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DRAFT

MEDIUM-TERM PLAN 1980-1983

ECLA/MEXICO OFFICE

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INTRODUCTION

A. Organization

1. Intergovernmental review

The work of the Secretariat in the programmes described hereinafter is reviewed by the ECLA member governments during the bi-annual ordinary meetings, and by the Central American Economic Cooperation Committee which last met on May 1977.

The submission of this plan corresponds closely with the various mandates received from such bodies.

2. Secretariat

The Secretariat Unit responsible for these programmes is the ECLA/Mexico Office in which there were 30 professional staff on board as of 31 December 1977, of which eight were supported by extrabudgetary sources. The ECLA/Mexico Office had the administrative, de facto organization indicated in Table 1 as of 31 December 1977.

3. Divergences between current administrative structure and proposed programme structure

The administrative structure described in Table 1 does not exactly correspond to the structure required to carry out the proposed work programme.

The main differences refer to the distribution of time for the following posts among the different subprogrammes: Executive Director, Deputy Director, General Coordinator and Special Assistant to the Director.

/In addition,

In addition, two new regular budget posts are expected to be incorporated to the ECLA/Mexico Manning Table beginning in 1980 in order to reinforce several sections. The first one refers to a new P-5 level post for the Economic Development Section and the second, to a similar post for the ECLA/FAO Agricultural Section.

4. Expected completions and consequent reorganizations

a) Expected completions

In the following paragraphs a list of those programmes or subprogrammes which will be completed during the period 1978-1981, is submitted.

i) The biennium 1978-1979

V.8 Central American development in retrospective

VIII.8 Agricultural development policies in Mexico, a joint ECLA/CIDA study

XXI.3 Income redistribution in Mexico

ii) The biennium 1980-1981

V.5 Notes on the Cuban style of development

V.6 Panama as an international financial center

VIII.8 Agricultural development policies in Central America

XI.1 Industrial complementarity in Central America

XI.3 Policies for industrial technologies

XIV.1 Influence of the international economy of the 1980's in Central America

XIV.3 Economic cooperation between Mexico and Central America

XXI.1 Social development and policy in Central America

/b) Consequent

b) Consequent reorganizations

No major reorganization within the Office is envisaged. The structure described in Table 1 is expected to remain in effect throughout the programme period.

5. Other organizational matters

None

B. Coordination**1. Formal coordination within the Secretariat**

Many of the programmes and subprogrammes described hereinafter require a close cooperation with ECLA Headquarters for their implementation. In addition, close links and coordination with other Secretariat organizations are required - and have been ensured already - for the effective implementation of programmes in the Human Settlements and Natural Resources fields.

2. Formal coordination within the United Nations system

In addition to the above described coordination with UN Secretariat organizations, close ties and cooperation are envisaged with other agencies of the UN system for the implementation of several subprogrammes in the fields of natural resources, agriculture, industry, etc.

3. Units with which significant joint activities are expected during 1980-1983

- United Nations Environment Programme (UNEP)
- United Nations Office for Technical Cooperation (UNOTC)
- Centre for Natural Resources, Energy and Transport (CRNET)

/- United Nations

- United Nations Development Programme (UNDP)
- Food and Agriculture Organization (FAO)
- United Nations Industrial Development Organization (UNIDO)
- United Nations Conference on Trade and Development (UNCTAD)

C. Allocation of resources to subprogrammes

The envisaged allocation of human resources to subprogrammes is approximately as shown in Table 2. Both man-months and percentage figures are indicated for each programme and subprogramme.

Table 1

ECLA/MEXICO OFFICE. ADMINISTRATIVE ORGANIZATION FOR 1978-1983

Level	Post title	Staff member	Post's original subprogramme
I. EXECUTIVE DIRECTION			
D-1	Executive Director	Gert Rosenthal	
P-5	Deputy Director	VACANT	Economic Development
P-5	Technical Coordinator	D. Bitrán	Economic Development
P-4	Special Assistant to Dir.	R. Jovel	International Trade
II. ECONOMIC DEVELOPMENT			
P-5	Section Chief		NEW POST
L-5	Regional Adviser	F. Herschel	Section 15
P-4	Economic Affairs Officer	J. Puchat	
P-4	Economic Affairs Officer	J. Baraffano	Statistics
P-4	Economic Affairs Officer	I. Cohen	
P-4	Economic Affairs Officer	R. Caballeros	International Trade
P-3	Economic Affairs Officer	P. Serrano	
P-2	Ass. Econ. Affairs Officer	J.E. de López	Statistics
III. AGRICULTURE			
P-4	Section Chief	A. Tapia	FAO
P-5	Economic Affairs Officer	...	NEW POST
P-4	Economic Affairs Officer	A. Harvey	
P-3	Economic Affairs Officer	O. Zamora	Economic Development
IV. INDUSTRIAL DEVELOPMENT			
P-5	Section Chief	C.R. Guha	UNIDO
P-4	Economic Affairs Officer	F. Mora	Economic Development
P-2	Associate expert	...	UNIDO

/((Continues))

Table 1 (Conclusion)

Level	Post title	Staff member	Post's original subprogramme
V. NATURAL RESOURCES & TRANSPORT			
P-5	Section Chief	R. Arosemena	Economic Development
L-4	Electrical expert	H. Garcia	UNDP
P-4	Economic Affairs Officer	...	Social Development
P-2	Ass. Economic Aff. Officer	...	Economic Development
P-2	Ass. Economic Aff. Officer	I. Scheinvar	Economic Development
VI. SOCIAL DEVELOPMENT			
P-3	Social Affairs Officer	...	Economic Development
P-3	Social Affairs Officer	E. Carranza	Economic Development
P-2	Ass. Social Aff. Officer	L. de Tiburcio	Economic Development
VII. INTERNATIONAL TRADE			
P-3	Economic Affairs Officer	G. Fichet	Economic Development
P-2	Ass. Econ. Affairs Officer	V. Grechka	Economic Development
P-2	Ass. Econ. Affairs Officer	J.T. Zepeda	International Trade
VIII. SCIENCE AND TECHNOLOGY			
P-4	Economic Affairs Officer	N. Brandt	German government
P-3	Economic Affairs Officer	...	
IX. HUMAN SETTLEMENTS			
P-5	Sr. Econ. Affairs Officer	E. Neira	UNEP
P-4	Economist	L. Geller	CIDA
L-3	Sociologist	K. Giffin	CIDA
L-4	Expert	M. Van Lengen	TAS/UNEP

TABLE 2 (CONCLUSION)

Programme, Subprogramme	1978-1979				1980-1981				1982-1983				1978-1979				1980-1981				1982-1983			
	R		Y		R		Y		R		Y		R		Y		R		Y		R		Y	
	R	Y	R	Y	R	Y	R	Y	R	Y	R	Y	R	Y	R	Y	R	Y	R	Y	R	Y	R	Y
IX. NATURAL RESOURCES	24	26	110		84	48	122		72	48	120		100	100	100		100	100	100		100	100	100	
1. Integrated water resources development	12	3	13		22	14	36		24	16	40		16	8	13		26	29	28		33	33	32	
2. Irrigation and drainage	25	21	46		14	10	24		12	8	20		34	58	42		16	21	18		17	17	17	
3. Energy development	21	6	27		24	16	40		20	16	40		28	17	25		29	33	30		22	33	33	
4. Electrical interconnection	16	6	22		24	8	32		12	8	20		22	17	20		29	17	24		17	17	17	
XX. SCIENCE AND TECHNOLOGY	4	56	100		4	48	22		4	48	22		100	100	100		100	100	100		100	100	100	
XXI. SOCIAL DEVELOPMENT	32	-	83		71	-	77		76	-	76		100	100	100		100	100	100		100	100	100	
1. Social development and policy in Central America	27	-	27		39	-	39		-	-	-		32	-	32		51	-	51		-	-	-	
2. Social aspects of metropolitanization in Mexico	-	-	-		38	-	33		76	-	76		-	-	-		49	-	49		100	-	100	
3. Income distribution in Mexico	56	-	56		-	-	-		-	-	-		68	-	68		-	-	-		-	-	-	
XXIV. TRANSPORT	27	26	53		29	24	32		28	24	32		100	100	100		100	100	100		100	100	100	
XXV-a. ECONOMIC COOPERATION	27	-	37		27	-	27		37	-	27		100	100	100		100	100	100		100	100	100	
1. Central American economic integration	37	-	37		37	-	37		37	-	37		100	100	100		100	100	100		100	100	100	
TOTAL	552	512	1164		609	622	1072		589	672	1272													

/D. DETAIL

D. DETAIL OF THE PROGRAMMES

Major programme: V. DEVELOPMENT PLANNING, PROJECTIONS AND POLICIES

Organizational unit: ECLA/MEXICO OFFICE

SUBPROGRAMME 1. Economic development of Central America and Mexico

(a) Objective

To carry out periodic appraisals to determine the achievements, prospects and limiting factors of development, in order to be able to provide the governments with basic economic policy guidelines.

