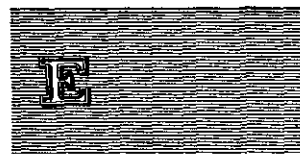


UNITED NATIONS

ECONOMIC AND SOCIAL COUNCIL



Distr.
GENERAL
LC/G.1321
20 August 1984
ENGLISH
ORIGINAL: SPANISH

E C B A C

Economic Commission for Latin America and the Caribbean

Third Meeting of the Intergovernmental Follow-up and
Co-ordination Committee of the Group of 77

Cartagena, Colombia, 3-8 September 1984



ACTIVITIES CARRIED OUT BY THE ECONOMIC COMMISSION FOR LATIN
AMERICA AND THE CARIBBEAN (ECLAC) TO PROMOTE CO-OPERATION
AMONG DEVELOPING COUNTRIES AND REGIONS

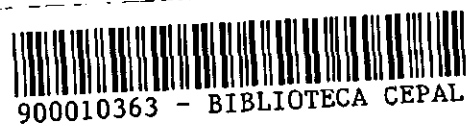
(August 1983 to July 1984)

Note by the Secretariat

84-8-1415

CONTENTS

	<u>Page</u>
I. INTRODUCTION	1
II. ACTIVITIES AT REGIONAL LEVEL	3
A. Regional co-operation, trade and export financing	4
B. International financing	5
C. Co-operation in transport and international trade facilitation	6
D. Energy co-operation	7
III. ACTIVITIES AT INTERREGIONAL LEVEL	8
Notes	11





I. INTRODUCTION

The developing countries belonging to the Group of 77 have reaffirmed on more than one occasion their willingness to give practical expression to mutual co-operation in various fields by taking a comprehensive approach to various kinds of action. In that perspective the Conference on Economic Co-operation among Developing Countries was held in Mexico in 1976, the Arusha Declaration was signed in 1979 and the Caracas Programme of Action was adopted at the High-Level Conference on Economic Co-operation among Developing Countries held at Caracas from 13 to 19 May 1981. The Caracas Programme of Action now constitutes the broadest and at the same time the most specific frame for the taking of concrete initiatives to make economic co-operation among the developing countries a reality. The Programme of Action also reaffirms the importance of ECDC as an instrument for promoting and implementing ECDC within the framework of the recommendations contained in the Buenos Aires Plan of Action.

Bearing this in mind, the United Nations system has joined vigorously in the efforts of the developing countries to support, promote and strengthen the action they are taking in these spheres.

As for ECLAC, the activities carried out to promote technical and economic co-operation among developing countries and regions are based on the principles established by the United Nations General Assembly in the Declaration and Programme of Action on the Establishment of a New International Economic Order, which reaffirm the determination of the developing countries to promote their economies in conformity with their own problems and needs and in line with their own national aspirations and experiences. These activities are, moreover, carried out within the general framework laid down for ECDC in the Caracas Programme of Action and for ECDC in the Buenos Aires Plan of Action and in the latest revisions of those instruments stemming from the high-level meetings convened by the Administrator of the United Nations Development Programme. 1/ These activities were recently reformulated in accordance with the mandates given to ECLAC in the Plan of Action adopted at the Latin American Economic Conference (Quito, 9 to 13 January 1984).

More specifically, the activities of ECLAC in this realm are planned in accordance with mandates received from member governments at various sessions of the Commission. 2/ In this respect it should be noted that at its nineteenth session held at Montevideo in 1981, the Commission stressed the importance of the High-Level Conference on Economic Co-operation among Developing Countries (Caracas, May 1981) and its potential for arriving at appropriate forms, methods, projects and appropriate activities for substantially increasing ECDC. 3/

More recently, at its nineteenth session, held at Lima in April 1984, the Commission adopted resolution 459 (XX) on

technical and economic co-operation among developing countries, in which the Secretariat was mandated, inter alia, to co-operate in the preparations for the third session of the Intergovernmental Follow-up and Co-ordination Committee on the Caracas Programme of Action.

In this respect, it should be noted that the activities of ECBAC which are directly related to the promotion and support of technical and economic co-operation among developing countries and regions are carried out through the direct provision of services such as, for example, the preparation of studies for identifying possibilities or mechanisms for co-operation in specific areas; the collection, processing and dissemination of information to help countries to initiate, implement or assess activities related to TCDC and ECDC; institutional support for bodies in the public, private and academic sectors (which are themselves striving to promote co-operation activities among the same sectors in the developing countries) in order to help them to strengthen their own action in the area of horizontal co-operation or to establish and promote the growth of co-operation among each other and, finally, support for activities related to co-operation among developing countries at both the intra-regional and the interregional levels.

