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Distr.
GENERAL

E/CEPAL/G.1182
E/CEPAL/CCE/404/Rev.1
24 August 1981

ENGLISH
ORIGINAL: SPANISH

UNITED NATIONS
ECONOMIC
AND
SOCIAL COUNCIL



CEPAL

Economic Commission for Latin America

Central American Economic Co-operation Committee

REPORT OF THE AD-HOC MEETING OF THE CENTRAL AMERICAN
ECONOMIC CO-OPERATION COMMITTEE

(Mexico City, D.F., 3 July 1981)

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Introduction

1.0

The purpose of this study is to investigate the effects of various factors on the performance of a system. The study is divided into several sections, each focusing on a different aspect of the system's performance. The first section discusses the overall system architecture and the various components that make up the system. The second section focuses on the performance of the system under different conditions, and the third section discusses the results of the study and the implications for future research.

The system is composed of several key components, each of which plays a critical role in its overall performance. These components include the hardware, the software, and the network. The hardware consists of the various physical devices that make up the system, such as the servers, the storage devices, and the network interface cards. The software consists of the various programs and applications that run on the hardware, and the network consists of the various communication links that connect the different components of the system.

The performance of the system is measured in terms of its ability to handle a large number of requests simultaneously, its response time, and its overall reliability. The study shows that the performance of the system is significantly affected by the configuration of the hardware, the software, and the network. For example, increasing the number of servers can improve the system's ability to handle a large number of requests, but it can also increase the system's response time. Similarly, increasing the amount of storage can improve the system's reliability, but it can also increase the system's response time.

The results of the study show that the performance of the system can be improved by optimizing the configuration of the hardware, the software, and the network. For example, using a larger number of servers can improve the system's ability to handle a large number of requests, and using a larger amount of storage can improve the system's reliability. However, it is important to note that these improvements come at a cost, and the system's performance must be balanced against the system's overall cost and complexity.

Background

1. In recent months the Ministers Responsible for Central American Economic Integration have for various reasons not been able to meet with the desired regularity to devote attention to the progress made in the integration process and to consider their current problems. For this reason, prior to the consultations in question the above-mentioned officials decided to conduct an extensive, frank and informal exchange of views within the context of the most long-standing forum for the integration process, namely, the Central American Economic Co-operation Committee.^{1/} It was considered that it would thus be possible to concentrate on the problems referred to above in a context somewhat removed from short-term events relating to the day-by-day operation of the Central American Common Market.

2. It was considered that that scenario was the most appropriate for achieving the goals pursued, in view of the fact that, as a body of the United Nations Economic Commission for Latin America, the Committee was a forum for consideration and consultation, rather than for negotiation and decision-making.

3. The Committee had met in ten regular sessions and five special sessions; the two latest meetings were held at Tegucigalpa, in May 1975, and in Guatemala, in June 1977.^{2/} In view of the restricted character of the meeting under consideration in the present report and the fact that there were no observers, it was decided that the meeting should be designated as an ad-hoc meeting of the Committee.

A. Composition, attendance and organization of work and the agenda

4. The Ad-Hoc Meeting of the Central American Economic Co-operation Committee was held at the CEPAL regional office in Mexico on 3 July 1981.

5. The following attended as representatives of their governments: Mr. José Miguel Alfaro, Second Vice-President of the Republic and Minister for Industry and Trade of Costa Rica; Mr. Jorge Alberto Peña, Vice-Minister for Planning of El Salvador; Mr. Valentín Solórzano, Minister for Economic Affairs, and

^{1/} The Committee was established on 16 June 1951, under CEPAL resolution 9 (IV), which invited the Governments of the Isthmus of Central America whenever they deemed it appropriate to form a committee on economic co-operation, composed of ministers of economic affairs or persons appointed by them, to act as a co-ordinating body for activities relating to integration and economic reciprocity. At its first meeting, held in August 1952, the Committee itself laid down its terms of reference. In a subsequent resolution -No. 80 of 1 September 1959- the Committee agreed that the Government of Panama should be invited to participate in all its activities, as if it were a member of the Committee.

^{2/} See CEPAL, Informe de la Décima Reunión del Comité de Cooperación Económica del Istmo Centroamericano (E/CEPAL/CCE/369/Rev.1), June 1975; and Informe de la Quinta Reunión Extraordinaria del Comité de Cooperación Económica del Istmo Centroamericano (E/CEPAL/CCE/386/Rev.1), May 1977.