(b) Problem addressed

The work of interpreting and assessing the development process of the countries in the area - especially of the smaller ones - will be extended and intensified. This is necessary in view of the new and more complex problems arising at the national and international levels as a result of the changes taking place in the relationships between industrialized and underdeveloped countries. In the economic sphere, tension has increased not only because of the international economic crisis, but also because of price increases and the shortage of raw materials and basic goods, which have aggravated the balance-of-payments problems of the countries in the area. All this will require the application of more refined instruments and action in the field of economic policy to deal with and minimize adverse repercussions on the well-being of the majority of the population. Furthermore, in the Central American countries the crisis in the process of integration has had a negative effect on their socio-economic evolution, which makes it necessary to look for new plans and activities to strengthen and consolidate regional cooperation.

(c) Legislative authority

ECLA resolution 290 (XIII). *

* Mandate more than five years old.

(d) Strategy and output

The progress of the economies of the region will be studied and analysed with special emphasis on the examination and assessment of the current difficulties experienced by the countries, as well as on the design and application of specific policies as regards production, employment, finance, prices and incomes, and the balance of payments.

Particular attention will be paid to the main causes hindering the achievement of the aims and objectives of national development plans.

(i) The biennium 1980-1981

Annual economic surveys for the countries of the subregion; a biennial appraisal for the international strategy and development.

(ii) The biennium 1982-1983

Annual economic surveys for the countries of the subregion; a biennial appraisal for the international strategy and development.

(e) Expected impact

No objective indicators of the input of this subprogramme are possible but it is expected that the annual economic studies and biennial appraisals will provide elements for analysis, diagnosis, and guidance for use in dealing with the main events occurring in these countries and will integrate with the documentation of the fulfilment of the International Development Strategy. Furthermore, it is expected that these documents will contribute to the application of appropriate measures for solving the region's socio-economic problems.

/SUBPROGRAMME 2.

SUBPROGRAMME 2. Economic policy and planning in Central America

(a) Objective

To help the governments of the Central American countries to:

- Draw up policies intended to accelerate their socio-economic development;
- Strengthen their planning instruments and mechanisms;
- Strengthen the connexions and the coherence between short-term policies and medium-term objectives.

(b) Problem addressed

In recent years, studies of economic development have limited themselves to a general analysis of certain macroeconomic variables and have not systematically tackled the examination and assessment of short-term policies in relation to longer-term objectives. At the same time, concrete experience in developing countries has shown that inadequate connexions between medium-term planning and specific action in the area of short-term policies is one of the main factors accounting for the shortcomings in the planning process. For this reason it will be necessary to examine and intensify aspects of the formulation, execution, control and evaluation of economic policy in the area.

(c) Legislative authority

ECLA resolution 310 (XIV).*

* Mandate more than five years old.

/(d) Strategy

(d) Strategy and output

To provide with technical assistance missions to the countries in planning and drawing up economic policies will continue, but with new methodology and scientific improvements tending to offer a solution to the technical problems of co-ordination between long-term and short-term development programmes (1980-1981 and 1982-1983).

(e) Expected impact

No objective indicators of the impact of this subprogramme are possible but it is expected that the planning systems and mechanisms in the area and the training of national teams of experts will be improved and that closer cooperation will be achieved in order to improve and extend the statistical base and the qualitative information available. The preparation or application of methodology and indicators for the analysis and assessment of short-term policies is also expected.

SUBPROGRAMME 3: Extreme poverty in Central America**(a) Objective**

To assess the magnitude and characteristics of the population living in conditions of extreme poverty on each of the countries of the subregion, and its concentration according to geographical areas, economic sectors and socio-economic strata; and to provide useful elements for the design of governmental policies --global or specific-- addressed to the erradication or alleviation of this problem..

(b) Problem addressed

Economic growth in the subregion seems to have been accompanied by a deterioration in the relative situation - and probably the absolute one - of the lower income groups of the population in both the rural and urban areas.

Furthermore, access to social services by this group is extremely limited; quite frequently its members are compelled to pay higher prices for their staple goods because of the characteristics of the comercialization network.

In other words, besides the structural factors conditioning the participation of the poor strata in the productive process, there are other elements reinforcing this tendency, to which the proposed research will pay particular attention.

This survey is intimately related with the subprogramme included in the same Work Plan under the heading of "redistributive effects of public sector spending in Central America" which will assess the relative efficiency of the corresponding policies.

/(c) Legislative

(c) Legislative authority

Mandates received from ECLA's governments in the International Development Strategy evaluations that took place in Quito, Chaguaramas and Guatemala during the XV, XVI and XVII periods of sessions of the Commission. It also represents a complement in depth of the regional study on this subject being carried out by ECLA Headquarters.

(d) Strategy and outputs**(i) The situation at the end of 1979**

A better knowledge of the methodological aspects to deal with the subject of extreme poverty derived from the regional study carried out by ECLA Headquarters on this subject will provide the necessary background for the proposed subprogramme.

(ii) The biennium 1980-1981

The subprogramme will be divided into two phases. Phase one will concentrate in the diagnosis of the problem of extreme poverty in the subregion (1980-1981).

(iii) The biennium 1982-1983

The second phase will deal with actual policies undertaken by the countries to cope with this problem and will suggest policy alternatives dealing with it in an integral manner.

(e) Expected impact

No objective indicators of the impact of this subprogramme are possible but it is expected that public interest on the subject will be raised and that it will facilitate the adoption of a series of measures to alleviate the situation of this broad strata of the population.

SUBPROGRAMME 4. Public expenditure and income redistribution in Central America

(a) Objective

To analyze and evaluate current and past government expenditures - and, in a broader sense, government policies on income distribution, to assess their relative efficiency for redistribution and to formulate alternative policy guidelines for improving income redistribution.

(b) Problems addressed

There exists a highly unequal distribution of income in the subregion, which creates a growing dissatisfaction among lower-income strata and results in severe criticism of the economic development process.

Although there is a general understanding of the income distribution structure, the subregion's governments still do not have a clear assessment of the costs and relative impact of the corrective measure they have adopted in the past.

(c) Legislative authority

ECLA Resolution 328 (XV)

(d) Strategy and output

(i) The situation at the end of 1979

Income distribution inequalities in the countries of the subregion presumably aggravated, will impose acute demands on government redistributive policies.

(ii) The biennium 1980-1981

A study will be conducted to analyze the effects of government policies and especially fiscal expenditures on income distribution, and to propose alternatives which could be adopted in the future (1979-1980) to improve income distribution.

A subregional meeting on the subject will be convened in 1981 wherein a document will be presented by ECLA to provide the basis for government representative discussions.

(iii) The biennium 1982-1983

The previous undertakings will be followed up by technical assistance missions in 1982-1983 to cooperate with the governments in the implementation of the study findings and for the monitoring of the newly-adopted policies.

This study will be closely linked to the one on "abject poverty" presently underway for the region as a whole.

(e) Expected impact

An improved system of income redistribution in the subregion through the formulation and adoption of alternative policies and measures.

SUBPROGRAMME 5: Comments on the Cuban style of development**(a) Objective**

Most Latin American countries have experienced a style of development that ECLA has characterized in broad terms as "peripheric capitalism". For the past two decades, Cuba has departed radically from this style, giving priority to the fulfilment of social goals to which economic objectives have been subordinated.

In the ECLA study "Considerations on Cuba's style of development and its main social policies", one assessment has been made of the achievements of this style in the most important social sectors. One of the conclusions of said document is that, bearing in mind the concept peculiar to the Cuban style, - which is the indisolubility of the social and the economic aspects - once the goals towards the formation of what has been called "The new man in the new society", have been attained, and intensified effort follows to achieve a greater, more efficient and more diversified productive structure.

This objective will be partially achieved in the decade of the 80's with a gradual incorporation of more and better trained human resources, as a direct consequence of the new scheme of study-work which has been implemented in recent years.

