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CEPAL

Economic Commission for Latin America

REPORT OF THE FIFTEENTH SPECIAL SESSION OF
THE COMMITTEE OF THE WHOLE
(New York, 22-23 July, 1982)



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I. INTRODUCTION

1. This report covers the fifteenth special session of the Committee of the Whole of the Economic Commission for Latin America (CEPAL), held on 22-23 July 1982 at United Nations Headquarters, New York. It was convened by the Executive Secretary of CEPAL, in response to a request made by the Government of Nicaragua after the floods of May 1982.

2. The discussions at the fifteenth special session of the Committee of the Whole of CEPAL yielded conclusions and recommendations which are to be submitted to the present session of the Economic and Social Council, to the General Assembly and other organizations of the United Nations System, as well as to other international and regional organizations, so that each one of them can take action within their fields of competence as soon as possible. The conclusions and recommendations of the Committee of the Whole at its fifteenth special session are embodied in the resolution included in Chapter IV of this report which was adopted by consensus at the closing meeting on 23 July 1982.

/II. ATTENDANCE

II. ATTENDANCE AND ORGANIZATION OF WORK

Attendance

3. The fifteenth special session of the Committee of the Whole was attended by representatives of the following member States of CEPAL: Antigua and Barbuda, Argentina, Barbados, Bolivia, Brazil, Canada, Colombia, Costa Rica, Cuba, Chile, Dominican Republic, Ecuador, El Salvador, France, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Netherlands, Panama, Peru, United Kingdom, Saint Vincent and the Granadines, Spain, Suriname, Trinidad and Tobago, Uruguay and Venezuela. A delegate from the Netherland Antilles, an associate member of CEPAL, was also present.

4. The following organs and bodies of the United Nations system attended the special session: the Office of the United Nations Disaster Relief Coordinator (UNDRO); United Nations Technical Cooperation Department (TCD); United Nations Conference for Trade and Development (UNCTAD), and the United Nations Development Programme (UNDP).

5. The International Monetary Fund (IMF), a specialized agency of the United Nations was also represented, and the following intergovernmental organizations attended as observers: International Development Bank (IDB); Organization of American States (OAS), and the Latin American Economic System (SELA).

Election of Officers

6. In accordance with the practice followed by CEPAL for special sessions of the Committee of the Whole at United Nations Headquarters, it was agreed that the officers for the fifteenth special session would be the representatives of the same countries appointed for the last ordinary session of the Commission, held in Montevideo, Uruguay in May, 1981.

/Consequently,

Consequently, the following officers were named:

| | |
|-----------------------|----------------------------------|
| Chairman: | Juan Carlos Blanco (Uruguay) |
| First Vice-Chairman: | Peter Bartlett (Jamaica) |
| Second Vice-Chairman: | Carlos Ozores (Panama) |
| Third Vice-Chairman: | Nicolás Martínez Fresno (España) |
| Rapporteur: | Gustavo García-Moreno (Colombia) |

Agenda

7. At the opening meeting, the Committee of the Whole considered a provisional agenda (E/CEPAL/G.1208), submitted by the Secretariat. Taking into consideration a request made by the representative from Honduras, supported by all other representatives, to include his country in the discussions concerning the damages and the possible assistance which will be required as a result of the floods caused in Honduras by the same phenomenon which affected Nicaragua, the Committee of the Whole adopted the following agenda:

1. Election of officers
2. Adoption of the agenda
3. International assistance for the rehabilitation, reconstruction and development of Nicaragua and Honduras after the floods of May 1982
4. Conclusions and recommendations

Documents

8. Document E/CEPAL/G.1206 was submitted to the Committee of the Whole for discussion of point 3. of the agenda. This document, entitled "Nicaragua: The May 1982 floods and its repercussions on the economic and social development of the country", was prepared by a special mission carried out by the Secretariat of CEPAL in Nicaragua, with the cooperation of UNDP, for the purpose of compiling official information, undertaking field trips and carrying out brief surveys to evaluate the magnitude of the damages and its possible repercussions in the immediate evolution of the Nicaraguan economy and the living conditions of the population, as well as to identify some basic requirements for possible outside cooperation which coincided with the priorities set by the Nicaraguan Government.

