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**ACTIVITIES OF THE ECLAC SYSTEM TO PROMOTE AND SUPPORT  
TECHNICAL COOPERATION AMONG DEVELOPING COUNTRIES  
AND REGIONS DURING THE PERIOD 1994-1995**

Note by the secretariat



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## SUMMARY

In accordance with the general lines of the 1978 Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries, as it applies to the bodies of the United Nations System, the ECLAC system, which includes the Latin American and Caribbean Institute of Economic and Social Planning (ILPES) and the Latin American Demographic Centre (CELADE), is carrying out a set of activities to promote and support technical cooperation among developing countries (TCDC) at the regional, subregional and interregional levels. The situation with regard to cooperation among developing countries and regions is periodically assessed by the member countries at the sessions of the Commission, which has a sessional committee, set up in pursuance of ECLAC resolution 387(XVIII), responsible for following up these matters.

This report, which has been prepared as a working paper for submission to the Committee at the twenty-sixth session of the Commission, to be held in April 1996 at San José, Costa Rica, describes the main operational activities carried out by the ECLAC system since the last ECLAC session.

Part I of the report gives a summary description of the inter-agency framework in which TCDC is currently carried on at the regional level and the role played by ECLAC in this context.

Part II of the report reviews in greater detail the activities carried out by the ECLAC system in the period 1994-1995. This part of the report gives a detailed description of the activities to promote and support TCDC, in terms of the most important projects and sectors. It also includes an assessment of the progress made as regards coordination with the other organizations of the United Nations system and other regional bodies.

The last part of the report briefly describes some possible future lines of action of the secretariat which could be of interest for the work of the Committee.



## I. THE INSTITUTIONAL FRAMEWORK FOR TCDC: PROGRESS MADE AT THE GLOBAL AND REGIONAL LEVELS DURING THE BIENNIUM

Since the mid-1970s, the ECLAC system—which comprises the Latin American Institute for Economic and Social Planning (ILPES), the Latin American Demographic Centre (CELADE), and the ECLAC secretariat itself—has been carrying out a broad range of activities to promote and support projects and initiatives in the field of technical cooperation among developing countries (TCDC) throughout Latin America and the Caribbean. The main strategic thrust of this technical cooperation is to help to achieve the economic and social development objectives of the countries of the region. As a regional organ of the United Nations, ECLAC's activities in this field are guided by the resolutions adopted by governments in the global and regional forums of the Organization, as well as by the relevant guidelines laid down by other regional forums and bodies. All this makes up an institutional framework that permits the ongoing follow-up and furtherance of actions to promote and support TCDC at its various levels. In the last few years, the activities of the governments of the region have made it possible to establish an institutional structure for technical cooperation in Latin America and the Caribbean which provides the necessary bases 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.

### 1. The global context

The global framework for TCDC in the United Nations System is the Buenos Aires Plan of Action, adopted by the General Assembly in 1978, whereby the various bodies in the System are given the role of catalysts and promoters of TCDC, basically in response to initiatives of the governments themselves. During the 1994-1995 period, the member States of the Organization embarked on activities and adopted agreements of significant importance for the progress of TCDC in the System, on the following occasions:

**Ninth Session of the High-Level Committee on the Review of Technical Cooperation among Developing Countries.** The High-Level Committee, which meets in odd years, held its ninth meeting at United Nations Headquarters, New York, from 30 May to 2 June 1995. In line with its usual practice, the Committee reviewed the progress made by the organizations of the United Nations System and by governments in the implementation of the Buenos Aires Plan of Action and the decisions of the Committee itself. It is worth noting that on this occasion the Committee adopted Decision 9/2, which lays down a general framework for the promotion and implementation of TCDC in the 1990s, thus completing the process of discussion and strategic analysis of TCDC begun at the seventh meeting of the Committee, in 1991. Briefly, the new guidelines for TCDC are as follows:

- reorientation of TCDC to focus it on initiatives of strategic importance which can significantly help in the development of the countries, recommending that in future priority should be given to the links between investment and trade, environmentally sustainable development, the links between production and employment, indebtedness, the struggle against poverty, education, health, technology transfer for rural development, and coordination of macroeconomic policy;

- strengthening of the links between technical cooperation and economic cooperation among developing countries (ECDC), so that TCDC may become an effective means for supporting schemes of economic cooperation among developing countries;

- promotion of new forms of TCDC which, because of their intrinsic importance, can arouse the interest of donors and thus make possible the procurement of resources from them;

- a substantial increase in the resources assigned to TCDC activities in the next UNDP programme cycle and the promotion of tripartite financing agreements designed to interest donors in financing TCDC activities in specific areas;

- review and further improvement of forms of support for TCDC, with the aid of the UNDP Special Unit for TCDC (exercises to compare the capacity (supply) and needs (demand) for cooperation, TCDC focal points, and the TCDC Information Referral System (INRES-Sur).

**General Assembly, fiftieth session.** In December 1995, at its fiftieth session, the United Nations General Assembly adopted by consensus resolution 50/119 on economic and technical cooperation among developing countries and the United Nations Conference on South-South Cooperation, which, inter alia, recognizes the importance of the new TCDC guidelines adopted by the High-Level Committee, which focus such cooperation on issues and topics of priority interest for the developing countries. The Assembly also requests the Secretary-General to submit a general analytical biennial report on South-South cooperation which includes quantitative data and relevant indicators, together with recommendations for strengthening such cooperation. The resolution invites the bodies and agencies of the United Nations System, especially the United Nations Conference on Trade and Development and the regional commissions, to collaborate in the preparation of that report.