Within the United Nations system, ECBAC has made a substantial effort to promote activities directly related to co-operation among developing regions in different geographical areas. The Commission's work in conducting these activities has been facilitated by its geographical location, by the direct, practical experience it has accumulated with regard to current problems and realities in the countries of the region and by the multisectoral scope of its work. In addition, ECBAC offers at least two valuable assets for the promotion of co-operation among the countries of the region: a knowledge of the real capacities and most pressing needs of Latin America and the Caribbean and the variety of concrete experience it has managed to acquire in a broad range of topics related to the economic and social problems affecting the countries of the region.

In fulfilment of the mandates received, ECBAC has made a substantial effort to promote specific activities related to ECDC and TCDC in different areas provided for in its programme of work, particularly those in which the Secretariat has the installed capacity and the resources to make a significant contribution. In a document presented by ECBAC ^{4/} at the second session of the Intergovernmental Follow-up and Co-ordination Committee of the Group of 77 (Tunis, 5-7 September 1983), a report was made concerning the activities carried out in the period January 1981 to July 1983. The purpose of the present report is to give a brief description of the activities carried out by ECBAC between August 1983 and July 1984 to promote ECDC and TCDC, with special emphasis on the contributions made to the technical meetings convened by the

Follow-up and Co-ordination Committee during the 1983-1984 biennium.

II. ACTIVITIES AT REGIONAL LEVEL

A. Regional co-operation, trade and export financing

Within the broad range of topics tackled by ECuAC in these fields, there are certain considerations which acquire special importance in the perspective of co-operation among developing countries, as is the case, for example, of the support which the Secretariat is providing to the regional integration and co-operation processes under way in the region, to which ECuAC has for many years traditionally accorded special, continuous attention.

In the realm of international trade and within the context of the Quito Plan of Action, the Buenos Aires Platform, the resolutions adopted at the sixth session of UNCTAD and the plan of action which emerged from the GATT Ministerial Meeting held in 1982, ECuAC is preparing studies on protectionism in selected sectors of interest to Latin America, including the steel, copper, textiles, leather, sugar and meat sectors. In these studies consideration is also given to the component of a Latin American strategy which might be adopted to contend with protectionist measures.

To cope with the drop in commodity prices, the deterioration in its terms of trade and the failure of international co-operation to resolve those problems, the region must undertake concerted action in the following fields: a new strategy for international negotiation; measures to increase the practice of local processing; action designed to increase participation in marketing, distribution and transport systems and the reorientation or expansion of commodity trade towards the region itself or other developing regions. ECuAC is preparing a few proposals designed to assist regional co-operation in these respects.

To co-operate in the fulfilment of the agreements contained in the Quito Plan of Action and of the resolutions adopted at the Second Meeting of the Council of Ministers of the Latin American Integration Association (26 and 27 April 1984) on the obligation of the countries of the region not to introduce and to eliminate or reduce non-tariff restrictions on intra-regional trade, ECuAC is preparing a document classifying those restrictions, examining their effect on trade and suggesting various ways of reducing them. This document, which is entitled "Estudio sobre las restricciones no arancelarias en los países de la Asociación Latinoamericana de Integración" will be published in August 1984.

Similarly, in order to co-operate with countries of the region in examining potential uses for the counter trade mechanism, ECLAC is preparing a document analysing the various counter trade facilities and practical applications of this kind of trade among countries of the region and between them and third countries. This contribution is also based on the agreements adopted both in the Quito Plan of Action and at the second meeting of the Council of Ministers of ALADI.

With regard to export financing, ECLAC has made a considerable effort to promote the creation and operation of co-operation mechanisms to meet the situation of the countries of the region. This effort is characterized by the creation of the Latin American Association of Export Credit Insurance Organizations (ALASECE), whose by-laws were adopted at a meeting convened by ECLAC on 7 August 1982 at the Reinsurance Institute of Brazil. Some of the objectives of this organization are to promote and strengthen direct ties between its members; to develop technical co-operation and promote training programmes; to promote joint insurance and reinsurance operations; to facilitate the co-ordination of standards, procedures and terms relating to export credit insurance among its members and to provide support for the co-ordination of joint positions with regard to export credit insurance at regional or international meetings.