III. SUMMARY OF THE DISCUSSIONS

9. During the opening session, Mr. Enrique V. Iglesias, Executive Secretary of the Economic Commission for Latin America (CEPAL), made a statement. After expressing his gratitude for the presence of all representatives, he pointed out that this type of special meetings of CEPAL's Committee of the Whole finds frequent precedents, since, unfortunately, the Latin American countries are often affected by natural disasters which inflict damages on their population and on their economic development. He expressed his satisfaction for the fact that member countries are increasingly using the services of the CEPAL Secretariat to promote horizontal cooperation and to facilitate obtaining international assistance for priority sectors in countries affected by disasters. He reminded the Committee that the Nicaraguan people have suffered two other calamities in the recent past and the manner in which international assistance flowed rapidly and effectively toward the country. Finally, he requested the cooperation of all member governments in order to assist in the emergency, rehabilitation and reconstruction of Nicaragua and Honduras.

10. Mr. Gert Rosenthal, Director of the Mexico City Office of CEPAL, whose office was entrusted with the task of assessing the damages brought about by the floods in Nicaragua, took the floor next. Submitting the document under reference he pointed out that this recent natural disaster, which severely affected Nicaragua and - to a lesser degree - Honduras, came as an addition to a series of obstacles to the development of these countries. The recent situation in Central America and in the world in general accounted for such obstacles. In addition, Nicaragua still had not fully recovered from the 1972 Managua earthquake, and even less so from the armed confrontation of 1978-1979 and its consequences.

11. Mr. Rosenthal explained that the CEPAL mission had only analysed the case of Nicaragua since at the beginning the Honduran Government had estimated that material damages caused by the floods were not very

/extensive

extensive due to the limited geographical area which was affected. It was only later that the true magnitude of the disaster could be determined, while the death toll in Honduras turned out to be even higher than in Nicaragua.

12. After describing the type and consequences of the floods, he made a summary of the effects the disaster had on the economy, especially bearing on the country's ability to earn foreign exchange during 1982 and 1983. He pointed out that both Nicaragua and Honduras still require emergency assistance - especially food, dwelling repairs and agricultural inputs - while reconstruction implied additional resources for the repair of physical and social infrastructure, as well as for land rehabilitation. In closing, he stated that more detailed information on the nature and scope of the meteorological phenomenon - in reference to Nicaragua at least - could be obtained in the Secretariat's Report.

13. Next, Mr. Edmundo Jarquín, Minister-Director of Nicaragua's International Fund for Reconstruction, took the floor to provide information on the damages brought about in his country by the persistent heavy rains of May. He pointed out that this disaster is juxtaposed on the two previous ones which affected Nicaragua, which caused a high cost in human lives, and material damages, and which justifiably attracted international attention and cooperation.

14. He submitted the general views of his government regarding the recent evolution and prospects of the social and economic development of Nicaragua, within the regional and international framework which - he stated - adversely affect the country's development prospects. He described the economic evolution since the war ended in 1979, and the way in which both the Government and the people are facing the task of reconstruction with the aid of the international community. He pointed out that a framework of mixed economy, political pluralism and international non-alignment had been defined, and continue to be the basic foundations to achieve such a task.

/15. In discussing

15. In discussing the economy's evolution, he underlined the economic growth rate achieved during 1980 and 1981, and the fact that his country has punctually met its external financial obligations. He pointed out the achievements of the revolution in such areas as the alphabetization campaign, popular participation, social policy and land reform. He also stressed the fact that economic and political problems have prevented further progress.

16. In closing, he described the additional needs of external cooperation posed by this new natural disaster, and requested the support and assistance of all countries represented at the special session.

17. The floor was next taken by Mr. Enrique Ortez Colindres, the Permanent Ambassador of Honduras to the United Nations. He stated that the same natural phenomena which had caused so much material damage in Nicaragua had also significantly affected his country, albeit on a smaller scale. He expressed his gratitude for the decision adopted by the Latin American members of CEPAL, to include the subject of the damages posed by the floods in Honduras in the main item of the agenda.

18. The delegate from Argentina proposed that the Latin American countries should come to the aid of Nicaragua and Honduras in this trying situation; she described the food assistance her government is sending to Nicaragua, and offered her country's support to all actions which international organizations may undertake to aid Nicaragua and Honduras.

19. The representative of Mexico described the ample cooperation his country has given to Nicaragua in the social, economic and environmental sectors, which in fact - he said - represent a support to the self determination and development of the Nicaraguan people. He pointed out the willingness of his government to continue and expand the bilateral and multilateral assistance to Nicaragua and Honduras in view of the disaster caused by the recent floods. Several other representatives - among them those of Brazil, Costa Rica, Jamaica and Venezuela - took the floor to state their sympathy to Nicaragua and Honduras on the loss of lives and the material damages which resulted from the flooding, and offered their support to any initiative which may be undertaken to aid in the rehabilitation and reconstruction efforts carried out by these two countries.