## 2. The regional context

It is worth noting that the countries of the region which are members of the Latin American Economic System (SELA) have empowered that body to act as the regional focal point for the TCDC support activities of the national coordination centres responsible for these matters. In discharging this role, the Permanent Secretariat of SELA will be responsible for convening and organizing annual meetings of these centres, which are located in the international cooperation departments or agencies of the countries in question. These meetings are the most valuable means of exchanging information and ideas, keeping the national coordination centres informed of the TCDC activities of the ECLAC system, and collecting the views of the countries of the region on the sectors and matters of greatest interest. The frequency of these meetings has made it possible to maintain an important feedback with the technical bodies responsible for coordinating cooperation at the national level.

Thus, during 1994 and 1995, the ninth and tenth meetings of directors of international technical cooperation were held as part of the regular meetings of the Latin American Council of SELA. The ECLAC secretariat has participated on a regular basis in these meetings, at which it has reported on the



activities of the ECLAC system in terms of support for TCDC and has collaborated with the Permanent Secretariat and the UNDP Special Unit for TCDC, which has provided the necessary financial support to the countries. The two meetings in question were held in La Paz (Bolivia) and Montevideo (Uruguay).

**Ninth Meeting of Directors of International Technical Cooperation.** This meeting was held in La Paz, Bolivia, from 16 to 18 May 1994, under the auspices of the Permanent Secretariat of SELA. The meeting was attended by the SELA Member States and by observers from the following international organizations: Bolívar Programme, Economic Commission for Latin America and the Caribbean/Latin American and Caribbean Institute for Economic and Social Planning (ECLAC/ILPES), European Union (EU), International Organization for Migration (IOM), Latin American Energy Organization (OLADE), Latin American Integration Association (ALADI), Organization of American States (OAS), Pan American Health Organization/World Health Organization (PAHO/WHO), Sustainable Development Network-UNDP, United Nations Development Programme (UNDP), United Nations Industrial Development Organization (UNIDO), and Universidad Nacional de Venezuela (UNV). It was agreed, inter alia, at the meeting to reaffirm the importance of participation by the countries of Latin America and the Caribbean within the framework of international technical cooperation, taking into consideration the current strategies and policies of the various sources and their different drafting processes. The participants in the meeting expressed their recognition of the opportunities and possibilities provided by TCDC as a means of strengthening cooperative relations in the region and expressed their belief that the ability of the Focal Points to oversee cooperation—especially TCDC—had increased substantially. That enhanced expertise was obvious in the ever-increasing quality of the bilateral programmes which were being negotiated, and as a result the flow of resources committed in the region for TCDC was increasing.

With regard to the maximization of three-way cooperation with industrialized countries and international organizations, attention was drawn to the need to draw a clear distinction between three-way cooperation, which meant the contribution of supplementary resources by the donor to an activity already in progress, and shared cooperation, which meant an activity in which the actors involved participated jointly from the outset.

The meeting confirmed its will to promote the participation of the private sector in regional technical cooperation, and to that end it was decided to recommend the Permanent Secretariat of SELA to hold a seminar on mechanisms for integrating the small and medium-sized enterprises (SMEs) of the countries of the region into technical cooperation, with the participation of representatives of the national focal points and of the associations of SMEs, selected by the focal points.

**The Tenth Annual Meeting of Directors of International Technical Cooperation** was held in March 1995 in Montevideo and was particularly important because of the adoption at it of the "Montevideo Declaration", in which the countries of the region decided to give their support to the TCDC subject areas and projects proposed for the next UNDP regional programming cycle.

At the regional level, mention should also be made of the consolidation of the progress achieved in terms of inter-agency relations, through the mechanism for regional coordination among regional organizations and bodies engaged in TCDC. This open and informal operational mechanism is based on the discussions among national directors of international cooperation at the above-mentioned annual meetings and the agreements arrived at on those occasions, and makes it possible to identify the possibilities for coordination among regional bodies in order to assist in the implementation of the measures agreed upon by the countries at those meetings. The tenth and eleventh meetings of this mechanism were held in the course of the biennium.

ECLAC continued to provide support, in collaboration with the UNDP Special Unit for TCDC and the Permanent Secretariat of SELA, for the annual meetings of national directors of international technical cooperation and the mechanism for coordination among regional bodies engaged in TCDC. Within the specific context of these activities, and with the collaboration of the Netherlands Government, ECLAC carried out a project designed to support horizontal cooperation in respect of instruments and mechanisms to enhance linkages between the private and public sectors. The project was the result of a recommendation made by the national directors of cooperation at their eighth annual meeting (Caracas, 1993), which was followed up at the ninth meeting (La Paz, 1994). The results of the project, especially as regards instruments for providing support to small and medium-sized enterprises in the region, are being taken into account in a joint activity by SELA, the UNDP Special Unit for TCDC and the Brazilian Government in the field of intra-regional cooperation.

An Expert Workshop on Innovative Experiences in Mobilizing Resources for TCDC was held from 2 to 6 October 1995 at the Spanish Cultural Centre in Santiago, Chile. It was organized by the Permanent Secretariat of SELA, with the financial support of the UNDP Special Unit for TCDC, and was co-sponsored by the Chilean Government, through its Agency for International Cooperation. The main aim of this Expert Workshop was to publicize the initiatives undertaken by several countries of the region with a view to mobilizing more resources for TCDC. The meeting was attended by representatives of the international cooperation bodies of Argentina, Brazil, Chile, Colombia, Mexico, Peru and Uruguay and of the following international and regional organizations: ECLAC, Food and Agriculture Organization of the United Nations (FAO), Inter-American Development Bank (IDB), International Organization for Migration (IOM), Organization of American States (OAS), and Permanent Secretariat of the General Treaty for Central American Economic Integration (SIECA). It was also attended by the Resident Representative in Chile of the Japan International Cooperation Agency (JICA).

