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CO-OPERATION BETWEEN THE SECRETARIATS OF ECLA  
AND OF OTHER INTER-AMERICAN AGENCIES

Note by the secretariat

In the work of implementing the recommendations of the Commission, the secretariat has maintained close contact, and in many cases has undertaken joint action, with other inter-American agencies. The purpose of the present Note is to present to the Commission a brief account of the main fields in which this co-operation has taken place, particularly as regards activities carried out in conjunction with the Organization of American States (OAS), the Inter-American Development Bank (IDB), the Inter-American Committee for Agricultural Development (CIDA), the Panel of Experts (Committee of Nine), the secretariat of the General Treaty on Central American Economic Integration and the Latin American Free-Trade Association (ALALC).

OAS/IDB/ECLA Co-operation Committee

The co-operation of the secretariat with the Organization of American States and the Inter-American Development Bank, including several of the joint programmes to which reference will be made later, has largely been the outcome of the discussions and decisions of the Co-operation Committee which the three agencies decided to establish in March 1961. An account of the topics discussed and the agreements concerted on that occasion was given in Proceedings of the First Working Session of the Ad Hoc Co-operation Committee of the Organization of American States (OAS), the Inter-American Development Bank (IDB) and the Economic Commission for Latin America (ECLA). <sup>1/</sup>

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<sup>1/</sup> See E/CN.12/601.

This document was submitted for consideration at the ninth session of ECLA. In resolution 211 (IX), the Commission took note with satisfaction of the creation of an Ad Hoc Co-operation Committee and endorsed the agreement on the understanding that it was a flexible arrangement which might be modified in the light of experience.

Co-operation of IDB and OAS with the Latin American Institute for Economic and Social Planning

In addition to the numerous joint activities undertaken, the Inter-American Development Bank has made a valuable contribution to the financing of the Latin American Institute for Economic and Social Planning which operates under the aegis of ECLA; it has provided the sum of one million dollars for the financing of the Institute during the first five years of its existence, and at the same time it is supplying funds to provide ten fellowships for the Institute's basic planning course. OAS in its turn is also financing a considerable number of fellowships for the same course.

Technical assistance in the field of planning

This branch of activity, initiated by the secretariat several years ago through the establishment of advisory groups to collaborate with Governments in this field at their request, has come to constitute one of the most important programmes of joint action with IDB and OAS.

The first two groups - for Bolivia and Colombia - embarked upon their activities before the Tripartite Committee had been set up, and were the outcome of efforts made by the secretariat

/in conjunction

in conjunction with other international agencies, in particular the United Nations Bureau of Technical Assistance Operations (then the Technical Assistance Administration) and the United Nations Food and Agriculture Organization (FAO). Since March 1961, applications for advisory assistance have been dealt with by the OAS/IDB/ECLA Co-operation Committee, which decides on the composition of the groups, the policy to be pursued and the general scheme of work. The responsibility for putting these decisions into effect, and the immediate supervision of the advisory groups, are delegated to the Executive Chairman of the Committee, who is at the same time the Executive Secretary of ECLA and Director-General of the Latin American Institute for Economic and Social Planning.

Since the date referred to, advisory assistance has been rendered under the terms of this agreement to Haiti, Paraguay, Peru and Uruguay, and in addition the work of the groups previously established in Bolivia and Colombia <sup>2/</sup> has been continued. As from July 1962, the secretariat handed over its share in the work of the advisory groups to the Latin American Institute for Economic and Social Planning. <sup>3/</sup>

Annual survey of the economic and social situation in Latin America

Pursuant to the resolutions of the Tripartite Committee, the Economic Survey of Latin America traditionally prepared every

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<sup>2/</sup> For more detailed information on the activities of these advisory groups, see document E/CN.12/656, pp. 27 and 28.

<sup>3/</sup> The activities of the Institute in this field are recorded in document E/CN.12/678.

/year by

year by the secretariat was converted in the case of the 1961 Survey into a joint OAS/ECLA project. OAS acted as the executing agency, with the collaboration of three ECLA economists who worked on the drafting of the report. On that occasion also, OAS was entirely responsible for the chapter of the Survey relating to the social situation; the ECLA secretariat took no part in its preparation.