/20. The delegate

20. The delegate of France pointed out that his government had provided in June a substantial amount of assistance for the immediate aid of the people affected by the floods in Nicaragua. She also informed that, in addition, a sizable food shipment was presently under way and that her country is also providing additional assistance to Nicaragua through the European Community.

21. The representative from Trinidad and Tobago, after making similar pronouncements, and in his capacity of Chairman of the Latin American Group of CEPAL Member States (GRULA), submitted to the Committee a draft resolution which - he explained - had been unanimously endorsed earlier in the day by the representative of said group. He explained that it was the intention of this draft to facilitate the Committee's work and to search for a formula to mobilize efficient assistance to Nicaragua and Honduras. He expressed his hope that the rest of CEPAL member States would support this initiative.

22. Following, an ample debate was held regarding the draft resolution. In this connection, the representative of the United States of America pointed out that his delegation considered that it was premature for his country to support point eight of the draft resolution, which refers to the subject of trade, since - as was well known to all the representatives - the US Congress had under consideration legislation of the matter as integral part of the so-called "Caribbean Development Initiative". At the end, a final resolution was approved by consensus as consigned later on in this report.

23. Lastly, the representatives of Nicaragua and Honduras expressed their gratitude to the Committee of the Whole for their support and solidarity after the disaster. They also expressed their hopes that the decisions adopted during the special session will effectively assist their rehabilitation and reconstruction efforts.

IV. CONCLUSIONS AND RECOMMENDATIONS

During the Fifteenth Special Session of the Committee of the Whole held in New York on 23 July 1982, the following resolution concerning international assistance for Nicaragua and Honduras was adopted by consensus.

RESOLUTION 419 (PLEN.15) International assistance to alleviate the economic and social problems faced by Nicaragua and Honduras as a result of the May 1982 floods

The Committee of the Whole of the Economic Commission for Latin America,

Considering that the scope of the damage caused by the floods that occurred in Nicaragua and Honduras during the end of May entails an additional economic burden on the people of both countries, which has been added to the unfavorable international economic conditions of the past two years, and, in the case of Nicaragua, is further added to the obstacles to that country's development posed by the damages previously caused by the 1972 earthquake and particularly the 1978-1979 armed conflict;

Bearing in mind that these floods caused the loss of human lives as well as great damage to the physical and social infrastructure, especially in agriculture, over more than one-third of the Nicaraguan territory, and over a smaller area of southern Honduras;

Further bearing in mind that agriculture constitutes the primary source of foreign exchange for both countries and that this activity was one of the most affected as a result of the losses in crops and inputs, aggravated in the case of Nicaragua by having inflicted damage of slow and difficult recovery to land and forestry resources which will reduce for some time the crop lands available for exportable raw materials and staple goods for domestic consumption;

/Bearing

Bearing in mind also that the adverse consequences attributable to the recent international economic situation have further complicated the severe foreign exchange shortages both of Honduras and Nicaragua, a circumstance which the floods have only accentuated, and which have acquired even bigger proportions in the case of Nicaragua due to the financial burden corresponding to the servicing of the large debt inherited from the previous administration and the one recently acquired by the Government of National Reconstruction;

Recalling Resolutions 34/8, 35/84 and 36/213 adopted by the General Assembly in its XXXIV, XXXV and XXXVI sessions, respectively and the recommendations contained in Resolution 416 (Plen. 12) of CEPAL's Committee of the Whole, dealing with international assistance for the rehabilitation, reconstruction and development of Nicaragua after the prolonged war which ended in July 1979, and which continue to be totally relevant after this new natural disaster;

Taking note of the report prepared by the Secretariat of CEPAL, which provides detailed information on the effects on Nicaragua's economic development caused by the floods, and on the additional requirements of international cooperation brought on by the disaster;

Taking further note that the Governments and the people of Nicaragua and Honduras undertook with all due speed and efficiency the tasks imposed on them by this new emergency, thereby saving many human lives, in addition to having immediately adopted the necessary actions toward the rehabilitation of their respective economies and the repair of damages to the greatest extent possible;

1. Conveys its deepest sympathy to the peoples and the Governments of Nicaragua and Honduras for the loss of human lives and for the damages suffered as a result of the floods;

2. Expresses its gratitude to the Member Governments of CEPAL and to the member countries of the United Nations, the bilateral agencies and the international organizations that have provided emergency relief to the Governments of Nicaragua and Honduras to face this new disaster;

/3. Urges

3. Urges the governments and the organizations in question to expand their past cooperation and intensify their support in the rehabilitation of the physical and social infrastructure of Nicaragua and Honduras, adding their efforts to those undertaken by the people of both countries, and thus avoiding further deterioration of the already precarious living conditions of their populations, also alleviating to the largest extent possible, the serious financial disequilibria prevailing in both of these nations;