### 3. 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 given to the ECLAC secretariat by the Member States of the Commission. Under the organizational structure of the Commission, matters connected with the promotion and support of TCDC come under the competence of the Sessional Committee on Cooperation Among Developing Countries and Regions which was set up 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. This Committee has met regularly since 1981 and its work is reflected in the resolutions of the Commission dealing specifically with the subject of TCDC in the ECLAC system.

At the twenty-fifth session, held in 1994 at Cartagena de Indias, the Committee approved a draft resolution which was subsequently adopted by the Plenary as resolution 547(XXV) on cooperation among developing countries and regions. This resolution, which has guided the activities of the Secretariat during the biennium, refers to the fields where the ECLAC system can help to promote TCDC in the region, notably in the areas of improvement of the links between the ECLAC system and national centres for the coordination of technical cooperation and strengthening of support for existing cooperation networks; support for the dissemination of information on TCDC opportunities and activities; support for mechanisms to ensure regional coordination among organizations and bodies engaged in TCDC activities; strengthening of coordination with SELA in the provision of support for the annual meetings of national directors of international technical cooperation, and mobilization of new resources for the execution of operational activities in the countries.

During the biennium, ECLAC continued to maintain its contacts with the bilateral and multilateral donors who have customarily contributed extrabudgetary resources for the execution of technical cooperation projects. Section II of this report describes some projects which are especially important in this respect.

Publication of the newsletter "Cooperation and Development" has continued. This newsletter, which is the regular means of dissemination of the TCDC support activities carried out by ECLAC, has been published without interruption since 1981, in English and Spanish. During the biennium, numbers 42 through 46 of the newsletter were published and the mailing list was updated. It is also hoped to give a considerable boost to the dissemination of ECLAC activities in general, and those in the field of TCDC in particular, through the recent entry of the Commission into the "Internet" computerized information network.



## II. DESCRIPTION OF ACTIVITIES CARRIED OUT IN 1994 AND 1995 TO PROMOTE AND SUPPORT TCDC IN THE REGION

### 1. Operational means of promoting and supporting TCDC in the ECLAC system

ECLAC uses various means of promoting TCDC, notably the following: i) provision of information services, especially through the Latin American Centre for Economic and Social Documentation (CLADES), which is part of the ECLAC system; ii) inclusion of horizontal cooperation elements in the technical and substantive studies carried out by the secretariat with the aim of identifying cooperation opportunities and possible ways of strengthening cooperation among participating countries; iii) preparation of specific TCDC-oriented projects, including the mobilization of extrabudgetary financial resources for their execution; iv) provision of technical support for TCDC networks involving the operational agents of such cooperation, which often include private-sector bodies; v) coordination with regional organizations which also use forms of TCDC in their respective areas of activity, especially through the networks that operate in the region with the support of UNDP and SELA; and vi) consultation and coordination with the other regional commissions for the adoption of joint initiatives aimed at promoting TCDC in areas of common interest at the interregional level.

### 2. Description of some ECLAC projects that include horizontal cooperation elements

During the 1994-1995 biennium, ECLAC continued to carry out various types of activities to support and promote TCDC in the region, in line with the recommendations of the Buenos Aires Plan of Action and the mandates of member countries. These activities were centered on the incorporation of specific TCDC elements in the execution of the technical cooperation projects of the ECLAC divisions and units. The activities are carried out with extrabudgetary resources from various sources inside and outside the United Nations System; furthermore, a substantial proportion of them receive support from developed member countries of the Commission.

The TCDC elements incorporated in these projects aim to achieve one or more of the following objectives: strengthening of national institutions in the corresponding sector; establishment of cooperation networks and support for their operation; strengthening of information systems in order to improve the dissemination of technical cooperation supply and demand opportunities among the countries; strengthening of the TCDC focal points in the countries; holding of technical seminars and meetings to facilitate the exchange of experience of interest to the countries; preparation of studies and reports specifically designed to identify cooperation opportunities, and provision of horizontal cooperation services by local experts or consultants connected with projects.

CAN/92/S16, "Network of Networks", joint project executed with the Latin American Association of Development Finance Institutions (ALIDE). ECLAC's participation is channelled through CLADES, which is responsible for the module on the training of information network managers in Latin America.

Objective: to improve the access of users to the existing information resources, through an integrated approach of support for the networks and greater use of the systems and services, whose value, cost and prices are determined in pilot programmes.

Duration: 36 months (August 1992-August 1995)

Source and amount of contribution: Canada, International Development Research Centre (IDRC), US\$ 81,435.

CAR/94/P02, "Integration of population aspects into development planning in the Caribbean subregion", project executed by the ECLAC Subregional Headquarters for the Caribbean.

Objective: to contribute to the economic and social development of the subregion through the provision of support to the countries in the training of human resources and the strengthening of institutional mechanisms for the incorporation of population factors in development planning. The project will make possible the establishment of a subregional population data base for the Caribbean countries and the training of about 100 technicians from the subregion in the analysis of demographic data and the use of the latter for planning.

Duration: 24 months (June 1994-June 1996)

Source and amount of contribution: United Nations Population Fund, US\$ 213,770.

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

Objective: to develop a multi-user version of the Latin American Ship Inspection Information System (SIIS) to help the countries of the region to improve control of merchant ships in port. The ECLAC International Trade, Transport and Finance Division will produce this version of the system and install it in the secretariat of the Viña del Mar Agreement in Buenos Aires, Argentina.

Duration: 12 months (October 1995-September 1996)

Source and amount of contribution: European Commission, US\$ 40,000.

