



ILPES

INSTITUTO
LATINOAMERICANO DE
PLANIFICACION
ECONOMICA Y
SOCIAL

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ILPES ORGANIZATION AND FUTURE PROSPECTS

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LATIN AMERICAN INSTITUTE FOR ECONOMIC AND SOCIAL PLANNING
(ILPES)

AIDE MEMOIRE

1. Establishment and Aims of ILPES

ILPES was established under resolution 220 (AC.52) adopted by the Committee of the Whole of CEPAL on 6 June 1962, with the aim of replacing and expanding CEPAL's activities in the field of development planning (resolution 199 (IX)).

The Governments of CEPAL have, moreover, been quite clear as regards their intention that ILPES should be an autonomous and permanent Institute ^{1/}, under the auspices of CEPAL and with a Director whose appointment is decided by the Secretary-General of the United Nations ^{2/}.

The Institute is at present a permanent agency of CEPAL, with its own identity, and is under the authority of the Executive Secretary of CEPAL.

The Institute's basic function is to provide direct services to Governments, when so requested, in the form of advisory assistance, training and research in the field of planning (operative paragraph 1 of resolution 220 (AC.52)).

2. Relations with Governments

The Institute therefore has a guiding committee, i.e., the Technical Committee, composed of representatives of all the Ministries of Planning in Latin America, which acts as the guiding body for the

^{1/} See resolution 199 (IX), operative paragraphs 1 and 2; resolution 319 (XV), first preambular paragraph; and resolution 340 (AC.66), operative paragraph 1.

^{2/} See resolution 220 (AC.52), operative paragraph 4, and resolution 340 (AC.66), operative paragraph 3.

Institute's activities and approves its work programmes (resolution 340 (AC.66) of 25 January 1974) ^{1/}.

The Technical Committee was set up in May 1975, at the sixteenth session of CEPAL in Port of Spain, and the following officers were elected:

| | |
|----------------------|---|
| Chairman | : Minister of Planning and Economic Policy of Panama |
| First Vice-Chairman | : President of the Planning Board of Ecuador |
| Second Vice-Chairman | : Minister of Planning of Argentina |
| Rapporteur | : Minister of State and Director of the Central Co-ordination and Planning Office, Office of the President of the Republic, Venezuela |

On that occasion the Technical Committee decided to set up an internal committee which could meet more frequently, namely, the Technical Sub-Committee, composed of seven ministers representing Panama, Ecuador, Argentina, Venezuela, Mexico, Brazil and Trinidad and Tobago.

The Technical Committee has met twice: at Port of Spain in May 1975, and at Caracas in April 1977. On the latter occasion the Ministers and Heads of Planning of Latin America decided to establish an annual system of Conferences and co-operation between planning ministries, with the technical support of ILPES, to which they entrusted its preparation and implementation in order to strengthen the exchange of experience between planning bodies, a function which had already been entrusted to ILPES by resolution 351 (XVI) of 13 May 1975.

^{1/} This governmental committee replaced the Governing Council which was established by resolution 220 (AC.52) of 6 June 1962 and whose members acted in a personal capacity.

The Sub-Committee, also at the ministerial level, has met on two occasions--in Panama (1 November 1975) and Bogotá (12 September 1976)--and has recommended to the Technical Committee guidelines for the activities and financing of ILPES. It acts as an instrument whereby the countries can come closer to and provide support for the Institute. Thus, the aim which gave birth to ILPES, namely, that of providing services to the governments on request, is being fulfilled in practice.

3. Brief Account of the Institute's Achievements

ILPES, acting at the express request of the governments, has been engaged since its foundation in a huge task involving the expansion and dissemination of technical knowledge in the field of planning; the establishment and strengthening of the institutional and technical organization required for the programming of economic and social development; the undertaking of studies and courses designed to strengthen the technical bases of planning, and, more recently, increasing the exchange of experience and research results between planning bodies of the various countries.