The purpose of this study is to explore, in an objective manner, what lessons can be derived from the Cuban experience for other Latin American countries without their necessarily embracing the ideological precepts on which Cuba's style of development is based. Such an investigation is especially relevant since the relative political and economic isolation that that country experienced in the sixties is

/rapidly

rapidly disappearing and growing contacts are appearing at different levels and between different countries. In fact, the study could lead to the identification of areas in which economic cooperation could usefully be fostered between Cuba and other Latin American countries.

In synthesis, the main objective of this project is to assess the Cuban style of development within the broader framework of trends in international relations.

(b) Problem addressed

The focus of the research proposed would not be that of a comparative analysis of Cuban style with that of the other Latin American countries, because such orientation would necessarily lead to the analysis of different political systems, a subject on which much has been written and which transcends the Commission's attributes. The central point would, thus, be the assessment of the ways and means of achieving greater economic interdependence between Latin American economies that are inserted in different economic systems and styles of development.

(c) Legislative authority

None.

(d) Strategy and outputs

(i) The situation at the end of 1979.

The intensification of international relations between countries of different economic and social systems and the growing contacts in different spheres which Cuba is having with other countries of the region are expected to reach such a level that envisaged studies will be of the utmost importance.

/(11) The biennium

(ii) The biennium 1980-1981

According to present Cuba economic plans, at the end of the present decade a stage will be accomplished in which a certain degree of consolidation will be attained in some important economic and industrial projects. Hence the convenience to initiate the proposed survey during the earlier years of 1980's decade.

Given the nature of the subject its implementation would require the support of Cuban authorities. This is important in order to define more precisely the scope of the research to be carried out, and the sources of information available.

(e) Expected impact

A report to be presented to the government members of the Commission will include an assessment of the Cuban style of development, its productive diversification - particularly the increase of the national supply - and the utilization of human resources. It is expected that this document will provide useful information and new insights into the development process, and that it will serve as a starting point of an effort to devise more intense and fruitful economic relations between Cuba and other countries of the region (1980).

SUBPROGRAMME 6: Panama as an international financial center

(a) Objectives

This research project would pursue three main objectives:

- i) try to assess the impact of the international financial center that operates in Panama on the country's development process, determining how such a center facilitates and/or hinders certain development objectives, and how its presence is reflected in the country's development strategy;
- ii) to explain why the multinational enterprises are attracted to this financial center and describe the advantages and disadvantages of such a center seen from the multinational enterprises' point of view, and iii) through the analysis of the multinational enterprises' behaviour, some tentative observations and conclusions will be presented on the impact of the international financial center in Panama on neighbouring Latin American countries. Part of this research will be undertaken jointly with the United Nations Center for Transnational Enterprises.

(b) Problem addressed

During the past few years, Panama has become one of several important international financial centers that have evolved in developing countries. Relatively little is known about the implications of such centers on the host economies and on international financial trends, and their effects on certain macroeconomic variables, such as the balance of payments, employment, monetary policy, and economic growth.

/(c) Legislative

(c) Legislative authority

None.

(d) Strategy and Output

The participation of the Panamanian government in this study will be ensured before the end of 1979.

The biennium 1980-1981

A report is to be produced and submitted to the Panamanian government, wherein a detailed analysis will be made of the international financial center's functioning, and of the perspectives for enlarging the benefits Panama may derive from the center.

(e) Expected impact

The Panamanian government will be furnished with alternate ways of fostering developments through the benefits deriving from the presence of the financial center.

SUBPROGRAMME 7. Public sector policy analysis in Mexico

(a) Objective

To determine the impact of the Mexican public sector policies in economic development, with a view to presenting experiences whose knowledge could be useful to other countries in the subregion.

(b) Problems addressed

In order to foster economic development, the governments of Latin America have resorted to different degrees of participation of the public sector in economic activities. The degree of participation appears to be higher in the larger countries of the region, but responds to different causes.

Such participation has, in general, promoted a fairly high degree of industrialization and economic growth. In addition, it has produced a relative incorporation of the medium-income levels of the population to the growth process. However, due in part to the high demographic rates of growth, the social problems in such countries have worsened in spite of governmental efforts and, at the same time, external indebtedness has risen to significant levels.

The question therefore remains as to how to determine the limits of and the policies for government participation in the economic process so that social conditions can be noticeably improved.

The case of Mexico offers excellent possibilities for analysis since it is one which initially started a policy of nationalization of basic resources, has an industrialization process linked to foreign capital and technology, and could be very illustrative for the respective policies of nearby Central American and Caribbean countries.

/(c) Legislative

(c) Legislative authority

None

(d) Strategy and output

(i) The situation at the end of 1979

The economic situation of Mexico is expected to have reached a stable regime after the new government has reached a stage of maturity by 1979.

(ii) The biennium 1980-1981

Beginning in 1980, the ECLA/Mexico Office will devote a considerable amount of its efforts to this study. The collaboration of the Mexican government will also materialize during this biennium.

(iii) The biennium 1982-1983

The study will continue throughout this biennium, and a report on the subject matter will be submitted to the Mexican government by mid-1983.

(e) Expected impact

The proposed study hopes to provide an accurate insight to the alternatives that the Latin American countries have for adopting public sector participation policies, and may provide the Mexican government with valuable elements for deciding its future development policy.

In the long run, the general social conditions in the countries will be improved as a result of the study.

/Major programme:

Major programme: VIII. FOOD AND AGRICULTURE

Organizational unit: ECLA/MEXICO OFFICE

SUBPROGRAMME 1: Planning of agricultural development

(a) Objective

To assist the governments of the subregion in the formulation of medium-term and annual operative plans for agricultural development to collaborate in improving the governments' planning system for the sector and in the training of personnel.

(b) Problems addressed

In spite of the fact that agriculture is the main economic activity and requires the greater part of the labor force in the subregion, the organizations in charge of planning for the sector still lack sufficient expertise to effectively carry out their task. Considerable amounts of technical assistance are therefore required to fill such gap.

(c) Legislative authority

ECLA Resolution 375 (XV); Resolution 137 (CCE) of the Central American Economic Cooperation Committee.

(d) Strategy and output

The continuing technical assistance to agricultural planning organizations will be continued on a permanent basis throughout the period.

(e) Expected impact

No objective indicators of the impact of this subprogramme are possible, but an improvement of the planning capacity in the agricultural development sector organization of the countries, and therefore an overall improvement of agricultural output in the subregion, is expected.

/SUBPROGRAMME 2:

SUBPROGRAMME 2: Food production policy in Mexico and Central America**(a) Objective**

To collaborate with the governments of the subregion in the analysis and re-orientation of rural development and income redistribution policies, in order to ensure the full satisfaction of food production demands.

(b) Problems addressed

Current income redistribution policies for the rural sector have not been totally effective to provide adequate incentives to ensure production of foodstuffs in sufficient quantities to meet the external demands. Very often, countries are faced with shortages of food and with excess production of agricultural export goods.

(c) Legislative authority

United Nations General Assembly Resolutions 3201 and 3202 (S-IV) and the recommendations of the recent FAO/ECLA Latin American Food Conference.

(d) Strategy and output**(i) The biennium 1980-1981**

Individual reports on the findings of the analysis and including recommended policies alternatives for food production will be prepared for Mexico.

(ii) The biennium 1982-1983

A similar report will be prepared for the Central American countries in 1982. A subregional report describing possibilities of coordination of food production policies for the Central American countries would be prepared and discussed in a special seminar in mid-1983.

(e) Expected impact

The countries will have, at the end of the programme period, policy alternatives to foster food production and help with income redistribution in the rural sector.

/SUBPROGRAMME 3:

SUBPROGRAMME 3: Agricultural policies in Central America**(a) Objective**

To collaborate with the governments of the Central American Common Market in the assessment of agricultural policies towards a more effective agricultural development and economic integration.

(b) Problem addressed

Agriculture and livestock are the main economic activities of the Central American countries both from the point of view of human resources utilization and of foreign exchange generation.

Although there has been significant progress in the intraregional exchange of agricultural and livestock products, no real efforts have been made to study the different policies which could contribute to accelerate both agricultural development and the regional exchange of basic products and at the same time adopt common policies for these commodities in the international scene.

(c) Legislative authority

ECLA resolution 375 (XVII), resolution 152 (X/CCE) of the Central American Economic Cooperation Committee.

(d) Strategy and output**(1) The situation at the end of 1979**

Results of detailed studies by ECLA on the subject of agricultural policy in Mexico will be available by 1979, as well as those from specific agricultural project perspectives for Central American exports. Those results will be used as basic inputs for the envisaged studies.