CAN/94/S28, "Global review of Central American cooperation in the field of electricity supply", project executed by ECLAC through its Subregional Headquarters in Mexico.

Objective: to provide the countries of the subregion with a general strategy for strengthening the integration of the subregional electricity networks and carrying out other activities for the benefit of the countries in this field, including the execution of projects.

Duration: 18 months (October 1994-March 1996)

Source and amount of contribution: Canadian Government (Canadian International Development Agency-CIDA), Can\$ 500,000.

CIC/95/S63, "Agreement between ECLAC and CICEPLA (Latin American and Caribbean Confederation of the Pulp and Paper Industry)".

Objective: to organize and analyse the information (including CICEPLA's own statistics) on the trade flows for each category or sub-category of paper, the relevant legislation and customs regimes of each country, and the trade possibilities offered by countries outside the region which export to Latin America.

Duration: 3 months (July 1995-September 1995)

Source and amount of contribution: CICEPLA, US\$ 47,000.

ITA/95/S71, "Urban management in medium-sized cities of Latin America and the Caribbean", project executed by ECLAC through its Environment and Natural Resources Division.

FRG/92/S06, "Guidelines and Consultancy Services on Controlled Environmentally Sound Waste Management", phases II and III of the project, executed by the ECLAC Environment and Natural Resources Division during the reporting period.

Objective of phase II: to provide the governments of the region with the necessary elements for the formulation and application of policies for the management and control of urban and industrial pollution.

Objective of phase III: 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, especially solid wastes.

Duration of phase II: 34 months (October 1992-July 1995)

Duration of phase III: 24 months (September 1993-August 1995)

Source and amount of contribution: Germany (phase II, US\$ 637,500; phase III, DM 691,600, equivalent to US\$ 460,000).

FRG/92/S37, "Decentralization of fiscal policy and management in Latin America and the Caribbean", phases I and II of the project, executed by the ECLAC Economic Development Division during the reporting period.

Objective of phase I: to provide governments and relevant regional and local authorities with background material and guidelines for the adoption or improvement of fiscal decentralization measures within the context of the adjustment and stabilization processes which are under way, bearing in mind the global requirements of growth and development.

Objective of phase II: to strengthen and improve the exchange of information on the use of decentralized fiscal management instruments among the countries of the region participating in the project.

Duration of phase I: 36 months (January 1992-June 1995)

Duration of phase II: 24 months (January 1995-December 1996)

Source and amount of contribution: Germany (phase I: US\$ 464,430; phase II: DM 787,000).

FRG/93/S49, "Technical cooperation to improve the supply of oil to Central America (advisory services on oil policy)", phases V and VI of the project, executed by ECLAC through its Subregional Headquarters in Mexico during the reporting period.

Objective of phase V: to provide advisory assistance to the Central American countries in respect of oil policy, through the maintenance and updating of the subregional data base on the oil sector, the execution of studies on the supply of oil, the provision of support for annual meetings of the Central American countries to analyse common problems in this field, and the organization of workshops and seminars for government experts.

Objective of phase VI: to support the present process of subregional cooperation in the oil sector until the legal establishment of the Central American Committee for Cooperation on Hydrocarbons (a body whose establishment has been approved by the six countries of the subregion).

Duration of phase V: 24 months (June 1993-May 1995)

Duration of phase VI: 12 months (September 1995-August 1996)

Source and amount of contribution: Germany (phase V: US\$ 75,089; phase VI: DM 50,000 (partly disbursed)).

FRG/95/S80, "Reform of health system financing in Latin America and the Caribbean", project executed by ECLAC through its International Trade, Transport and Finance Division (Development Finance Unit).

Objective: to consider the results obtained in various countries of the region in the operation of health systems based on privately financed insurance plans, with and without subsidies, and in the

decentralized management of health services, in order to draw practical conclusions on financing, benefits, and regulation and supervision of such systems. In the exchange of experience carried out under the project, special importance will be attached to possible relations between private health service supply systems and changing production patterns with social equity in the countries in question.

Duration: 24 months (August 1995-July 1997)

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

HOL/94/S44, "Promotion of trade and investment in Latin America and the Caribbean", project executed by ECLAC through its International Trade, Transport and Finance Division, with the participation of the ECLAC Subregional Headquarters in Mexico and the Caribbean.

Objective: to improve the exchange of information on trade and investment among the participating countries, for which purpose support will be given for the formulation and implementation of the programme of work of the Association of Caribbean States in this field and the establishment of links will be promoted among the various subregional integration schemes in the subject areas of the project.

Duration: 18 months (March 1995-September 1996)

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

HOL/94/S22, "Income distribution and poverty in the recent stabilization and adjustment policies of the countries of Latin America and the Caribbean", project executed by ECLAC through its International Trade, Transport and Finance Division (Development Finance Unit).

Objective: to offer the Latin American and Caribbean countries guidelines for stabilization and adjustment programmes which could help in the identification and application of policies that enhance equity and relieve poverty. The project involves ten national case studies.

Duration: 24 months (April 1994-March 1996)

Source and amount of contribution: Netherlands, US\$ 400,000.

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", project executed by ECLAC through its Division of Production, Productivity and Management, with support from the Programme Planning and Operations Division.

Objective: to formulate policy guidelines for promoting the concerted collaboration of public and private agents in particularly important sectors, in order to create suitable conditions for sustainable growth with equity, in the light of successful cases of cooperation between the government and the private sector in those areas.

Duration: 26 months (May 1994-June 1996)

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

ITA/91/S85, "Improvement of the management capacity of the Latin American foreign services", project executed by ECLAC through its International Trade, Transport and Finance Division, with support from the Programme Planning and Operations Division.