4. Also invites those governmental organizations collaborating with Nicaragua and Honduras on a bilateral level, to support those countries' efforts either in the form of donations or by the granting of concessional loans to meet the emergency, rehabilitation, reconstruction and development programs they are presently facing;

5. Appeals to the governments of member States of the World Bank (IBRD), the Inter-American Development Bank (IDB), the Central American Bank for Economic Integration (CABEI) and, if appropriate, the International Monetary Fund (IMF), that, bearing in mind the existing program of cooperation that their respective organizations have been carrying out in one or both countries, their executive directors should particularly take into account the additional financial needs emerging from the recent floods, and that their organizations contribute to their utmost capacity and in the best terms possible to the tasks of rehabilitation and reconstruction which the governments of Nicaragua and Honduras submit for their consideration;

6. Also invites the Governments of the member States of the International Fund for Agricultural Development (IFAD), to instruct their representatives on the Executive Board of that Fund to consider with sympathy any requests for aid that may be submitted by the Governments of Nicaragua and Honduras;

7. Urges the Latin American member States of the Commission to intensify their efforts in support of the reconstruction of Nicaragua within the framework of the action committee of the Latin American

Economic System (SELA), specifically established for that purpose in accordance with Decision No. 43 of the Latin American Council which under the present circumstances acquires renewed relevance;

8. Appeals to the Governments of the member States of the United Nations who are able to do so, to permit, to the extent possible under existing obligations, products of Nicaraguan and Honduran origin access to their markets on non-reciprocal terms for a reasonable period of time, thus helping those countries to obtain the foreign exchange they so urgently require to meet their financial commitments and continue with their development program;

9. Requests the Secretary-General of the United Nations to ask all specialized agencies and bodies within the United Nations system to make available as high a level of resources as possible to Honduras and Nicaragua and to expand their programmes as required, in accordance with the priorities established by the Governments of those countries;

10. Also requests that the United Nations Development Programme give prompt attention and serious consideration to the requests for special assistance which the Governments of Nicaragua and Honduras may submit to it in the near future, bearing in mind the additional requirements deriving from the present circumstances and the need to help promote the development of those countries, having recourse if necessary to the Special Programme Reserve during the third programming cycle;

11. Requests the Secretariat of the Commission, the Latin American Economic and Social Planning Institute (ILPES), and the Latin American Demographic Centre (CELADE), to respond favorably within their possibilities, to the requests submitted by the Governments of Nicaragua and Honduras, particularly regarding those programs related to the rehabilitation and reconstruction of their countries;

12. Urges the Economic and Social Council and the General Assembly of the United Nations to approve the present resolution.

Anexo A

LISTA DE PARTICIPANTES

A. Estados miembros de la Comisión

ANTIGUA Y BARBUDA

Representante

Loydstone F. Jacobs
Embajador Permanente ante las Naciones Unidas

ARGENTINA

Representante

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Miembro de la Delegación

Domingo Cullen
Primer Secretario, Misión Permanente ante las Naciones Unidas

BARBADOS

Representante

Harley S.L. Moseley
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Miembro de la Delegación

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Representante

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Representante

Sergio Gottret
Segundo Secretario, Misión Permanente ante las Naciones Unidas

/BRASIL

BRASIL

Representante

Carlos B. Bueno
Ministro Plenipotenciario, Misión de Brasil ante las Naciones Unidas

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EL SALVADOR

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ESTADOS UNIDOS DE AMERICA

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FRANCIA

Representante

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GUYANA

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NICARAGUA

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TRINIDAD Y TABAGO

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/C. Secretaría

C. Secretaría de las Naciones Unidas

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OFICINA DE ENLACE PARA LAS COMISIONES REGIONALES

A. Cornelissen

D. Organismos especializados de las Naciones Unidas

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Julio E. González, Director Asistente, Departamento del Hemisferio Occidental

/E. Otros

E. Otros organismos intergubernamentales

BANCO INTERAMERICANO DE DESARROLLO (BID)

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SISTEMA ECONOMICO LATINOAMERICANO (SELA)

Blanca García Tudero, Observadora Permanente ante las Naciones Unidas

F. Secretaría

COMISION ECONOMICA PARA AMERICA LATINA (CEPAL)

Enrique V. Iglesias, Secretario Ejecutivo

Gert Rosenthal, Director, subsede en México

J. Roberto Jovel, Asistente del Director, subsede en México

Carol King, subsede en México