The secretariats of ECLAC and ALADI were named by ALASECE to act as advisory bodies, and the Reinsurance Institute of Brazil was asked to assume the duties of secretariat of this new Latin American co-operation entity.

Following the two meetings convened by ECLAC (which resulted in the creation of ALASECE), ECLAC organized the second Round Table on Export Credit Financing and Insurance, which was held at ECLAC headquarters in Santiago from 23 to 25 May 1984. This meeting was attended by representatives of ten countries of the region and also by representatives of the Inter-American Development Bank, the Andean Development Corporation, the Latin American Export Bank, the Latin American Association of Finance and Development Institutions and the World Bank. The main objective of the Round Table was to examine the prevailing situation in the region in respect of export financing and to study conditions in those countries whose infrastructure in this connection is weak, incomplete or non-existent. Consideration was also given to the possibility of preparing a TCDC/ECDC programme and the promotion of new regional mechanisms in this field. 5/

B. International financing

In the realm of financing, as will be remembered, the Caracas Programme of Action drew attention specifically to international bidding on investment projects and recommended adopting appropriate measures to eliminate the disadvantages faced by firms from developing countries in bidding on investment projects to be implemented in those countries. Mention was made of a measure aimed in particular at the provision of information on the conditions of the bidding on a timely and prompt basis.

In this respect, ECLAC and the Institute for Latin American Integration (INTAL), at the request of the Office of the Chairman of the Group of 77 in New York, prepared a document on the exchange of information among developing countries with regard to investment projects. 6/ This document was submitted to the Expert Group Meeting of the Group of 77 on Development Projects and International Public Tenders held at Rio de Janeiro from 5 to 9 December 1983.

The purpose of the joint ECLAC/INTAL document was to examine the needs for information with regard to international tenders and to earmark the criteria to be taken into account in setting up an information system on investment projects bid on for execution in the developing countries themselves.

The document also considers the general criteria which might govern the formulation of a strategy for the gradual establishment of such system, with particular attention given to the advisability of benefiting as much as possible from information services and data banks now in existence both within and outside the United Nations system.

Another very relevant matter in the sphere of international financing within the framework of the Caracas Programme of Action, is the consideration of the possibility of establishing a financial institution designed to operate in those financial areas which are crucial for the developing countries and are for the most part not handled by existing international financial institutions. Such sectors include export financing, support for international payments schemes for the developing countries and the stabilization of commodity markets. The establishment of a bank for developing countries ("South Bank") would provide significant impetus to economic co-operation among developing countries and to the success of the objectives outlined in the Programme of Action.

Aware of the importance of this initiative, ECLAC co-operated with the Office of the Chairman of the Group of 77 in New York in holding a technical meeting on the establishment of the South Bank (United Nations Headquarters, New York, 23 to

27 April 1984). This co-operation was reflected in the preparation of a document 7/ in which attention was drawn to criteria for the establishment and operation of a multinational Latin American commercial bank which would not only complement the work of the subregional and regional financing institutions already in existence but also, because of its multinational and commercial nature would provide support for the transactions of the South Bank at regional level.

C. Co-operation in transport and international trade facilitation

Transport plays an important role in the expansion and strengthening of trade relations among developing countries and in the advance of the regional integration movement. However, interregional trade is still hampered by non-tariff barriers, such as excessive documentary red tape, lack of knowledge concerning the provisions in force and discord between the standards and regulations of the various countries. Thus there is clearly a need for co-operation to promote trade facilitation.

In addition, transport equipment and systems are experiencing constant change which while increasing the possibilities for freight handling, make transport technology increasingly complex. The relative scarcity of financial and human resources means that many countries of the region run the risk of lagging far behind the technological progress made in this field, which in turn creates concrete needs for horizontal technical or economic co-operation to help to overcome that scarcity and to make it easier to obtain the new transport technologies already devised or adapted by other developing countries which are relatively farther ahead.

In view of these restrictions, ECUAC has carried out a number of projects to promote trade facilitation and the institutional strengthening of transport in South America, which include initiatives for the establishment of interior cargo terminals and the adoption of a co-ordinated international customs transit system in which the TIR Convention might be used.

Other activities specifically related to maritime transport have been embarked upon to promote economic co-operation among the countries of the region in the establishment of undertakings for container maintenance and repair.