Objective: to improve the management and negotiating capacity of diplomatic missions accredited in developed countries in the following areas: i) transfer and incorporation of technology; ii) intensive participation in international cooperation programmes, and iii) strengthening of information systems.

Duration: 48 months (January 1992-December 1995)

Source and amount of contribution: Italy, US\$ 377,420.



Objective: to provide support for the governments of the region in their efforts to improve the urban management process in medium-sized cities, within the context of national economic and social development strategies, while taking account of the need to ensure equitable sharing of the fruits of development and democratic participation in the management of human settlements. To this end, policy guidelines and instruments for the management of medium-sized cities will be formulated and proposed and improved management systems and models will be designed for selected cities.

Duration: 36 months (February 1995-January 1998)

Source and amount of contribution: Italy, US\$ 870,552.

RLA/88/039, "Design of policies to strengthen the technological innovation capacity of the Latin American entrepreneurial sector", project executed by ECLAC through its Division of Production, Productivity and Management.

Objective: to provide the governments of the region with a set of instruments that will allow them to formulate policies and devise activities and institutional mechanisms to strengthen the technological innovation capacity and raise the international competitiveness of their countries' export sectors or import substitution industries. Action programmes (including pilot programmes) will be formulated for some industrial subsectors, and technical training will be provided and national and sectoral working groups will be established in order to consolidate the achievements of the project.

Duration: 94 months (February 1989-December 1996)

Source and amount of contribution: United Nations Development Programme, US\$ 410,608.

### 3. Selective description of activities to promote and support horizontal cooperation, by sectors

A description will now be given of some sectors in which the ECLAC system carries out TCDC promotion and support activities (including some of the projects already mentioned earlier) which may serve as catalysts to intensify and consolidate technical cooperation among the countries of the region. As we shall see below, the method used by ECLAC in this field is, first of all, to make a detailed analysis of one or more cases, with the significant participation of consultants and specialists of the countries concerned, working in close collaboration with ECLAC experts in the relevant disciplines. The next step is to compare the experience and lessons derived from the case studies in order to use them as the basis for the formulation of policy guidelines and proposals for action in the sector in question. This phase of exchange of experience is vital for the subsequent development of possible technical assistance and cooperation activities in line with the various forms of TCDC. The following stage is the dissemination of the sectoral proposals at the regional level, with the participation of the public authorities responsible for the regulation of the sector at the national level, intergovernmental organizations operating in the sector at the subregional or regional level, and private agents and non-governmental bodies carrying out specific types of activities in the sector. This work of dissemination is an essential element in cooperation among the countries of the region. By way of illustration, a description is given in the following paragraphs of some of the sectors in which ECLAC has been working to support TCDC in this way.

**Information and communications systems.** Within the framework of the technical cooperation project for the establishment of a Latin American regional Network of Networks, which enjoys the support of the Canadian International Development Research Centre (IDRC), a cooperation agreement

was signed between the Latin American Association of Development Finance Institutions (ALIDE), which is the executing agency for the project, and ECLAC. ECLAC acts as an associate executing agency and is responsible, through the Latin American Centre for Economic and Social Documentation (CLADES), for the training component, which is designed to promote horizontal cooperation in the field of information for development. The project gives support to 18 networks in the region (14 information networks, 3 research networks, and one concerned with telecommunications), which are provided with various services that assist the managers of these networks and of the selected national centres, users of the system, and information professionals in both Latin America and the Caribbean and in other regions. Other associate executing agencies in the project include the Regional Library on Medicine and Health Sciences (BIREME), the Centre for Educational Research and Development (CIDE/REDUC), and the Brazilian Institute for Social and Economic Studies (IBASE/ALTERNEX).

The Final Meeting for the Evaluation of the Network of Networks-Latin America Project took place in San José, Costa Rica, from 21 to 23 August 1995. The meeting was organized jointly by the Latin American Association of Development Finance Associations (ALIDE) and the Inter-American Institute for Cooperation on Agriculture (IICA) and was sponsored by the Canadian International Development Research Centre (IDRC).

The main aim of the meeting was to assess the final results of the Network of Networks project, verifying the extent to which the activities scheduled and the objectives proposed in each of the five modules making up the project had been fulfilled. The managers of the regional information networks also exchanged views in order to define the broad lines and scope of a proposal to implement a second stage of the project.

A comprehensive report was presented on the Information Management Training Module, which had been designed by ECLAC. The report included an internal assessment by the Latin American Centre for Economic and Social Documentation (CLADES) of the results of the training courses. Copies of the document "La información en contextos políticos y decisorios. Reflexiones derivadas de una reunión sobre gestión de la información"<sup>1</sup>, which was the final output of the module, were distributed, and it was proposed that the results of the training courses should also be disseminated through academic institutions which have faculties and programmes devoted to information science, graduate management schools, and other appropriate bodies. The importance of this module is that it facilitates the establishment of a dialogue, as a method of analysis, and opens up a space for reflection which the actors themselves will need to address in the future.

Regional meetings on information management were held in Santiago (Chile), San José, São Paulo and Lima, as well as national-level meetings in Brazil, Costa Rica, Cuba and Mexico. Other meetings are planned in 1996 in Argentina, El Salvador, Guatemala and Nicaragua.

**Financing of health systems.** On 28 June 1995 ECLAC and the Government of the Federal Republic of Germany signed an agreement designed to bolster intra-regional technical cooperation through project FRG/95/080 on "Reform of the financing of health systems in Latin America and the Caribbean".