The Institute's advisory activities have covered practically all the countries in the region. ILPES has contributed to the establishment and strengthening of many planning bodies at different levels of the administration and has co-operated in the formulation of development plans and programmes. Recently, it has started to collaborate in the implementation of development programmes and in the evaluation of the results of plans.

Its training activities constitute the greatest effort ever made in Latin America to provide training in planning. About 6 000 professionals have attended national and regional courses held with the Institute's support.

The research activities of ILPES have strengthened advisory and training programmes and have given rise to many publications.

Twenty-one books have been published, in several editions, which have reached a total of 188 000 copies.

In its present Phase IV, which covers the period from 1 July 1974 to 30 June 1977, ILPES has undertaken an active programme in spite of the reduction in its staff compared with the previous phase. Initially the reduction was 40 per cent, and in 1977 it was necessary to make still further reductions owing to a cut of 60 per cent from the originally UNDP approved budget.

The advisory programme has fulfilled missions in 18 countries, including co-operation in the formulation of overall and sectoral plans, their follow-up and the evaluation of their results.

The training programme has held 16 national and international courses with 526 participants from 20 countries.

The Institute's research activities have embraced new subjects and more thorough analyses have been undertaken of previous subjects with the co-operation of academic centres in the various countries. Several of these subjects have been discussed at seminars attended by Ministers of Planning, Presidents of Central Banks, technical experts and academic personnel of the various countries.

Since the end of 1976 the Institute has started new activities in the field of the exchange of experience between planning bodies, and has initiated the publication of a Planning Bulletin, with contributions from the countries, as an organ of the system for the exchange of experience.

It also organized, under the auspices of the Government of Venezuela and with the support of all the countries of the region, the First Conference of Ministers and Heads of Planning of Latin America, which was held at Caracas from 13 to 16 April 1977 with the participation of 23 countries.

On that occasion, the Ministers decided to establish a System of Co-operation and Co-ordination among Planning Bodies

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and to hold an annual conference with the technical support of ILPES. The establishment of this forum and system represents an important step forward in Latin American integration and co-operation, and strengthens the fundamental aim of keeping ILPES at the service of the governments in association with CEPAL as the operative organ of its planning activities.

4. Financing of ILPES

Financing has become one of the Institute's most difficult problems, since in spite of having been defined by the governments of CEPAL as an autonomous and permanent agency, it was not assigned the necessary resources consistent with this aim.

Its financing has depended to a very large extent on UNDP, and the present phase--1974 to 1977--was initiated with resources 90 per cent of which came from that Programme.

This situation was aggravated by the financial crisis affecting UNDP, since this led to the reduction of the contributions originally agreed upon. In 1976 there was a reduction of US\$300 000, and in 1977 it is estimated that the reduction will be 60 per cent, i.e., a drop from approximately US\$2 000 000 to US\$840 000.

In view of the difficult financial prospects, the Chairman of the Technical Committee of ILPES, Minister Nicolás Ardito Barletta of Panama, convened a meeting of the Sub-Committee at the ministerial level on 12 September 1976 in Bogota.

On this occasion the governments expressed their full support for ILPES and agreed to request UNDP to restore the funds, to increase the voluntary contributions made by the countries, and to support the request to be made by the Executive Secretary of CEPAL to ACABQ and the Fifth Committee of the General Assembly to obtain financing on a permanent basis from the United Nations regular budget.

/Furthermore, at

Furthermore, at a meeting of the Latin American Group held in November 1976 in New York, the Permanent Representatives of the Latin American countries to the United Nations fully endorsed the recommendations of the ILPES Technical Sub-Committee and also approached the Administrator of UNDP and agreed to support the request for funds before the Fifth Committee ^{1/}.

Subsequently, during the Conference of Ministers and Heads of Planning which was held in Caracas in April 1977, it was recommended that UNDP be requested to provide its maximum support to ILPES, and that the United Nations be requested to continue to provide and increase the funds made available through the regular budget. It was agreed that the governments of the region, for their part, should make a joint effort to contribute a minimum of US\$600 000 per year in the form of voluntary contributions.