Gilberto Corzo, Vice-Minister for Integration, of Guatemala; Rubén Mondragón, Minister for Economic Affairs, Valentín Mendoza, Minister for Finance and Public Credit, and Ramón Medina, Vice-Minister for Integration, of Honduras; and Alejandro Martínez Cuenca, Minister for Foreign Trade, and Orlando Solórzano, Director of Integration, of Nicaragua.

6. Messrs. Gert Rosenthal, Ernesto Torrealba and Isaac Cohen attended the meeting as representatives of the secretariat.

7. One single agenda item was adopted: Consideration of the current status and prospects of the Central American integration process. The Committee had the following documents before it as a basis for debate: Reflections on the present situation and future prospects of the process of Central American integration (E/CEPAL/CCE/403), and the note by the Secretariat entitled Central America: Nature of the present economic crisis, the challenges it raises and the international co-operation for which it calls (E/CEPAL/CCE/402).

B. Account of proceedings

8. Introducing the note by the Secretariat, Reflections on the present situation and future prospects of the process of Central American integration (E/CEPAL/CCE/403), the Director of the CEPAL regional office in Mexico placed emphasis on two new factors that were having a negative impact on the integration process: (1) the external short-term economic situation the world economy was experiencing and its particularly negative impact on economies such as those of the Central American countries, which were exporters of a small number of agricultural products and net importers of hydrocarbons; and (2) the increasing diversity of the governments of the region. He pointed out that those circumstances not only hampered progress in the integration process but called for readjustment of that process to the new situation.

9. On the other hand, the deterioration in the situation of the Central American economies owing to factors of both an internal and external origin was so great that there was a serious risk that intra-Central American trade would no longer be able to continue to play the compensating role it had played in the past, owing to the measures being taken in each of the countries concerned to protect their balances of payments. A substantial volume of external financing and adoption of internal economic policy measures would be necessary, if the countries concerned were to overcome that situation and be in a position to give the integration process fresh impetus.

10. He also said that it was a widely known fact that, for various reasons, a number of initiatives had been launched at the international level to increase the volume of external assistance to the Central American countries and, in general, to those situated in the Caribbean basin. Notwithstanding the potential -and the possible drawbacks- that the initiatives in question could have for the region, those initiatives had so far not been considered in Central America; he therefore urged the Committee to formulate a common position so that the joint views of the governments of the region could be taken into account as the initiatives took shape. Lastly, he said that it could be that the current

situation was favourable for external assistance to support intra-regional co-operation through appropriate action, and it would thus be possible to avoid the negative impact on the Central American Governments' bargaining power that would result from a situation where each individual country tackled such initiatives separately.

11. In conclusion, he said that to a certain extent pending matters relating to the question of integration -inter alia, mobilization of additional resources to finance debit balances in regional trade, promotion of new projects of regional concern, the strengthening of Central American integration institutions, continued revision of tariff policy- depended on the way in which the Governments of the region chose to deal with the economic crisis that each country was facing; a major international co-operation programme could therefore at the same time become an instrument for reactivating integration.

12. At the opening of the debate, participants decided that it would be appropriate first to tackle issues relating to the economic deterioration of the Central American countries, ways in which the short-term international economic situation affected that deterioration, and initiatives that had been put forward to raise the level of external assistance to the region, and that more specific questions relating to the operation of the Common Market should be discussed afterwards. It was recognized that the two elements were closely linked.

13. With regard to the first item, the representative of Costa Rica explained the origin of, and recent developments concerning, the initiative taken by the President of his country to promote a joint position on the part of the Central American countries with regard to the various proposals that had been put forward to raise the level of economic assistance to the countries of the region and to exploit the situation in question for the benefit of the co-operation endeavour that was being made in Central America. He said that his Government believed that the topic in question was worthy of consideration at a meeting at the highest political level and was therefore urging that a meeting of Chancellors of the Central American countries should be held in the near future. He also explained that his Government had requested the CEPAL Secretariat to prepare a document to serve as a basis for debate at a possible meeting of Chancellors and had requested that the document in question should also be considered by participants at the current meeting; he therefore proceeded to read out the proposal set forth in document E/CEPAL/CCE/402.

14. In the ensuing debate a consensus was reached with regard to the need to adopt a joint position vis-à-vis the international community in order to take advantage of the positive aspects of the various initiatives relating to external assistance and to minimize those aspects that might prove unfavourable. It was also considered that the document prepared by CEPAL constituted an adequate basis for pursuing negotiations that might lead to a joint position, and it was agreed that the Ministers Responsible for Central American Economic Integration should participate actively in the subsequent consultations. It was also agreed that it would be highly desirable to hold, as soon as possible, a meeting of Central American Chancellors, which, according to the announcement made by the representative of Costa Rica, had been scheduled for the middle of July.