The aim of this project, whose first stage will focus its activities on Argentina, Chile and Colombia, is to provide technical assistance to the governments of the region so that they may undertake

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<sup>1</sup> ECLAC, Información y desarrollo series, No. 6 (LC/L.792), Santiago, Chile, November 1993.

the studies required in order to analyse different alternatives for financing their health services. One of the planned activities is to sign agreements to support countries which have provided some scope for private-sector health financing, so as to learn from and disseminate their experiences. The project budget provides, in essence, for the funding of field activities to be conducted by international consultants hired for the purpose, as well as subcontracts for technical assistance.

Emphasis will be placed on the need to regulate and oversee the health services market in order to ensure that adequate coverage is maintained and that there is a fair balance between public and private contributions to the funding of the system, between the public and private provision of services, and between the contributions and benefits of the participants.

**Government-private sector cooperation in Latin America.** The successful experiences with respect to government-private sector cooperation that have been registered in Brazil, Chile, Colombia and Mexico were analysed at a seminar organized by ECLAC in May 1995. This seminar was part of project HOL/93/S91 on "New emergent actors for technical cooperation among developing countries: linkages between government and private sector in selected countries of Latin America", which has been carried out by ECLAC with funds provided by the Government of the Netherlands.

The project's national consultants presented studies of eight concrete cases of successful government-private sector cooperation, all novel initiatives which have achieved positive results in terms of business modernization, technological learning, development of export capacity and modernization of the institutional environment. They also represent a new model, facilitated by State assistance, for partnership among businessmen with a view to increasing productivity and competitiveness. The meeting, held at ECLAC headquarters, concluded with an open discussion of new forms of cooperation between the State and the private sector that have taken place in various countries of the region in the last ten years. These new forms are the result of the greater role of private agents in furthering economic growth and the diminished importance and validity of traditional industrial policies. Today's challenge, as expressed by the participants in the meeting, is to find ways of guiding development policies in such a way as to increase international competitiveness.

The subject of relations between the government and the business community has gone through many variations over the years. For several decades, these relations became increasingly confrontational, especially in those countries where political changes caused priority to be given to social demands as expressed by popular movements. Policies to improve income distribution and social equity were often identified with restrictions on the activities of private enterprise and even with the nationalization of productive property. More recently, however, this trend has been reversed and strategies for cooperation between the public and private sectors are being developed more and more frequently.

Within this new policy framework, State-private sector relations are taking on new importance. If private companies have to become stronger in order to become a dynamic factor for growth and international competitiveness, they will be compelled to study in depth the changes brought on by modernization. This is even more so if one considers that new technologies have unsuspected dimensions, not only in terms of their effects on merchandise markets, but also in terms of business companies' forms of organization and social and political linkages. A clear example of these changes is the introduction of information technology into the production process, which is bringing companies closer to their markets, to scientific and technological institutions, to education, to social organizations and to the international arena.

In the project activities, the following areas were identified as being of special interest for promoting cooperation between government and private sector bodies through various forms of TCDC:

i) Business modernization. The first cases analysed primarily involved business modernization and changes in business mentality, such as the Promotion Projects (PROFOs) in Chile and the Integrating Companies in Mexico, both of which are focussed on small companies. The aim of these initiatives is to develop associative business networks through which the State can channel its business promotion policies and generate beneficial externalities and collective learning experiences. In Chile, the initial incentive given by the State is a subsidy for financing collective activities that can cover as much as 70% of the budgeted amount. In Mexico, there is no direct contribution from the State, but there are tax exemptions, preferential credits, and access to training courses (under the Business Development Programme of Nacional Financiera, S.N.C.). In both cases, the aim is to organize a small group of companies which will set themselves up as a collective, adopting whatever legal form is appropriate (so far they have formed corporations or trade associations).

In the Chilean case, a manager designated by the sponsoring institution is responsible for running the Promotion Project, while the participating businessmen choose one of their number as President of the project. The manager's function is to draw up the annual programme of activities, in conjunction with the businessmen, and to propose and manage new business ventures for the project, whether among the participating companies themselves or with companies outside the group. The businessmen taking part in the Promotion Project assume full responsibility for carrying out their common activities and partial but increasing responsibility for their financing. In the Mexican case, the Integrating Companies, which are actually associations providing services designed primarily for their member companies, have a more separate identity with respect to the latter and their personnel must be completely different from those of the member firms.

ii) Increasing productivity. In the second type of case considered here, the specific objective has been to increase productivity and technology transfer. A good example of this is the Forestry Programme of the Fundación Chile, which arose out of the clear natural advantages that the country has for developing this sector. There has been a very great increase in forestry plantations in recent decades, which has contributed to an unprecedented increase in exports. Nevertheless, there has also been a clear lack of technological sophistication in forestry production and product processing. The Forestry Programme, which is designed to overcome these problems, is based on the principle that the services provided should meet the expressed needs of the beneficiaries, who must help to finance part of the cost involved and must also take part in collective activities, since the basic aim is to give rise to a common learning process in the use of new technologies. One of the main activities is the organization of technology transfer groups, made up jointly of businessmen and representatives of Fundación Chile. These groups establish their own programmes of work, which may include trips abroad to visit technologically advanced production centres, capital goods suppliers, consultants, etc., as well as training courses in the use of new technologies and on-site visits. Great emphasis has also been placed on the development of computer software, both for production and for management and marketing.

iii) Organization for export development. The Brazilian programme for promoting computer software exports (SOFTEX-2000) is a good example of an effort to take advantage of an acquired competitive advantage—in this case the existence of a good supply of highly qualified human resources—in order to develop a new export sector. Furthermore, the information technology sector is of great strategic importance for increasing the competitiveness of Brazilian industry as a whole. The basic units of the programme's activities are the "nuclei", which are non-profit-making grassroots associations made

up of public agencies, business firms, and the academic community. The National Council for Scientific and Technological Development (CNPq) is the federal agency responsible not only for monitoring the performance of the nuclei but also for deciding whether or not to organize them, in the light of such criteria as the capability of the companies in a given area, the financing possibilities of the local government authorities, and the level of excellence of the academic community in the field of information technology. Financing the activities of the nuclei is equally shared between the CNPq and the local organizations (local governments and business associations).