ECUAC and the International Maritime Organization, working with the United Nations Development Programme and the Latin American Integration Association, organized the first meeting on Regional Maritime Co-operation among the South American

Countries, Mexico and Panama, which was held at ECLAC headquarters from 17 to 21 October 1983. Twelve Latin American countries participated in the meeting, which was also attended by observers from regional bodies linked to maritime transport, such as the Permanent Commission for the South Pacific, the Joint Technical Commission of the Marine Front, and the River Plate Administrative Commission. The agenda included some items of real importance for intra-regional technical co-operation, such as the consideration of methodologies for standardizing maritime statistics and naval documentation; regional co-operation facilities for dealing with big oil spills and regional co-operation for training merchant marine and coast guard officers.

For the Expert Group Meeting of the Group of 77 on International Trade and Trade-Related Services held in Guatemala City from 23 to 27 January 1984, ECLAC collected the various technical reports on the activities described above in the field of transport and on trade activities and made them available to the secretariat of the meeting in response to the request received in that connection from the Office of the Chairman of the Group of 77 in New York.

D. Energy co-operation

ECLAC's specific contribution to the implementation of the Caracas Programme of Action in this sphere was begun in 1982 at the time of the Expert Group Meeting of the Group of 77 on New and Renewable Sources of Energy held from 5 to 8 July 1983 at ECLAC headquarters in Santiago as provided for in the Programme of Action. For this meeting, the Secretariat prepared the basic document 3/ in which suggestions were made concerning various activities for promoting ECLAC in the field of energy within the context of the Rio de Janeiro Plan of Action for Co-operation among Developing Countries in the field of New and Renewable Sources of Energy, which was endorsed at the first session of the Intergovernmental Follow-up and Co-ordination Committee of the Group of 77 held at Manila in 1982.

Later on, from July to September 1983, an ECLAC mission of experts and consultants visited the Caribbean subregion and, as a result of that visit, prepared a preliminary report on the situation in that subregion and on the non-conventional energy prospects of countries in it. In this report specific projects which could be carried out in this field within the framework of technical and economic co-operation at subregional level were identified. These projects include the assessment of potential biomass resources, the use of waste sugar-cane pulp to obtain biogas, the development of energy systems at village level and the design of energy conservation policies, in addition to various technological research projects and projects for the

application of energy in the industrial sector.

The central idea behind the identification of these projects at subregional level is that, in general, projects of lesser scale which are developed in relative isolation have not helped significantly in solving energy problems nor have they succeeded in having an adequate multiplier effect.

III. ACTIVITIES AT INTERREGIONAL LEVEL

The promotion of TCDC/ECDC among developing countries in different geographical regions is a field of activity in which the regional commissions in general and EC5AC in particular have made a significant contribution.

In this respect, it should be noted that the regional commissions have worked out a joint proposal which defines their potential contribution in respect of promoting interregional economic and technical co-operation programmes. This proposal was submitted to the Economic and Social Council by the Secretary General and examined by the Council at its second regular session held in June 1983. 9/

On that occasion, the Council adopted resolution 1983/66, in which the Executive Secretaries of the regional commissions were called upon, in the light of the responsibility of the commissions for the exercise of team leadership at the regional level, to organize periodic consultations between their respective commissions and United Nations organizations and entities and specialized agencies active in TCDC and ECDC activities at the regional and interregional level, with a view to ensuring the effective co-ordination of projects and programmes carried out in the United Nations system for the promotion of co-operation among developing countries.

In response to this directive of the Economic and Social Council, the secretariats of the regional commissions consulted among themselves with the intention of suggesting initiatives and mobilizing resources so that, working together, they could have a significant multiplier effect in stimulating and strengthening TCDC and ECDC activities at regional and interregional level.

The preliminary results of the consultations, including those held with organizations in the rest of the United Nations system, are contained in the progress report submitted to the Economic and Social Council during its second regular session in July 1984 on the implementation of the directives contained in Council resolution 1983/66. 10/

Technical and economic co-operation
between Africa and Latin America

It will be recalled that between 1981 and 1983, within the framework of the interregional co-operation project carried out by ECUAC and the Economic Commission for Africa (ECA) with UNDP support, the secretaries of the two regional commissions prepared a number of reports on the following subjects: (a) promotion of technical and economic co-operation between Africa and Latin America in science and technology; (b) co-operation between Latin America and Africa in the field of foreign trade, and (c) prospects for technical co-operation between Africa and Latin America in manpower development. These reports were considered at a joint meeting of governmental experts from Latin America and Africa held at ECA headquarters in Addis Ababa from 1 to 4 June 1982.