As regards the economic survey for 1962, it was agreed that the secretariats of ECLA and OAS should prepare two separate documents, in view of the fact that the dates for presenting the drafts to their governing bodies were inconveniently far apart. It is hoped, however, that co-operation will be maintained between the group of ECLA economists stationed in Washington and the OAS experts, with a view to assembling the statistical data on which both surveys will be based.

In conformity with this arrangement, the ECLA secretariat prepared, for presentation at the tenth session, the document entitled Some Aspects of the Latin American Economic Situation in 1962 (E/CN.12/679), which is supplementary to another fuller and more detailed study on the economic development of Latin America in the post-war period (E/CN.12/659).

#### Agricultural economy and land reform

At the Punta del Este Conference the Inter-American Committee for Agricultural Development (CIDA) was established. This Committee enjoys the co-operation not only of OAS, IDB and ECLA, but also of FAO and the Inter-American Institute of Agricultural Sciences.

/According to

According to the agreement concerted by the participating organizations, the purpose of CIDA is to carry out a programme of studies on Latin American agriculture designed to indicate and evaluate the principal and most urgent factors retarding the growth of the agricultural sector, as well as to seek possible solutions under a balanced economic and social development programme. The primary aim of this work is to help the Latin American Governments with their agricultural planning and to co-operate in the preparation of specific programmes for submission to the international credit institutions for consideration.

The part played by the Joint ECLA/FAO Agriculture Division in the activities of CIDA is reviewed in the draft annual report of the Commission to the Economic and Social Council. <sup>4/</sup>

#### International meetings and seminars

Co-operation between the secretariat and other inter-American agencies has also been extended to include collaboration in several international meetings and seminars, or their joint organization. Among those that have been held since the last session of the Commission, the following deserve special mention:

(a) Latin American Seminar on Planning. This meeting was jointly sponsored by ECLA, OAS and IDB, and was held at Santiago, Chile from 19 February to 3 March 1962. <sup>5/</sup>

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<sup>4/</sup> See document E/CN.12/656, pp. 70-72

<sup>5/</sup> For a full report on the Seminar, see document E/CN.12/644.

The seminar was divided into two parts: in the first part, the experts appointed by the OAS/IDB/ECLA Co-operation Committee, together with several high level experts from the various countries and technical specialists from the secretariat, examined the over-all problems and principal techniques of economic and social planning; in the second part, the officials responsible for planning activities in some Latin American countries held meetings with the Committee of Nine concerning the progress made in the drawing up of national development plans.

(b) Conference on Education and Economic Development.

This meeting was held at Santiago in March 1962 under the joint sponsorship of ECLA, OAS, UNESCO, FAO and the ILO. It was attended by 309 delegates, twenty observers sent by Governments not members of ECLA and sixty-two observers from non-governmental organizations. The final report of the Conference is presented to the tenth session of ECLA as a reference document (E/CN.12/639).

(c) Conference on Fiscal Policy. This meeting formed part of the activities carried out by the OAS/IDB/ECLA Tax Programme as a second stage following upon the previous Conference on Tax Administration.

It took place at Santiago, Chile, from 5 to 14 December 1962 and was attended by forty-four experts and twenty-five observers. The respective report is submitted likewise to the Commission's tenth session (E/CN.12/638).

/In addition,

In addition, as part of the same programme, work is proceeding on the country studies of existing tax systems in the Latin American republics. So far the studies for Ecuador and Panama have been completed and those for Colombia and the five Central American countries are under way. The latter are being undertaken as a joint operation, taking account of the economic integration aims guiding the Central American nations.

(d) Other meetings. Among other meetings, ECLA took an active part in the organization of the Latin American Seminar on Housing Statistics and Programmes, held from 2 to 25 September under the joint auspices of the United Nations and the Government of Denmark. Other bodies co-operating in the Seminar were the Social Affairs Department of the Pan American Union, the Inter-American Statistics Institute, the Inter-American Centre for Housing and Planning and the Latin American Demographic Centre. A provisional report on this Seminar has been presented to the present session

(E/CN.12/647).