iv) Strengthening negotiating capacity. Organizing the Mexican private sector to cope with the negotiations for joining the North American Free Trade Area (NAFTA) is a good example of private cooperation with the State to develop a coherent and unified strategy. In view of Mexico's long tradition of trade organizations and other types of associations, the Government considered it appropriate to invite the private sector to play a very active part in the negotiations, once there were indications of a favourable response on the part of Mexico's prospective partners to the North. On this basis, the private sector took the initiative and set up a working group, the "Coordinating Committee of Foreign Trade Business Organizations" (COECE), to analyse the main problems that needed to be faced and make proposals for establishing a common agenda with the Government. The COECE came under the authority of the main private sector organization, the Business Coordinating Council, which is a confederation of dozens of private-sector organizations and associations. Sectoral coordinators were also appointed. Lastly, at the suggestion of the Senate, a Consultative Committee on International Trade was established, made up of representatives of the government, private business, and the labour and academic sectors. In practice, this Committee assumed executive responsibility for project design, while working groups, organized by sector and topic, provided the Committee with technical inputs. The Committee met periodically with the government officials responsible for the negotiations and functioned as a channel for consultation and communication. Before the formal negotiations began, there had already been some 400 meetings between the Coordinating Committee (COECE) and the Ministry of Commerce and Industrial Development.

v) Cooperating to achieve macroeconomic stability. The Colombian economy has stood out as one of the most stable in the region, thus highlighting the importance of the role played by the National Coffee Fund (FONC) as a mechanism for stabilizing the income from what has been Colombia's main export. This Fund has been administered by the National Federation of Coffee Growers, the chief organization of coffee producers, which currently has some 200,000 members who elect the representative bodies of its organizational structure, namely the Municipal Committees, the Departmental Committees, the Coffee Growers' Congress (which meets every two years), and the National Coffee Growers' Commission, which is the body responsible for the formulation and execution of coffee policy and its coordination with general economic policy. In addition to the National Coffee Fund, there is a network of marketing and financing organizations.

**Urban transport management.** As a general rule, the cities of Latin America are better known for their transport problems than for finding solutions to them. Nevertheless, there have been a number of interesting solutions which work well in the cities where they were developed and could, when suitably adapted, work equally well in other large cities of the region.

One of the main objectives of ECLAC in the area of urban transport is to facilitate the exchange of such experience among the cities and countries of the region in order to alleviate their serious urban transport problems.

Several of these Latin American solutions have received worldwide recognition, such as the organizational system of the Buenos Aires bus services, the reserved lanes for buses in a number of Brazilian cities, and the integrated public transport system developed in Curitiba, Brazil. After due examination, ECLAC has concluded that some of these solutions, such as the Buenos Aires bus organization system, could also be implemented in some other urban centres, although others, such as the system implemented in Curitiba, would not be so easy to duplicate in other areas, at least in their entirety and in the short term.

In Buenos Aires, the entities which traditionally operated the bus services were as fragmented and uncoordinated as in many other cities of the region, since basically the situation was that individuals who each owned a bus or minibus grouped together to operate a bus route without any administrative coordination, so that the quality of the service was extremely low yet operating costs were unnecessarily high.

The new system involves the promotion of owners' associations where each bus is considered as a piece of equity in the company operating the route in question. The company and its member bus owners schedule departures, carry out maintenance, buy spare parts, look after the vehicles, collect the fares, pay for expenses, hire staff, etc., and the profits are divided up among the owners at the end of the month. These so-called "component companies" are more efficient than regular companies because each owner's share of the total profits depends on the productivity of his own bus or buses, so that he has an ongoing incentive to ensure that his bus does not fall idle for want of a spare part, lack of a driver, or some other problem.

ECLAC has made strenuous efforts to pass on the positive experience of these companies to other countries which face the same problems as have now been solved in Buenos Aires. These ECLAC activities form part of a project which is largely financed by the German Government. Under this project, for example, the Assistant Director of Planning of Guatemala City was able to visit Buenos Aires to inspect the situation there, while the Chairman of one of the most successful Buenos Aires bus companies later visited Guatemala to exchange experiences with his Guatemalan counterparts. Likewise, the Vice-Chairman of another such Buenos Aires bus company passed on his experience at a seminar jointly organized by ECLAC and the Municipality of Quito.

Under the same project, an expert from the Chilean Commission on the Planning of Transport Infrastructure Investments visited Ibagué, Colombia, with a view to arranging for that Commission's collaboration in a transport plan to be applied by the Municipality of that city.

### III. GUIDELINES FOR ECLAC ACTIVITIES TO PROMOTE AND SUPPORT TCDC

#### 1. Strategic criteria

The consolidation and heightening of technical cooperation among developing countries (TCDC) in Latin America and the Caribbean must be carried out within the context of the changes taking place on the world scene. Within this shifting framework, the development policies of the countries of the region have also been changing radically compared with those that existed in 1978, when the Buenos Aires Plan of Action, which constituted the first world legislative basis for TCDC, was adopted.

The cooperation activities and policies of the countries and organizations of the region must take an innovative view of these changes in order to respond in a timely manner to the new possibilities for cooperation that arise in the region. In this respect, the redefinition of the role of the State, the incorporation of new agents into the economic processes and the international political arena, the changes in the pattern of development and, hence, in sectoral development policies, the challenges of environmental issues and technological progress, and the shortcomings in the social field are only a few of the more explicit manifestations of the new setting for international technical cooperation in Latin America and the Caribbean. As a specific form of such cooperation, TCDC must therefore take account of these conditions. The broadest and most coherent version of this new context is that provided by the ECLAC proposal on changing production patterns with social equity.