(ii) The biennium 1980-1981

A study presenting policy alternatives to ensure agricultural development and to increase trade in the sector within the Central American subregion, is to be submitted to the governments during a special meeting to be convened at the end of 1981.

(e) Expected impact

This analysis will avail the Central American governments with an analytical instrument to utilize different lines of agricultural policies such as strategic variables to promote agricultural development and overcome the problems which prevent their full economic integration.

Major Programme: X. HUMAN SETTLEMENTS

Organizational Unit: ECLA/MEXICO OFFICE

SUBPROGRAMME 1: Social aspects of human settlements in Latin America and the Caribbean

(a) Objective

To formulate policies for improving the social aspects of human settlements in the region, and to establish a regional information center on the subject.

(b) Problems addressed

There does not exist as yet in the area a thorough knowledge of the critical social variables which affect the process of human settlements, nor do the governments have a policy for improving the prevailing situation.

(c) Legislative authority

ECLA Resolution 378(XVII)

(d) Strategy and output

(i) The situation at the end of 1979

A conceptual model will have been formulated and tested in order to allow a detailed diagnosis of the situation.

(ii) The biennium 1980-1981

Implementation and operation of the regional information system.

(iii) The biennium 1982-1983

Technical assistance to governments in regard to policy guidelines for the design and management of human settlements.

/(e) Expected

(e) Expected impact

Improved social conditions in both existing and new human settlements, through the availability of an information system and development policies on the matter.

SUBPROGRAMME 2: Technology on human settlements

(a) Objective

The development of appropriate technologies for the establishment and improvement of human settlements.

(b) Problems addressed

There does not exist in the area the required technology for the appropriate design of physical infrastructure and related services for existing and new human settlements. No sufficient expertise is available either to carry out the necessary studies in this regard.

(c) Legislative authority

ECLA Resolution 378(XVII)

(d) Strategy and output

(i) The situation at the end of 1979

Demonstration projects for the most important ecosystems in the region will have been identified by 1979.

(ii) The biennium 1980-1981

Evaluate and disseminate information on human settlements technology.

Technical assistance to governments in the formulation and evaluation of national research and development projects.

(iii) The biennium 1982-1983

Continuation of activities initiated in previous biennium

(e) Expected impact

No objective indicators of the input are possible but an improvement of social conditions in human settlements through the reduction of building costs and the adequation of ecological and cultural environment, can be expected.

SUBPROGRAMME 3: Professional formation for the human habitant**(a) Objective**

To collaborate in providing adequate media for professional-level education in regard to the planning and management of human settlements.

(b) Problems addressed

A recent analysis indicates that in spite of the countries' efforts to create adequate educational facilities to train personnel on planning and administration of human settlements, there remains a large gap which is more acute at the intermediate (technician) and managerial levels.

(c) Legislative authority

ECLA Resolution 378 (XVII).

(d) Strategy and output

Assistance to existing educational centers in the introduction of the modern techniques for planning and administration of human settlements (1979 through 1983).

(e) Expected impact

No objective indicators of the impact of this subprogramme are possible but improved university curricula and establishment of special study programmes on human settlement planning and administration, as well as the availability of trained local personnel in sufficient quantities to ensure the effective implementation of government programs on the subject of human settlements, are expected.

Major Programme: XI. INDUSTRIAL DEVELOPMENT

Organizational Unit: ECLA/MEXICO OFFICE

SUBPROGRAMME 1: Industrial complementarity in Central America

(a) Objective

To assist the Central American governments in the formulation of policies to accelerate their industrial development, with special emphasis on the demarkation of areas of specialization and complementarity.

To identify and specify the possibilities of forming links between industries of the subregion and those of other Latin American countries.

(b) Problem addressed

Although mechanisms and measures for increasing the share of under-developed countries in the world trade in manufactures have been put forward at international forums, the share of the Central American countries has so far been very small. This is mainly due to the scant diversification of their industries and to the lack of adequate industrial competitiveness.

The process of economic integration began in the sixties - although it has contributed to the transformation of the economies of the region, as may be seen in the considerable progress made in their level of industrialization - has also emphasized, in the light of recent problems, the inadequacy of their coordinating machinery and a lack of complementarity in the development of the manufacturing sector.

Furthermore, because of the characteristics that the process of integration has taken on in practice (a preponderance of fiscal and tariff measures over programming), industrial growth appears to be losing its impetus, while at the same time it is suffering from problems of inadequate levels of productive efficiency.

/To continue

To continue the process of industrialization, it will be necessary to look for new possibilities of growth in the sector, particularly in its more advanced phases, where the limited size of the markets may create serious obstacles for the exploitation of manufacturing possibilities involving the natural resources available in the region.

(c) Legislative authority

ECLA Resolution 315 (XV).

(d) Strategy and output

(i) The situation at the end of 1979

At the end of 1979, previous research projects will permit a thorough knowledge of industrial structure of the Central American region and that of other countries of Latin America. Against this background, industrial specialization and complementarity will be assessed.

(ii) The biennium 1980-1981

A report addressed to the planning authorities of the governments referring to the prospects of a substantial incorporation of manufactures into Central American exports by means of stimuli to, and promotion of, the creation of new industries and the specialization and expansion of existing ones, on the basis of reciprocity and equity in distribution among the countries of the subregion.

A series of suggestions to the Central American Common Market (CACM) authorities on common policies and measures aimed at reaching agreements on industrial complementarity and commercial exchanges with other countries, particularly with neighbouring countries like Mexico, Venezuela, and the Caribbean zone.

A series of monographies on several branches of industry addressed to industrial policy makers to provide them with information of the present situation of their countries and their development potential, and to help them to define and formulate the most appropriate intra-regional complementarity agreements in this field.

(e) Expected impact

No objective indicator of the impact can be stated, but it is expected that an indication of the possibilities and alternatives for the integral development of specific branches of industry through planned specialization and links with other countries and integration schemes, will be available. In addition, a formulation of a basis for sectoral strategies adjusted to realities and in keeping with available resources and with the limitations of a technical and financial nature which condition the industrial development of the region.

SUBPROGRAMME 2: Appraisal of strategies, policies, and plans for industrial development

(a) Objectives

To examine the process of industrialization in the countries under the jurisdiction of this Office with reference to the terms of the International Development Strategy and the New International Economic Order, the Lima Declaration on Industrialization, and the Plan of Action of the Latin American Industrialization Conference (Mexico) to assess the fulfillment of the goals established in both instances.

To analyse the industrial development plans and programmes of the countries in the subregion with a view to formulating recommendations for their better coordination and mutual support.

To evaluate the policies and measures carried out at the level of the various branches of industry in order to select the most specific and effective.

To assist in the formulation of industrial development strategies for the countries in the subregion and to formulate policies and support measures which fulfill the purpose of achieving industrial cooperation between the countries.

(b) Problem addressed

The industrial development of the Central American countries depends to a large extent on imports and, in general, on the evolution of the external sector. The regional policy on industrialization has failed to change this state of affairs, and its lack of operativeness has furthermore brought about a concentration and polarization of industrial production in some countries, particularly in urban areas. The weak position of the

public sector as a promoter of industrial development, foreign control over important enterprises and over the exploitation of some natural resources, the crisis in the supply of key products and of certain inputs, inflationary pressures, and other contingent and structural problems.

The low rate of industrial progress and defective productive structures have inhibited the setting up of strong economic links among the countries of the region.

(c) Legislative authority

ECLA Resolution 310 (XIV)^{*/}; Resolution 148 (X/CCE) of the Central American Economic Cooperation Committee.

(d) Strategy and output

(i) The situation at the end of 1979

A series of measures tending to improve the functioning and reutilization of the Central American Common Market will be in operation. This is a prerequisite for the actions dealt with in this subprogramme.

(ii) The biennium 1980-1981

A report addressed to the regional and national organizations containing suggestions for harmonizing and coordinating policies on the basis of industrial complementarity, in accordance with the availability of resources and the production factors in each country, bearing in mind economies of scale and specialization (1980-1981).

To provide a series of monographies with information of common interest to the countries for channeling action in certain branches of industry on specific projects, in order to widen the bases for cooperation in the production of manufactures (1980-1981).

*/ Mandate more than five years old.

/(iii) The

(iii) The biennium 1982-1983

Provide policy alternatives for industrial development by means of a better distribution of the benefits of economic progress, an employment policy that guarantees a gradual decrease in overt or covert under-employment, and an improvement in institutional mechanisms so that changes can be introduced in the productive structure and external dependence in respect of intermediate and capital goods can be reduced.