OAS participated also in the Joint Working Group on Skilled Manpower in Latin America, which took place at Santiago, Chile, from 22 to 28 March 1962.

#### Other joint studies

Whenever advisable, the secretariat has contrived to formulate and carry out joint studies on specific subjects with other inter-American institutions. They include a joint ECLA/IDB/ILAPFA study on the Latin American steel industry. Development Bank has contributed a large part of the funds for this project, while the specific field studies have been undertaken by the secretariat of ECLA and the Latin American Iron and Steel Institute (ILAPFA).

/Similarly, ECLA

Similarly, ECLA and OAS are working together on a general study of transport in Latin America. The progress of this study is reported in a note submitted to the tenth session, and the note also sets out some of the conclusions reached up to now (E/CN.12/673).

In addition, OAS and ECIA are proceeding with the preparation of a joint study on ports requested in resolution B-2 of the Conference of Punta del Este.

Co-operation between the secretariat and the Panel of Experts  
(Committee of Nine)

ECLA's co-operation with this Committee, which was organized in conformity with the Charter of Punta del Este, consists primarily in the participation in it of Mr. Raúl Prebisch in his dual capacity as Executive Secretary of ECLA and Director of the Latin American Institute for Economic and Social Planning.

Mr. Prebisch was appointed Co-ordinator of the Committee and performed this function until the heavy burden of his responsibilities in ECIA and the Institute compelled him to resign on 1 January 1963. The Committee expressed the wish to continue his co-operation and requested him to act as its Advisor. He accepted the post in an honorary capacity.

ECLA and the Institute have at all times lent their collaboration to the Committee of Nine whenever they were so requested for the work of evaluating the development plans presented by the Latin American countries. To this end an agreement has been arrived at which in essence establishes the following:

/(a) ECIA

(a) ECLA and the Institute undertake to place at the disposal of the Committee of Nine a total of twelve man-months per year from their high-level technical personnel, on the understanding that, unless expressly agreed to the contrary, during the time such experts lend their services to the Committee they will devote themselves exclusively to the tasks assigned them by the Committee, under the direct responsibility of its Co-ordinator;

(b) Likewise, the Committee can consult ECLA or the Institute on specific questions related to the evaluation of a development plan or calculate to contribute to the establishment of general evaluation criteria;

(c) Both the travel and subsistence expenses incurred by the above arrangements and the costs involved in the replacement of personnel assigned to such duties will be reimbursed to ECLA or the Institute by the Organization of American States.

Collaboration between the secretariat and regional integration bodies

In the development of its programme of work, the secretariat has contrived to offer the maximum co-operation to bodies set up by the Governments to promote regional integration.

The secretariat, through its office in Mexico, has maintained the closest co-operation with the Permanent Secretariat of the General Treaty on Central American Economic Integration (SIECA), which was set up in 1961 upon entry into force of the General Treaty. Close co-operative relations have also been maintained with the Central American Economic Integration Bank and the other organs of the Central American Common Market.

Similarly, the secretariat has continued to collaborate closely with the secretariat of the Latin American Free-Trade Association. In this respect, it has been felt useful to present, in the form of an annex to the present Note, a systematic account of the participation which has fallen to the secretariat in the various phases of the work leading to the formulation and approval of the Montevideo Treaty and to its subsequent implementation. /Annex

Annex

Co-operation extended by the ECLA Secretariat to the Latin American Free-Trade Association

The establishment of the Latin American Free-Trade Association was largely the outcome of work undertaken by ECLA, as is well known.

The studies which the Commission recommended that the secretariat should undertake helped to create and broaden the concept of Latin American economic integration, inasmuch as particular attention was paid to the problems of external disequilibrium confronting the economies of the region, the extent of the over-all attempts to effect imports substitution in respect of essential items was studied and attention was drawn to the growing difficulties impeding industrialization which will continue to develop in watertight compartments.