The 1990s began in a greatly changed international setting whose specific features, in the case of Latin America and the Caribbean, are very well defined in the above-mentioned strategic proposal gradually formulated by ECLAC and put before its member countries at previous sessions (Caracas, 1990; Santiago, 1992; Cartagena de Indias, 1994). These changes highlight the need to update and adapt the guiding criteria of the corresponding intra-regional cooperation strategy in order to bring it in line with the new regional development conditions. In ECLAC's view, TCDC will be called upon to play a significant role in materializing the possibilities for cooperation in areas which are of fundamental importance for the strategy of changing production patterns with social equity, such as the incorporation and transfer of technology; the quest for new markets; the exchange of innovative experience in systems of education which further changing production patterns; trade negotiations with the various economic blocs; international competitiveness; new forms of managing social policies, and environmentally sustainable development.

Broadly speaking, promoting changing production patterns while at the same time achieving greater equity in the distribution of the benefits thus generated are tasks which can be considerably facilitated by the exchange of experience in the application of specific policies and the strengthening of joint activities to be undertaken by the relevant agents of the various countries. Taking full advantage of the potential of TCDC for the implementation and consolidation of the strategy of changing production patterns with

social equity calls for the definition of the requisite guiding criteria, taking due account of the most novel features of the development context presented by the current decade.

One of the first of these aspects is the reformulation of the role of the State in the development process: this involves, on the one hand, the complete redimensioning of the State apparatus, and on the other, a substantial improvement in the State's capacity to regulate the process of changing production patterns and to lead the way in the efforts to promote social equity.

Another issue of the same nature which needs to be addressed is that of the possible ways of meeting the challenge of increasing international competitiveness, bearing in mind that the economies of the region are basically commodity exporters.

The demands for incorporation into the benefits of progress posed by specific social sectors such as young people and ethnic minorities, as well as the pressure for the inclusion of the gender dimension into the various aspects of social life, also face the State with new institutional demands, especially as regards the most suitable and viable way of approaching the processes and mechanisms of positive discrimination on which policies to satisfy these demands are based.

Another salient feature of government policies is the importance assigned to decentralization processes and the increasing obstacles encountered in their furtherance and consolidation. At the institutional level, policies need to be formulated which promote greater decentralization of services and more accurate targeting of investments in the social field. In this respect, a marked and ongoing enhancement of the importance given to the local dimension is being observed in the actions of both public and private agents.

At the same time, the growing trends towards the globalization of markets and economic relations highlights the need to give special emphasis to initiatives for technical and economic cooperation among developing regions. This, in turn, further emphasizes the significant role that the regional commissions will be called upon to play in strengthening the interregional dimension of cooperation and the imperative need for each of them to take active steps to identify opportunities for TCDC activities.

Lastly, another strategic criterion that should guide current TCDC policies is the need to seek fuller incorporation of social programmes as priority subjects of intra-regional cooperation, especially in the light of the new forms of management of such policies. This means, among other things, that TCDC should be turned into an increasingly effective instrument for helping to overcome poverty, which seems to be an endemic feature of the development experiences of the region.

In this respect, it is particularly significant and encouraging that in the decisions adopted by governments in the global forums on the coordination and monitoring of TCDC —especially at the Ninth Meeting of the High-Level Committee on the Review of TCDC— a notably strategic view has been taken in the identification of areas of special importance for strengthening cooperation among developing countries and regions. In general terms, the regional commissions have the mandate of following up and supporting the economic and social development actions undertaken by their member countries. When the latter coincide with them in their identification of areas considered to be priority fields of cooperation, then the support activities carried out by the regional commissions give rise to a significant catalytic effect. The proper allocation of priorities is of decisive importance in ensuring the effectiveness of institutions, and this is especially so in the case of regional bodies such as ECLAC, which are called upon to make a substantive contribution in the selection and implementation of development policies.



## 2. Operational activities in the field of cooperation

ECLAC's operational activities to promote and support TCDC are based on methods of operation of proven effectiveness, such as:

- i) Increasing use of extrabudgetary resources to finance the promotion and support of TCDC, in order to avoid financial implications that could affect the regular budget of the Commission;
- ii) Active participation in regional or subregional coordination initiatives and mechanisms in order to maximize the results of the activities carried out by the various regional bodies in this field, regardless of whether or not they form part of the United Nations System;
- iii) Provision of collaboration and support, at the request of member governments, to national TCDC coordination centres, which are the leading actors in such cooperation, especially in areas where the nature of the activities involved means that ECLAC has some comparative advantages;
- iv) Providing support for regional programming initiatives in the field of TCDC undertaken by the countries, in coordination with UNDP and other relevant regional bodies, in areas that governments consider to be of priority importance for their economic and social development;
- v) Providing support for regional and subregional cooperation networks, especially in fields where the participation of public and private agents is specifically necessary for ensuring the success of cooperation initiatives;
- vi) Disseminating information about projects executed by the ECLAC system which are clearly suitable for the promotion of TCDC, through both traditional and computerized information media;
- vii) Establishing closer links between TCDC and activities designed to meet the needs of specific population groups in areas identified as being of special importance in the ECLAC programme of work, such as expansion of technical training opportunities for young people and integration of women into development;
- viii) Effective use of the new potential for interconnection offered by worldwide computer networks that can be accessed at low cost subject to the possession of basic-level equipment and the necessary connection to the network.