(e) Expected impact

No objective indicator of the impact can be stated, but it is expected that the formulation of the industrialization strategies, plans, and policies of the countries will be improved.

A higher rate of growth of the industrial product and employment will be achieved through the design of mechanisms and measures to overcome the present obstacles.

Cooperation and industrial complementarity among the countries will be increased, particularly in specific projects, through the creation of multinational enterprises able to operate at large-scale productive levels, thereby making the most of the available human, material, and financial resources of each country.

Solutions for areas of conflict and the promotion of industrial complementarity in order to speed up the process of integration of the subregional market, taking into account the requirements of countries with a lower relative level of development.

SUBPROGRAMME 3: Policies for the development of industrial technology**(a) Objective**

To support programmes of technological development by helping to define a global technological and scientific policy and to select priority fields of action.

To evaluate the different systems used in the region for the acquisition of technology, and to examine the possibilities of strengthening national and regional technological and scientific capacity by fostering and promoting research and development in certain priority activities.

To promote cooperation in this field among the countries in the subregion and between the latter and other developed or developing countries and regions.

(b) Problem addressed

The transfer of technology is an integral part of the process of the industrialization of the developing countries. In recent years, in spite of the fact that some countries are already beginning to establish regulations for the transfer of technology and for the development of their own techniques for transfer to other countries, industrialization is still heavily dependent upon external technology and upon transnational enterprises. Factor payments represent an ever-increasing burden on the balance of payments, and the technological options in many cases bear no relationship with the human and material resources available in each country.

/(c) Legislative

(c) Legislative authority

General Assembly Resolutions 3201 (S-VI) and 3202 (S-VI); ECLA Resolutions 310 (XIV)^{*/} and 322 (XV).

(d) Strategy and output

(i) The situation at the end of 1979

The results of the World Conference on Science and Technology and the previous regional conference (1978) will provide the elements for the formulation and instrumentation of a regional plan of action for the application of technology in industrial development in the subregion, and for identifying the most suitable procedures for external technical cooperation with other regions in order to adopt appropriate technologies.

(ii) The Biennium 1980-1981

To provide the governments technological focal point a report containing a set of measures and actions required to strengthen the scientific and technological capacity of the countries and to improve their technical infrastructures (1980).

A study pointing out the possibilities and mechanisms for linking technological supply and demand to be used by the same national organs (1980).

Convene national authorities in science and technology in order to promote the exchange experiences concerning mechanisms and measures with developing countries so as to be able to choose the most appropriate technological option. The starting point for this initiative would be the appraisal of the Mexican experience (1980).

*/ Mandate more than five years old.

/(e) Expected

(e) Expected impact

No objectives indicators of the impact of this subprogramme are possible but it is expected that: connexions between technological policy and other policies for the industrial development of the countries (fiscal, investment, trade policies, etc.), as well as the relationships between the selection, adaptation and creation of technology according to the availability of resources will be determined.

The policies concerning the adoption and transfer of regional technology, will be improved through mechanisms able to stimulate technical cooperation among developing countries.

A common regional framework will be adopted in respect of the transfer of technology which will enable the bargaining power of the countries to be increased and will permit the uniform application of policies in this matter.

SUBPROGRAMME 4: Technical assistance in the industrialization process for governments and regional integration agencies

(a) Objectives

To help governments and regional economic integration agencies of the subregion to improve their capacity to formulate and evaluate industrialization strategies, plans and programmes, within the context of the new international economic order.

To cooperate with governments and regional agencies in the identification of the technical assistance needed to consolidate medium-and short-term national planning activities.

To support the creation of regional machinery and joint measures to improve the countries' bargaining power in dealings with third countries or regions in matters connected with industrial developments.

To collaborate in the training of national technical and administrative cadres to complement or replace external technical assistance in the preparation of programmes and projects.

(b) Problem addressed

There is an insufficient knowledge and experience in the subregion and very little communication with other countries with different stages of economic and social development, to profit from the research carried out in them.

The objectives of the technical assistance provided to the countries have frequently been thwarted by a series of factors largely due to deficient planning. Priority requirements are not always clearly stated, nor are the international experts given the appropriate frames of reference.

/In some

In some cases, projects are not suitably staffed - qualitatively or quantitatively speaking - to make the cooperation of international experts more effective and to allow for their gradual withdrawal. There is no appropriate coordination between international and bilateral agencies responsible for providing technical assistance, and furthermore there are sometimes differences in criteria among these agencies.

Insufficient consideration has been given to the part to be played by industrial decentralization and the promotion of small-scale industry and crafts in the future process of industrialization, since these give employment to a large labour force. It is estimated that 40 per cent of the industrial product is generated by this activity. Small-scale industries have been gradually absorbed by medium- and large-scale industry. Fortunately, in several countries attempts have been made to tackle this situation in a rational way, by means of the formulation of certain criteria and policies relevant to small-scale industry and crafts. The need is generally felt for the transformation of home industries into small industrial plants by means of technical and financial assistance.

(c) Legislative authority

ECLA resolutions 307 (XIV)* and 354 (XVI).

(d) Strategy and output

(i) The situation at the end of 1979

A series of measures tending to improve the functioning and revitalization of the Central American Common Market will be in operation. This is a prerequisite for the actions dealt within this subprogramme.

* Mandate more than five years old.

(ii) The biennium 1980-1981

To complement national external assistance by providing national planning authorities with information and guidelines for the formulation of programmes, projects, and economic policy measures which promote industrialization (1980-1981).

To present a report to the government dealing with the priority areas for action in the region, so as to achieve the rational exploitation of human, material, and financial resources (1980-1981).

Within the concept of balanced development, to formulate proposals to the governments on special mechanisms and measures aimed at contributing to the consolidation of the economic development objectives of those countries with a lower relative level of development (1982-1983).

To coordinate the programme of technical cooperation with priority plans and programmes, stressing the needs of countries with a lower relative level of development (1982-1983).

(e) Expected impact

No objective indicators of the impact of this subprogramme are possible but it is expected that a better knowledge among the countries of the region of other countries' own experiences in industrial planning and the instrumentation of specific plans of action will be promoted;

To coordination of policies and measures for industrial promotion and financing at the national and subregional levels will be improved;

The formulation of projects, and the design of mechanisms and measures will be improved in order to achieve balanced development within the region for those countries with a lower relative industrial development;

The planning system will be improved by strengthening the institutional machinery and training technical and administrative teams.

Major Programme: XIV. INTERNATIONAL TRADE

Organizational Unit: ECLA/MEXICO OFFICE

SUBPROGRAMME 1: Influence of the international economy of the 1980's on the Central American economies

(a) Objective

To analyze the external factors conditioning the evolution of the Central American economies, with particular reference to the following subjects: market situation and prospects for the region's main export products; growth in the world demand for manufactured goods and access conditions for products originated in the subregion; energy supply and price situation; trade, monetary and financial negotiations of particular relevance to these countries. An effort should be made to assess the impact of all these developments from the point of view of the Central American economies.

Through a better knowledge of the world economic trends and the operation of the trade mechanisms and its prospects, to strengthen the regional position with respect to their ability to jointly negotiate sales of raw materials and food products, purchases of energy, basic inputs, capital goods and adequate technologies.

(b) Problem addressed

The role that the subregion could play in the world market can not be easily assessed due to the lack of a systematic knowledge of the characteristics of said market. This assessment is particularly important for a number of aspects such as: the region as supplier of food products and inputs and as buyer of manufactured goods, its position vis-a-vis the transnational corporations that operate in the region. The lack of

/coordination

coordination in the national policies in these various fields has led to a sub-utilization of a bargaining potential that may be significant. In this respect, the results reached by the joint regional action in relation to banana are very encouraging. On the other hand joint actions in this field would represent an important element of cohesion for the Central American Common Market, presently facing internal problems that have jeopardized its operation.

(c) Legislative authority

ECLA Resolutions 352(XVI) and Resolution 148(X/CCE) of the Central American Economic Cooperation Committee.

(d) Strategy and output

(i) The situation at the end of 1979

The monitoring of economic development of the countries which will be completed by the United Nations Regional Commissions by 1979, will allow an assessment to be made of the impact of the industrialized countries' influence on the economies of the developing regions.

During the Tenth meeting of the Economic Cooperation Committee that took place in Honduras in 1975, it was decided that priority should be given to the establishment of a Foreign Trade Department in the Central American Bank for Economic Integration. The first steps towards its implementation are being taken and it is expected that by 1979 such department will be already created.