CEPAL, at its meeting in Guatemala City, adopted resolution 371 (XVII) of 5 May 1977, which was sponsored by all the Latin American countries. This resolution, "Creation of a System of Co-ordination and Co-operation Among Planning Bodies of Latin America and Strengthening of the Latin American Institute for Economic and Social Planning", constitutes a strong endorsement of the recommendations emerging from the ILPES Technical Sub-Committee and from the Caracas Conference.

5. The Present Financial Situation

As a result of the action taken by the Executive Secretary of CEPAL, the Director of ILPES and the Latin American governments, and on the basis of the ACABQ recommendations and the decisions of the Fifth Committee, the following have been achieved:

^{1/} See the letters from the Chairman of the ILPES Technical Committee, Minister Nicolás Ardito Barletta, (18 September 1976), and from the Chairman of the Latin American Group, Ambassador Julio Asensio Wunderlich, (18 November 1976).

- a) Financing of 6 professional posts and 10 local posts through the United Nations regular budget for 1977.
- b) Voluntary contributions by governments estimated at US\$300 000 for 1977 and a larger amount from 1978 onwards (at the beginning of the present phase in 1974, only one government contributed US\$5 000 per year).
- c) Income from service agreements, with Latin American governments, particularly Brazil, for a net amount of approximately US\$200 000 in 1977.
- d) Income from agreements with international banks for a net amount of US\$80 000 between 1977 and 1978.
- e) Contributions by the Government of the Netherlands in the amount of US\$78 000 and by the Government of the Federal Republic of Germany in the amount of US\$58 000 for ILPES training activities in 1977.
- f) Financing by UNDP for 1977 amounting to approximately US\$840 000 of which US\$520 000 corresponds to the first six months and US\$320 000 to the second six months.

Thus, for financing the cost of the second six months of the present year, estimated at US\$800 000, the Institute will provide 45 per cent from its own funds, UNDP will provide 40 per cent and the United Nations the remaining 15 per cent. The aim of achieving a consistently lower rate of dependence on funds of a temporary nature is thus being realized.

6. Future Prospects of ILPES

In spite of financial restrictions, the Institute has significant recent achievements to its credit and, together with the important work carried out during its 15 years of existence, these enable it to look towards the future with confidence.

ILPES now possesses, for the first time in its history, a managerial body (the Technical Committee) which has shown great

/dynamism and,

dynamism and, as representative of the Planning Ministries, is orienting and supporting the activities of the Institute.

It also has a technical-political forum, the Conference of Ministers and Heads of Planning, which will meet annually from 1977 onwards with the technical support of ILPES. This forum, which has been deemed of essential importance for Latin America ^{1/}, also forms a framework of particular interest to CEPAL.

The Latin American governments have unanimously expressed their support for ILPES, and CEPAL ^{2/} gave its full support to the creation of a System of Co-operation and Co-ordination Among Planning Bodies and to the strengthening of the Institute.

The funds deriving from voluntary contributions of governments have increased considerably during the current phase, and there are now many countries which are contributing or will do so from next year onwards ^{3/}.

The consultancy agreements currently represent a net income of considerable importance and show that the governments have confidence in the Institute's technical capacity.

The possibilities of increasing the resources deriving from donations from developed countries and agreements with international banks are greater now that ILPES has a close institutional link with the planning bodies. In addition to the

^{1/} See the speech made by President Carlos Andrés Pérez of Venezuela in Annex 2 of the Report of the Conference of Ministers and Heads of Planning of Latin America and the letter from the Chairman of the Latin American Group to the Assistant Administrator of UNDP of 18 November 1976.

^{2/} See CEPAL resolution 371 (XVII) of 5 May 1977.

^{3/} See Annexes.

income received from these sources and others described earlier, the Canadian Government, which has supported ILPES for a number of years, is studying a project submitted by CEPAL/ILPES for planning support to the relatively less developed countries, involving the sum of US\$3 000 000 over four years.