Since 1954, as the studies on the characteristics and problems of intra-Latin American trade progressed, periodic visits were paid to all the countries of the region with a view to exchanging ideas with the national authorities on the objectives of integration and possible ways and means of achieving it.

In 1955, during the sixth session of the Commission, one of the first practical steps was taken when the ECLA Trade Committee was set up. Of the functions assigned to it, the main one was precisely that of studying the prospects for an integration agreement between the countries of the region.

/In its

In its efforts to arrive at specific procedures, ECLA called two meetings of top level experts at Santiago, Chile, in 1957 and in Mexico in 1959, who studied and submitted the principles on which an integration treaty should be based. Furthermore, meetings at the sub-regional level - e.g. the Greater Colombia area - were held, at which the main problems and prospects that integration would present for particular countries were singled out.

Finally, the secretariat undertook a series of specific studies with a view to determining how possible integration agreements might affect certain vulnerable products, especially agricultural commodities, of particular importance to certain countries. Likewise, the secretariat collaborated in the study of intra-zonal trade payments and credits. In this connexion, a paper on short-term credits was submitted to the Inter-American Development Bank as a contribution to the financing studies undertaken by the Bank.

It is only natural that the Montevideo Treaty, having been so closely associated with the promotion of regional economic integration at all its stages, should have visualized the need to maintain a permanent link between ALAIC and ECLA in the matter of technical advice. Furthermore, the Governments members of ECLA have recommended that the secretariat should turn its attention to advice of this kind as a matter of priority.

Acting on this recommendation, the secretariat is making a series of studies which, directly or indirectly, concern the gradual development of the Association's work. The studies include those outlined below.

/The annual

The annual selective negotiations - the basis of the ALALC system of liberalization at its initial stages - made it necessary to have available, as a matter of extreme urgency, a common customs nomenclature enabling the articles covered by each round of negotiations to be unmistakably identified, as well as for other purposes, including the compilation of sufficiently detailed and comparable statistics. In this connexion ECLA made a preliminary study with a view to drawing up such a nomenclature, taking the Brussels nomenclature as a basis. At a certain stage of the work this study was transferred to the secretariat of ALALC, which produced the nomenclature known as "NABALALC". This nomenclature, in addition to its usefulness for the negotiations, represents a positive step towards the preparation and adoption of a common customs nomenclature, and perhaps of the equalized tariff which must be achieved if any progress is to be made towards the creation of the regional common market proper.

Again, in connexion with customs matters having a bearing on integration, ECLA held an initial meeting of government experts, to which all the Latin American countries were invited. Using the technical papers prepared by the secretariat, this meeting, in addition to recommending the adoption of the Brussels nomenclature by the Latin American Governments, with any necessary subdivisions and adjustments, reached valuable  
/conclusions on

conclusions on matters such as a uniform system for defining customs value and the adoption of common terms to designate certain acts and procedures to be carried out by the respective public services. The same meeting drafted a programme to serve as a basis for bringing customs' procedures closer together and into concordance. In that connexion, the next step contemplated was that of ensuring that the procedures and requirements for the importation and exportation of goods could be referred to simplified and standard models in all the countries of the region. In this connexion the ECIA secretariat, working along the lines mentioned, has been making a survey of the relevant categories in the Latin American countries, and recently the results were summarized in a preliminary paper which already contains data for the preparation of simplified draft models.

In this connexion the secretariats of ALALC and ECIA propose to continue these studies in collaboration, and will jointly sponsor a second meeting on customs matters, which, like the first, will be open for all Latin American countries to attend.

It is noteworthy that, when the initial round of ALALC negotiations was completed, the ECIA secretariat prepared, as a special contribution, the consolidated list of the resultant treatments, and submitted an analysis of the significance of the initial round.

/ECIA has

ECLA has been working very closely with the organs of the Association on one matter that is very important for the successive series of negotiations, namely, the study of the bases for determining the requirements in the matter of origin that the products included in the liberalization programme must meet.