/(ii) Biennium

(11) The biennium 1980-1981

Formulation of proposed joint policies which could be adopted in different fields of Central American relations with the rest of the world.

(e) Expected impact

The adoption of unified regional trade policies for dealing with industrialized countries, and the creation of an adequate institutional framework for their implementation.

SUBPROGRAMME 2: Strengthening economic cooperation among developing countries

(a) Objectives

To establish guidelines and mechanisms for economic cooperation between the Central American Common Market (CACM) and other countries or groups of countries in Latin America, taking advantage of the geographical vicinity and already existing complementarity of the productive structure of the Central American countries and other countries and areas of Latin America.

(b) Problem addressed

One of the causes for the recent stagnation of the Central American integration process is the slow growth of the industrial sector.

In addition, the instruments and organizations of the Central American Common Market have undergone serious crisis which prevented steady progress in the economic integration process.

The changes in the international scenario, however, have enhanced the need to devise means for defending the trade and financial interests of the Central American region by increasing the cooperation with other Latin American countries or groups of countries which are facing similar situations. In that respect, Central America has already made some progress in the formulation of a common foreign policy with view to ensure the supply of such strategic inputs as Venezuelan petroleum. As a result, the need has been recognized for conducting research to support the negotiations on economic cooperation between the CACM and Venezuela.

/This proposed

This proposed subprogramme will also investigate possibilities of convergence between the CACM and the Andean Group and the CACM and the CARICOM to define areas of mutual beneficial cooperation, specially in the fields of industry, transport and tourism.

(c) Legislative authority

ECLA Resolution 315 (XV); resolutions 120 and 135 (CCE) of the Central American Economic Cooperation Committee.

(d) Strategy and output

(i) The situation at the end of 1979

It is expected that by 1979 the Central American governments will have overcome the problems which are presently affecting their economic integration, and that the CACM will then be in a position to seek wider and more ambitious relations with similar integration schemes and/or with neighboring countries.

(ii) The biennium 1980-1981

To collaborate with Central American governments in the identification of areas where specific economic, financial and technological cooperation could be established with Venezuela and with other countries of the Caribbean basin, notably the CARICOM members, and to suggest guidelines for the gradual convergence of CARICOM and the CACM.

(iii) The biennium 1982-1983

Similar outputs are to be produced in regard to the possible establishment of economic cooperation with the Andean Pact.

(e) Expected

(e) Expected impact

The formulation of a series of proposals on a strategy of greater economic cooperation between the Central American Common Market and Venezuela, between Central America and the CARICOM, and between Central America and the Andean Pact.

/SUBPROGRAMME 3:

SUBPROGRAMME 3: Economic cooperation between Mexico and Central America**(a) Objective**

Due mostly to geographical proximity, there has been a growing level of trade between Mexico and the countries of the Central American Isthmus during the past decade. While trade has grown in both directions, an ever-growing current account surplus has been developing in Mexico's favor.

In 1976, the ECLA Mexico office prepared a study designed to consolidate the advances made in broadening trade, and proposed some measures to obtain a greater balance in Mexico's exports and imports from the Central American countries (including Panama). Furthermore, new potential areas of economic cooperation were identified outside the conventional trade relations.

This aforementioned study will be analyzed by the governments concerned during the first quarter of 1978, and it is anticipated that new mandates to the Executive Secretariat will be forthcoming in order to seek closer economic relations between Mexico and the six countries of the Central American Isthmus. This work will center around project identification and preparation, and the formulation of economic policy proposals to all the parties concerned.

In the broadest sense, the objective of this project is to foster economic cooperation between developing countries to the mutual benefit of all concerned, as an aid to their respective development efforts.

(b) Problem addressed

The level of the economic relations between Mexico and Central American countries, in spite of its recent growth, is in an incipient stage, bearing no relationship with the known potential.

/During

During the last decade, the respective governments and private organizations of both regions have carried out negotiations aiming at a greater economic cooperation in various fields. Nevertheless the concrete results achieved so far fall well behind the expectations.

The project is designed to revert this trend.

(c) Legislative authority

Resolution 151 (X/CCE) of the Central American Economic Cooperation Committee.

(d) Strategy and output

The efforts that Mexico may develop in this direction should be compatible with its commitments and objectives that it has assumed with the rest of the LAFTA countries. Also in the case of Central America, any programme aiming to strengthen its relations with Mexico not only should be compatible with the objective of the subregional integration process but should help to consolidate it. An action of this nature would require that the countries concerned should be convinced that they will derive greater benefits from a concerted regional action than from a bilateral one.

(i) The situation at the end of 1979

It is anticipated that by 1979, several high-level meetings will have taken place wherein Central American and Mexican government representatives will adopt specific measures to implement the envisaged cooperation. Among them, it is expected that a minimum institutional framework will be established to orientate and coordinate the studies and the joint measures to be adopted.

/(ii) The biennium

(ii) The biennium 1980-1981

Detailed studies are to be carried out to identify and design specific cooperation projects and activities.

High-level government representative meetings - with ECLA/Mexico acting as Secretariat - will be organized periodically to discuss the projects and take appropriate action.

(e) Expected impact

A substantial increase in the level of economic and trade relationships between Mexico and Central America. As a bi-product, a strengthening of the Central American Integration Process.

/Major programme;

Major programme: XV. NATURAL RESOURCES

Organizational unit: ECLA/MEXICO OFFICE

SUBPROGRAMME 1: Integrated water resources development

(a) Objective

To collaborate with the Central American Isthmus governments in the formulation of policy and plans for the integrated utilization and conservation of water resources.

(b) Problems addressed

There exist extensive areas wherein conflictive utilizations of water resources are already restraining agricultural and industrial development. These are usually areas of high population density and limited water resources availability, wherein individual sectors are using water without considering the demands of other sectors; such situation is brought about by the existence of sectorial legislation without the umbrella of a general water law to set priorities for the use of water. In addition, the statistical on sectorial water demands and quantitative information on water quality, and not enough trained personnel to study and manage the resources.

(c) Legislative authority

Resolution 157 (X/CCE) of the Central American Economic Cooperation Committee.

(d) Strategy and output

(i) The situation at the end of 1979

It is expected that the aforementioned problems of water utilization will worsen.

In addition, it is expected that by 1979, the ECLA/Mexico Office will have:

/- Updated

- Updated and completed existing surveys on sectorial water demand and availability
- Produced yearly statistics on water utilization
- Organized and supported the functioning of a Regional Committee on Integrated Water Resource Development
- Requested extra budgetary assistance to carry out the envisaged studies for the forthcoming periods

(ii) The biennium 1980-1981

To carry out studies in two selected international river basins of the subregion in order to formulate development plans to optimize the use of existing resources, including an integrated approach and water conservation measures.

(iii) The biennium 1982-1983

To carry out similar studies in three additional river basins of the area.

(e) Expected impact

The availability of an improved information system on water resources for the subregion, and the annual publication of water-use statistics.

The creation of water authorities in the countries to ensure the coordination of sectorial water utilization and the optimum use of resources, together with the strengthening of sectorial development institutions.

The formulation, adoption and implementation of an integrated water resource development policy in the countries, and of a long-range master plan for development of selected national and international river basins.

The creation of a hard core of trained Central American staff in water-related activities.

/SUBPROGRAMME 2:

SUBPROGRAMME 2: Irrigation and drainage**(a) Objective**

To collaborate with the Central American Isthmus governments and the Central American Bank of Economic Integration (CABEI), in the implementation of a 10-year plan of irrigation and drainage works to augment agricultural production.

(b) Problems addressed

In order to satisfy the demand of basic foodstuffs and traditional export products, Central America will have to increase its agricultural area by a total of 600 000 hectares by 1985. Besides developing new areas through colonization and settlements, a programme to introduce irrigation and drainage works to ensure year-round agricultural output will have to be implemented by the countries to cover a total of about 200 000 hectares.

There is considerable irregularity in the rainfall patterns that requires water regulation dams to insure irrigation water availability throughout the year.

Other basic problems lie in the absence of trained Central American staff and of foreign credit, in sufficient amounts for the envisaged programme.

(c) Legislative authority

Resolution 154 (X/CCE) of the Central American Economic Cooperation Committee.