Annex 1

1977

DETAILS OF CONTRIBUTIONS PLEDGED TO ILPES BY
LATIN AMERICAN GOVERNMENTS

(US\$)

| | |
|------------|-----------------------|
| Bolivia | 20 000 |
| Chile | 85 000 |
| Colombia | 20 000 |
| Costa Rica | 15 000 |
| Ecuador | 25 000 |
| Honduras | 5 000 |
| Nicaragua | 5 000 |
| Panama | 15 000 |
| Uruguay | 10 000 |
| Venezuela | <u>100 000</u> |
| Total | <u><u>300 000</u></u> |

Note: In the Third Phase the sole contributing Government was that of Honduras, which contributed at the rate of US\$5 000 per year.

Annex 2

ILPES BUDGET ESTIMATES FOR THE PERIOD
1 JULY - 31 DECEMBER 1977
(US\$)

| | | |
|----|--|-------------------|
| A. | INCOME | |
| | a) <u>UNDP</u> | 320 000 |
| | b) <u>United Nations</u> | 136 500 |
| | c) <u>Governments:</u> | |
| | i) Ecuador | 35 000 |
| | ii) Costa Rica | 14 500 |
| | iii) Panama | 15 000 |
| | iv) Venezuela | 100 000 <u>a/</u> |
| | v) Uruguay | 10 000 <u>a/</u> |
| | vi) Chile | 85 000 |
| | d) <u>Other income:</u> | |
| | i) Balance on account LA-520-40-32 | 19 085 <u>b/</u> |
| | ii) Balance on account LA-520-40-34 | 115 265 <u>c/</u> |
| | iii) Estimated balance on income from Agreements with Brazil (see details attached) as at 31/10/77 | 185 000 |
| | iv) Balance on account LA-573-00-58 (Miscellaneous Income) as at 30/4/77 (see statement attached) | <u>(43 100)</u> |
| | Total estimated income | <u>992 250</u> |

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- a/ Negotiations must be undertaken to collect these funds.
- b/ Balance of a donation made by the Government of the Netherlands (Phase II of ILPES) for research activities.
- c/ Balance of a donation made by the Government of the Netherlands for activities relating to the programming of agricultural planning.

/B. EXPENDITURE

B. EXPENDITURE

a) Staff

i) Professional staff

21 posts at US\$3 500 per man/month 441 000

ii) 23 posts at US\$6 500 per man/year 74 750

iii) Consultants (30 man/months) 105 000 620 750

b) Common services with CEPAL 60 000

c) Travel 50 000

d) Courses 50 000

e) Miscellaneous 20 000

Total estimated expenditure 800 750

Annex 3

ESTIMATE OF FUNDS FROM AGREEMENTS WITH BRAZIL IN 1977
(US\$)

| | Minas Gerais | Recife | Bahia | Total |
|---------------|--------------|---------|---------|---------|
| May | 79 523 | | 48 000 | 127 523 |
| June | 40 000 | 63 840 | - | 63 840 |
| July | 41 975 | - | 43 280 | 85 255 |
| August | - | - | - | - |
| September | - | 47 880 | 43 280 | 91 160 |
| October | 41 975 | 47 880 | - | 89 855 |
| November | - | - | - | - |
| December | 41 975 | - | 43 280 | 85 255 |
| | 245 448 | 159 600 | 177 840 | 582 888 |
| Less December | 41 975 | - | 43 280 | 85 255 |
| | 203 474 | 159 600 | 134 560 | 497 633 |

Summary

| | | |
|------|---|---------|
| a) | Funds available at 31/10/77 | 497 633 |
| b) | <u>Commitments:</u> | |
| i) | <u>Minas Gerais</u> (35 m/m at US\$4 000) | 140 000 |
| ii) | <u>Bahia</u> (15.5 m/m at US\$4 000) | 62 000 |
| iii) | <u>Recife</u> (27.5 m/m at US\$4 000) | 110 000 |
| | | 312 000 |
| | | 185 633 |
| | Reserves as at 31/12/77 (December payments) | 85 255 |
| | Total estimated income | 270 888 |