It has also worked with the Association, and is still doing so, in such fields as the study of problems relating to the complementarity agreements by industrial sectors, transport, the definition of dumping, and problems connected with border traffic. Similarly, the ECLA secretariat has contributed to the work of ALALC on the presentations to GATT necessitated by the conclusion and implementation of the Montevideo Treaty. As regards the latter, the secretariat has also co-operated with the delegations of signatory countries in the preparation of reports on the development of the Association.

In July 1962, the secretariat invited the heads of government delegations to ALALC to a round-table meeting at Santiago, to discuss with a group of high-level experts, convened by the secretariat, some problems and trends of Latin American foreign trade as a whole. On that occasion, a number of aspects were analysed relating to the progress made towards the expansion of markets in Latin America.

The ECLA secretariat, maintaining a constant exchange of ideas with ALALC, has also gone forward with the preparation of technical data to facilitate the study and selection of procedures that might be used in passing to new stages of liberalization,

/broader than

broader than those provided for in the basic commitments incorporated in the Montevideo Treaty. Similarly, the secretariat is considering the preliminary steps towards the gradual establishment of links between the General Treaty on Central American Economic Integration and the Montevideo Treaty, in accordance with the resolutions of the Governments members of ECLA.

Apart from the work done specifically for the Latin American Free-Trade Association, such as that referred to above, the ECLA secretariat has undertaken other activities that constitute an indirect but positive contribution to the work of the Association. These include a comparative analysis of the status of Latin American customs tariffs and of foreign trade regimes, and a series of studies on basic sectors of industrial and agricultural production.

ECLA is represented in ALALC by an official who takes part, without the right to vote, in the discussions of the Executive Committee. By this means, and by constant liaison between the two secretariats and the mutual assistance rendered by their officials at the various meetings convened by the two bodies concerned, co-operation between them is developing satisfactorily and is proving to be highly productive.

It is important to stress the significance that some other prospective activities of ECLA will have as regards the future stages of integration, within the context of ALALC. In addition to direct co-operation between the two secretariats, ECLA has undertaken or is undertaking a series of activities that may also help to clarify some of the basic problems of integration, and

/that will

that will probably be of interest to ADALC. These include the following:

(a) Studies by the Development Division on the outlook for the region's economic growth, which provide more precise data concerning the need for a change in the pattern of foreign trade, and consequently for a review of the criteria to be applied to development policy, in view of the balance-of-payments difficulties and the problems created by excessive dependence on import substitution.

(b) Studies by the Latin American Institute for Economic and Social Planning, in co-operation with the Trade Policy Division, on the co-ordination of national development programmes with a view to integration, as regards both macroeconomic and sectoral aspects.

(c) The specialised studies on branches of industry now being prepared by the Industrial Development Division of ECLA, in which constantly increasing emphasis is being placed on integration prospects. This approach is being adopted chiefly in the following sectors: chemicals, iron and steel, metal-transforming metallurgy, pulp, paper and textiles. These studies may well help to lay the foundations for the complementarity agreements which may lead to the early intensification of the integration process in the basic sectors.

(d) ECLA will probably continue to be concerned with studies of the various alternatives among the new general procedures for speeding up integration. In that connexion, an effort will be made to discover the precise effect that the application of

/various procedures

various procedures may have on the various branches of industry and agriculture in the latter countries.

(e) The joint ECLA/FAO group is preparing a detailed work programme to study the effect which integration will have on the agricultural sector, and to offer suggestions on the kind of remedial, compensatory or preliminary measures which might be adopted.

(f) For the purpose of disseminating basic ideas on Latin American integration and trade policy, ECLA is preparing a seminar, to be held in August 1963, in which Latin American officials responsible for the formulation of trade policy, principally in connexion with integration, together with officials of the secretariat, of ALALC and world experts on the study of the broad topics of integration and trade policy in general will participate.

(g) ECLA will continue its research on payment problems in Latin America, the solution of which is considered of vital importance to the proper functioning of intra-zonal trade.

(h) ECLA, in its capacity as a regional economic commission of the United Nations, will prepare various documents for the use of the United Nations Conference on Trade and Development, including some describing the status of Latin American integration and the problems involved.