(d) Strategy and output**(i) The situation at the end of 1979.**

It is expected that the ECLA/Mexico office will have taken the necessary steps to organize and assist in the functioning /of the

of the Regional Committee on Irrigation and Drainage. In addition, it will have collaborated with the Central American Bank for Economic Integration (CABEI) in the final formulation of a subregional, 10-year programme of irrigation and drainage works to cover some 200 000 hectares of agricultural lands.

It is also anticipated that extra-budgetary funding will have been made available to ECLA to provide for a technical assistance group to advise the countries in regard to irrigation and drainage related activities.

(ii) The biennium 1980-1981

Assistance to the governments in the strengthening of existing institutions, the training of personnel and the promulgation of water legislation required to implement the 10-year programme. In addition, collaboration in the identification and economic analysis of specific irrigation and drainage projects to be submitted to CABEI for financing.

(iii) The biennium 1982-1983

The activities described for the previous biennium will be continued during this period.

(e) Expected impact

Strengthening of national institutions in charge of irrigation and drainage, thereby increasing their execution ability. Promulgation of specific legislation related to irrigation and drainage development.

Increased agricultural production - both for internal and export markets - and in the use of presently idle rural labor. Improvements in the trade balance situation from increased export of agricultural goods and from lessening of foodstuff imports.

SUBPROGRAMME 3: Energy development

(a) Objective

To assist the Central American governments and regional institutions in the rationalization of the energy sector to ensure its optimum utilization (from primary stage to final use) with special emphasis on the indigenous resources.

(b) Problem addressed

The Central American countries are heavily dependent on the import of petroleum and its derivatives for the satisfaction of their energy needs; the ever-increasing prices of oil are heavily taxing the vulnerable economies of the area. There exists, however, an ample potential for developing the indigenous energy resources in the subregion.

The countries still lack an information system on energy balances, the personnel required to plan and implement energy development projects and - most important of all - a clear, unified energy policy. As a first step in this direction all the countries are taking definite steps to create National Energy Commissions.

In addition, each country has been working individually in energy-related activities; thereby forfeiting the many obvious benefits which could be derived from an integrated approach to the problem.

A Central American Energy Commission was created in 1975 in order to attend these matters, but it still lacks the expertise which an advisory team could provide, as well as an effective secretariat which would coordinate national activities and foster integrated development.

/(c) Legislative

(c) Legislative authority

Resolutions 156 (X/CCE) and 167 (VEx/CCE) of the Central American Economic Cooperation Committee.

(d) Strategy and output

(i) The situation at the end of 1979

The Central American Energy Commission and its subsidiary national bodies will be functioning efficiently. With the help of a UNDP/OPEC-financed technical assistance group will have begun to formulate and implement both national and an integrated subregional policy for energy development. An effective information system on energy cost and utilization system will be available.

In addition, preliminary surveys on conventional indigenous - hydropower, geothermal, petroleum and coal - resources, together with a first appraisal of the non-conventional energy resources potential, will have been completed.

(ii) The biennium 1980-1981

A semi-detailed energy balance will be conducted, on the basis of the above described surveys and of sectorial demand projections. All institutional, administrative, legal and financial matters related to energy supply and demand will be analyzed.

Initiation of the formulation of a master plan for energy development, for the period 1980-2000, based on projected energy balances and considering national and regional alternatives for supplying all sectorial demands.

(iii) The biennium 1982-1983

Completion of the above described master plan and submission to the countries and to the Regional Energy Commission, for discussion and implementation.

/(d) Expected

(d) Expected impact

The strengthening of national and regional centres on information and energy balance capable of designing policy and development plans, manned by Central American professionals. The above mentioned implies the strengthening of the regional energy commission and the effective functioning of equivalent bodies at the national level.

The formulation of an integrated energy policy, and of an energy development programme to be carried out during the last twenty years of the current century.

Identification of energy projects wherein an integrated approach - rather than the isolated national schemes presently underway - could provide economic, social and political benefits for the countries involved.

An important improvement of the subregion's balance of trade due to the lessening of oil imports brought about by the more efficient use and ample development of existing resources.

The adoption of appropriate measures to protect the environment in respect to the development of energy resources.

SUBPROGRAMME 4: Electrical interconnection

(a) Objective

To update the estimated economic and political benefits to be accrued by the six Central American countries from the staged interconnection of their electrical systems and to facilitate the transfers of electrical energy.

(b) Problems addressed

In order to lessen the impact of the oil crisis on their economies, the countries of the subregion are trying to develop their energy resources. By interconnecting their electrical systems, a more efficient and economic use can be made of the electricity, with emphasis on power generated from indigenous resources such as hydropower, geothermal, coal, wood and vegetable waste.

Studies are presently underway to determine alternate schemes for interconnection and to estimate the benefits of such undertakings. As the electrical sector is very dynamic in nature, further studies will be required in the future to take into account new developments and to update the economic benefits of interconnection.

(c) Legislative authority

Resolution 156 (X/CCE) of the Central American Economic Cooperation Committee (CAECC). The Regional Group on Electrical Interconnection (GREI) - a subsidiary body of the CAECC - has issued further mandates in connection with said study.

(d) Strategy and output

(i) The situation at the end of 1979

The final report of the on-going electrical interconnection study, which will include a schedule of partial and over-all interconnection

/schemes

schemes, will be completed by ECLA in mid-1979. It will be submitted to all interested parties during a seminar to be held during the third quarter of said year.

In addition, studies and designs of several partial interconnections between neighbouring countries will have been completed, and financial arrangements for their construction will be nearly completed.

(ii) The biennium 1980-1981

ECIA will assist the governments in the implementation of specific interconnection projects which form part of the over-all plan. It will also conduct detailed studies to update the results of the 1979 report, taking into account more information regarding sectorial demands, costs and newly-developed projects as it becomes available.

These studies will be duly coordinated with the corresponding ones on energy projections mentioned before as electricity could be the main channel to further the utilization of energy from indigenous resources.

Meetings of GRIE will be held on a yearly basis, to review the study progress and to plan in minute detail all future activities. The ECLA/Mexico office will continue to provide technical guidance and secretarial assistance to the Committee, as well as direct assistance to the member governments in all aspects of electrical development.

(iii) The biennium 1982-1983

The above-described activities will be continued throughout this second biennium.

(e) Expected impact

Actual interconnection of the electrical systems of the following pairs of adjacent countries: Nicaragua-Costa Rica (1981), El Salvador-Guatemala (1982) and Guatemala-Honduras (1983).

/The formulation

The formulation of a regional policy in electrical interconnection, including energy transfers and distribution of benefits derived from said interconnection.

The eventual creation by the countries of a regional electrical organization (UCEL) which will, among other tasks, foster the implementation of further interconnections.

Major programme: XX. SCIENCE AND TECHNOLOGY

Organizational unit: ECLA/MEXICO OFFICE

SUBPROGRAMME: United Nations Conference on Science and Technology for Development's Plan of Action

(a) Objective

To promote and carry out research and action-oriented projects, on the basis of the recommendations and resolutions stemming from the United Nations Conference on Science and Technology for Development (September 1979).

(b) Problems addressed

The United Nations Conference on Science and Technology for Development will highlight different aspects related to the scientific and technical accumulation, both in advanced and underdeveloped countries. Issues affecting the international cooperation, and particularly the technological components of the New International Order, will be clarified. Moreover, the United Nations is to adopt, as a result of the Conference, a unified and coherent approach in this matter; thus, ECLA will assume wider responsibilities in dealing with the regional dimensions of this fresh impulse towards newer and more effective applications of knowledge for development.

(c) Legislative authority

Economic and Social Council Resolution 2028 (LXI) and General Assembly Resolution 31/184.

/(d) Strategy

(d) Strategy and output

i) The situation at the end of 1979

Completion of the national and regional preparations for the United Nations World Conference.

ii) The biennium 1980-1981

Studies addressed to national science and technology authorities on mechanisms for linking the supply of, and demand for, technology; and on obstacles for implementing plans and programmes in these fields, and means to overcome them.

The findings of these studies would be discussed in a Latin American Expert Meeting to be convened by the ECLA Secretariat in mid-1981.

iii) The biennium 1982-1983

To promote national and regional initiatives and projects leading up to a new style of technological development and cooperation.

Technical assistance to the region countries in order to reach agreement on a coherent group of projects. A governmental meeting on this matter would be convened in mid-1983.

(e) Expected impact

The United Nations Conference was conceived as a learning process for the developing countries eager to set up and diversify their scientific infrastructure and institutions. This programme, which tries to blend research and action, suits this conception. Furthermore, it will help to design a unified approach on the United Nations part to the scientific and technological field.

