give such assistance as may be requested by the Managing Director of the Special Fund and the Governments concerned dealing with all the procedures necessary for the establishment of the institute;

4. To express the hope that the Managing Director and the Governing Council of the Special Fund will give prompt and favourable consideration to the applications formulated by the Latin American Governments for financial support for this institute;

5. To request the Executive Secretary of ECLA to consult with the Managing Director of the Special Fund on the arrangements that might be made with other international and regional organizations for the functioning of the institute;

6. To draw the attention of the Latin American Governments to the desirability of supporting the work of the institute by placing at its disposal the local human and material resources required to ensure the maximum efficiency of its activities in the various countries;

7. To declare that it is confident that the institute established under the auspices of ECLA with the support of the United Nations Special Fund will in time become an agency directed and maintained by the Latin American Governments