The studies prepared by ECUAC and ECA in their respective regions and the consolidated document and Programme of Action adopted at the Addis Ababa meeting were included in a book published jointly by the two Commissions. The Spanish version of this book entitled "Africa/América Latina: perspectivas para la cooperación interregional" was prepared and distributed by ECUAC in September 1983. The English version will be published by ECA and will soon be distributed.

Following the Addis Ababa meeting and during the period covered by this document, the ECUAC and ECA secretaries have made various efforts at a practical outworking of co-operation between the two regions.

With regard to the development of natural resources, ECUAC and ECA, working on the basis of the contacts established during the tour made by African experts to selected countries in Latin America in October 1982, held consultations in August 1983 to prepare a joint project document for the identification of specific possibilities for interregional co-operation based on the action-oriented proposals made at technical meetings on mineral resources development held in Africa (Arusha, 1981) and Latin America (Bogotá, 1982). The project document, which was recently submitted to UNDP for its consideration, is intended to lead to an interregional meeting to consider specific technical and economic co-operation projects between public and private sector agencies and enterprises in the field of mining in countries of Africa and Latin America.

In the sphere of maritime transport, which is of major importance in intensifying the flow of trade between the two regions, ECUAC made teaching and technical material prepared on the establishment of container repair and maintenance undertakings in Latin America and the Caribbean available to ECA. ECA has shown an interest in using the experience

accumulated by EC&AC in this connection to give incentive to a similar initiative in the countries of Africa.

In the realm of interregional trade, ECLAC and ECA have made progress in their consultations on the preparation of a joint project to examine specific categories of goods which might be used to intensify trade between selected countries in Africa and Latin America.

NOTES

1/ These meetings, which were convened to consider technical co-operation among developing countries, were held at Geneva from 26 May to 2 June 1980, and at United Nations Headquarters in New York from 1 to 3 June 1981 and from 31 May to 6 June 1983, respectively.

2/ In 1973 the Commission adopted resolution 316 (XV) on co-operation among developing countries in different geographical regions; in 1975 it adopted resolution 354 (XVII) on co-operation among developing countries and regions in different geographical regions, and in 1979 it adopted resolution 387 (XVIII) on co-operation among developing countries and among developing regions in different geographical regions.

3/ During the nineteenth session of the Commission (Montevideo, May 1981), the following resolutions were adopted: (a) resolution 438 (XIX) on TCDC; (b) resolution 439 (XIX) on ECDC, and (c) resolution 440 (XIX) on technical and economic co-operation between the Caribbean countries and the other countries in the region. In the second paragraph of resolution 439 (XIX), the Executive Secretary of ECLAC was expressly requested to consider what advisory services could be provided and what studies could be prepared in the light of the results stemming from the High-Level Conference on Economic Co-operation among Developing Countries scheduled to be held at Caracas from 13 to 19 May 1981.

4/ ECLAC, "Activities undertaken by the Economic Commission for Latin America (ECLA) for the promotion of technical and economic co-operation among developing countries and regions (January 1981 - July 1983)", E/CEPAL/G. 1256, Santiago, 12 August 1983.

5/ CEPAL, "La financiación de las exportaciones en América Latina: los sistemas promocionales de financiamiento y seguro de crédito a la exportación a nivel nacional, subregional y regional", E/CEPAL/SEM.18/R.3, Santiago, 14 May 1983.

6/ CEPAL/INTA5, "El intercambio de información entre países en desarrollo sobre proyectos de inversión", G-77/ECDC/F-3/3/83, New York, 1983.

7/ CEPAL, "Establecimiento y operación de un banco multinacional latinoamericano", G-77/ECDC/F-5b/TM/Rpt.1/84, New York, 1984.

8/ CEPAL, "Ejecución del Plan de Acción de Río de Janeiro para la cooperación entre países en vías de desarrollo en el campo de las fuentes de energía nuevas y renovables", E/CEPAL/L.289, Santiago, 18 July 1983.

9/ Economic and Social Council, "The promotion of programmes of interregional economic and technical co-operation among developing countries by the regional commissions", Report of the Secretary-General, second regular session of 1983, E/1983/70, New York, 7 June 1983.

10/ The progress report on the implementation of resolution 1983/66 on interregional co-operation was submitted to the Council at its second regular session of 1984 with the title "Progress made in the implementation of Economic and Social Council resolution 1983/66 on interregional co-operation among developing countries", Report of the Secretary-General, E/1984/113, New York, 14 June 1984.