/Major programme

Major programme: XXI. SOCIAL DEVELOPMENT

Organizational unit: ECLA/MEXICO OFFICE

SUBPROGRAMME 1. Social development and policy in Central America

(a) Objective

To identify more accurately the factors which have influenced the recent social development of Central American countries, with particular attention to the impact of regional cooperation.

To present policies and guidelines of an integral nature designed to accelerate socio-economic development in the area and to encourage the participation of different sectors of the population.

To strengthen the mechanism for social planning in an integrated conceptual and operative framework.

(b) Problem addressed

In international and regional forums, particularly in the "Quito Appraisal", in the "Chaguaramas Appraisal" (sixteenth session), and in several meetings of organizations for Central American Integration, shortcomings have been pointed out in the social evolution of the region, and the need to apply policy measures within a coherent frame of reference has been emphasized. Particular attention has been given to the rural-agricultural sector, where employment problems, poor living conditions and a shortage of public services make the situation especially serious.

On the other hand, the experience gained by the countries in the field of regional cooperation has increased the range of possibilities and measures which could be put into practice - individually or jointly - with the aim of overcoming deficiencies in the social system. These should

/not remain

not remain isolated efforts. Economic, social and institutional arrangements all influence each other; what is needed, therefore, is to deal with them from the point of view of a unified whole. This task is particularly difficult in Central America because of the relative lack of experience and of resources, which contrasts with the marked severity of the problems.

(c) Legislative authority

ECLA Resolution 310 (XV).

(d) Strategy and output

(1) The situation at the end of 1979

A growing acceptance for the need to deal with social aspects in an integrated development approach and to the corresponding planning mechanisms.

(11) The biennium 1980-1981

ECLA's Mexico Office is particularly concerned with research - and with the corresponding technical assistance - into the employment market, social participation, and the urban-rural gap. In the light of this background, active help should be provided to the governments of the area and to regional organizations during 1980 in defining socio-economic problems more clearly and in putting into effect policies which are geared to the characteristics and to the magnitude of these problems.

(e) Expected impact

No objective indicators of the impact of this subprogramme are possible but it is expected that it would particularly be felt in the elaboration of indicators, methodologies and theoretical frameworks in keeping with an integrated concept of development.

/SUBPROGRAMME 2.

SUBPROGRAMME 2. Social aspects of Metropolitanization in Mexico**(a) Objective**

To identify the social dimensions of problems arising from metropolitan expansion in Mexico (Valle de México, Guadalajara, Monterrey), on the basis of studies being carried out under the UNDP/Mexican Government project and on research.

To relate the analysis of Mexico's case to other experiences in Latin America, particularly to the situation in the Central American countries, which are already suffering from disorderly urban expansion.

(b) Problem addressed

In recent years, ECLA and other organizations have tried to characterize urban expansion phenomena from different points of view: agro-rural decline, internal migration, industrial progress, and the tendencies towards the concentration of incomes, products and power. The "unbalanced" economies of excessive urban agglomeration and the inherent risk to the country's long-term development are also beginning to be stressed. Although considerable progress has been made in determining motives and consequences, some important aspects of urban expansion - for example, its effects on the family unit, on craft activities, on the consumption of cultural goods, on the distribution of leisure time, etc. - have still not been given preferential attention.

(c) Legislative authority

ECLA resolution 309 (XIV).*

* Mandate more than five years old.

(d) Strategy and output

The proposed study will, on the one hand, attempt to bring together hypotheses and data on the evolution and the structural components of urban expansion in Mexico which have appeared in different surveys, and on the other, identify new elements of the problem, particularly social factors (1980-1983).

(e) Expected impact

Concern is beginning to be felt in Mexico for urban and regional development, and there is a growing awareness that a correction of the defects in this kind of development will increase productive capacity and allow official policies more scope. In recent years, some federal and State organizations have been established or consolidated with the aim of designing directives which may solve or diminish the pressing problems of exaggerated urban expansion. No objective indicators of the impact of this subprogramme are possible, but it is expected that ECLA with its experience gained in other national contexts and by taking into account the work which other organizations are doing in this field, could assist the relevant authorities in the definition of urban and regional development problems in Mexico, and in the putting into practice corrective measures to solve them especially those derived from an exaggerated urban experience. This initiative would also help to secure closer cooperation between ECLA and the Mexican Government.

/Major programme

Major programme: XXIV. TRANSPORT

Organizational unit: ECLA/MEXICO OFFICE

(a) Objective

To foster the development of the transport sector through the formulation of policies aimed to the optimization of investments.

(b) Problems addressed

The transport sector in Central America, although extensively developed, is plagued by several problems which prevent its optimum development. Among them, an absence of unified national organizations, the lack of national sectorial development policies, noticeable deficiencies in the basic urban transportation services, and the absence of comprehensive statistics. In view of the above, it has not been possible to design and implement a subregional transport development policy which would result in optimum coordination among the countries with substantial investment savings.

In addition, international transport between Central America and Mexico is seriously handicapped due to significative differences in both infrastructure works and basic services.

In the maritime transport subsector, the minority participation of Central America in the shipping companies serving the subregion, results in very small profits.

(c) Legislative authority

Resolution 159 (X/CCE) of the Central American Economic Cooperation Committee.

(d) Strategy and output

(i) The situation at the end of 1979

It is anticipated that the situation outlined above will worsen by 1979, especially in view of the ample investment programme which the countries propose to implement.

(ii) The biennium 1980-1981

The ECLA/Mexico office will collaborate with other subregional institutions --notably the Secretariat of the Economic Integration Treaty (SIECA) and the Central American Bank for Economic Integration (CABEI) - in the organization of meetings to discuss and search for adequate solutions to the sector's problems.

In addition, studies will be jointly carried out with the purpose of establishing adequate means of coordination at the national and regional levels for the sector, and of standardizing the transport infrastructure and services between Mexico and Central America.

Further, the office will collaborate in subregional studies aimed to the improvement of Central America's participation in the maritime shipping enterprises serving the area; and will update an existing study on labor intensive, low cost road construction and to foster the integration of the rural communities to development.

(iii) The biennium 1982-1983

Continuation of activities initiated in previous biennium.

/(e) Expected

(e) Expected impact. The coordination in the transport sector, including the eventual unification of the institutions that deal in different aspects and modes of transport, and the development of integrated policies in this sector.

The improvement of the transport services on the different modes presently utilized and their eventual harmonization on a regional level.

The development of more aggressive policies to increment the region's participation in the maritime transportation.

The integration of a larger share of the rural communities through the construction of low-cost labor extensive roads.

The improvement of transport between Mexico and Central America.

Major programme: XXV-a. ECONOMIC COOPERATION AND INTEGRATION

Organizational unit: ECLA/MEXICO OFFICE

SUBPROGRAMME 1. Central American economic integration

(a) Objective

To strengthen the process of Central American economic integration by means of planning towards a greater degree of interdependence among the economies of the region.

(b) Problems addressed

The process of Central American integration has made positive contributions to the economic development of the region as a whole and to that of the five member countries, and has helped to overcome the main obstacles to development of the region. However, in recent years certain problems have cropped up which have had a disturbing effect on integration and have become more acute as a result of external crises. The countries are aware of the need to reactivate the integration movement, and are convinced that integration is the most suitable option to promote rapid development and to improve the region's participation in the world economy. At the same time, they have pointed out that the problems of integration can only be solved by a reorganization of the process to make it more dynamic, so that an economy of a genuine regional character may be established which would greatly reduce the differences in relative development among the countries.

(c) Legislative authority

Resolutions 148 (X/CCE) and 167 (Vext/CCE) of the Central American Economic Cooperation Committee.

/(d) Strategy

(d) Strategy and output

(i) The situation by the end of 1979

It is anticipated that by 1979 the Central American governments will have overcome several of the problems which are presently preventing further development of the integration process. It is even likely that a new integration treaty will have been signed by that date. More challenging schemes and degrees of integration will have to be studied, designed and implemented.

(ii) The biennium 1980-1981

Assistance will be given to the Central American governments - both through the Economic Cooperation Committee and directly to the Minister of Economy in the countries - in regard to specific aspects of further economic integration.

The Central American Economic Cooperation Committee will hold ordinary meetings on a periodic basis to learn of and decide upon the proposals made by the ECLA/Mexico Office Secretariat.

(iii) The biennium 1982-1983

Similar activities to the previous biennium will be carried out on a continuing basis.

(e) Expected impact

Staged strengthening of the Central American integration process.

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