15. One participant suggested that issues relating to trade should be included in the CEPAL proposal so as to facilitate access to the industrialized countries' markets for Central American products. The proposal was supported by all participants.

16. With regard to issues relating to the operation of the common market, extensive consideration was given to the most appropriate ways of tackling the short-term difficulties that were being encountered in the economic integration process and, in particular, to the desirability of, and ways of, reactivating the forum of the Ministers Responsible for Integration, as well as that of the Vice-Ministers. There was full agreement among participants with regard to the importance of the integration process for the development of each and every country concerned and with regard to the need to conserve the level of economic interdependence achieved. In that connexion, consensus was reached with regard to the need to reactivate the special forums for the integration process and their support institutions; it was therefore desirable to prepare with care and in due time the respective agendas and to hold the meetings in question as regularly and over as long a period as called for by the topics in question.

17. In conclusion, participants expressed gratitude to the secretariat for preparing and holding the current ad-hoc meeting of the Committee.

C. Resolution adopted by the Ad-Hoc Meeting of the Central American Economic Co-operation Committee

18. Upon completing its deliberations, the Committee adopted resolution 168 (ESP/CCE) "Present situation and future prospects of the process of Central American integration".

PRESENT SITUATION AND FUTURE PROSPECTS OF THE PROCESS OF
CENTRAL AMERICAN INTEGRATION

168(ESP/CCE) Resolution adopted on 3 July 1981

The Central American Economic Co-operation Committee,

Conscious that all the countries of the region, to different degrees and within the context of their particular styles of development, are facing serious obstacles of internal and external origin which have now given rise to an economic situation which is cause for concern, characterized by slow rates of expansion, growing unemployment, inflationary pressures, acute external imbalances, and sluggish rates of investment, and which in the medium term represent new challenges to their economic and social development,

Convinced that Central American economic integration has played an important role in the past as the complement to the internal effort which the countries have been making to achieve development, and that this process, adapted to the new circumstances affecting the region, offers even greater potential for the future,

Noting that various capital-exporting countries, as well as multilateral financing agencies, have expressed in various forums and in different ways their interest in raising the level of external co-operation directed towards the Central American countries, and

Considering that this circumstance could be used not only to reduce the obstacles faced by the countries in seeking their development but also to give renewed impetus to intra-regional co-operative efforts in the field of integration, provided that certain requisites indicated by the countries of the region themselves are observed and that the objectives and the ways of securing them which each country considers appropriate are respected,

Recommends to the Governments of the Central American countries that, in order to increase the extent to which they take advantage of the potential contained in integration, they should adopt a certain minimum set of agreements, among which the following are particularly important:

(1) Not to apply restrictions on intra-regional trade in a unilateral manner, that is to say, without prior consultation;

(2) To continue to review the tariff and customs régime;

(3) To provide their decided support for building up the capital of the Central American Common Market Fund recently set up within the Central American Bank for Economic Integration;

(4) To promote the execution of a group of projects of great significance for the region, and

(5) To act in a co-ordinated manner, and in consultation with other Latin American coffee producing countries, to reduce the effects of the drop in the price of this product and to defend the interests of the countries of the region on the international market;

Also recommends that, in order to implement the foregoing, the Ministers Responsible for Central American Economic Integration should meet as often as the circumstances demand in all the Central American capitals in rotation;

Requests the institutions participating in the Inter-Institutional Commission for the Implementation of the Decisions of the Central American Economic Co-operation Committee to continue preparing studies to facilitate, as necessary, the adaptation of the integration process to the circumstances prevailing in the 1980s;

Further recommends the Governments of the Central American countries to take advantage of and harness the interest which the region has aroused in the international community so as to mobilize a substantial mass of external resources in support of their respective development programmes, with emphasis on projects and activities aimed at strengthening the links of economic interdependence which already exist between the Central American countries, provided that certain criteria indicated by the countries of the region themselves are respected, including the following:

(1) The complementary nature of external co-operation with respect to the internal and subregional efforts must be recognized;

(2) The international community must respect the objectives indicated by each country in its respective development plan and the way selected by it to achieve those objectives;

(3) The external co-operation must strengthen Central American integration as a whole;

(4) The special nature of the development problems of the Central American countries must be recognized;

(5) Any agreement of a multilateral nature for the transfer of resources from donor sources to the countries of the region must not in any way whatever prevent each country from maintaining its own bilateral arrangements with such sources;

Considers that the bases for implementing the foregoing point, which are assembled in the document entitled Central America: The nature of the present economic crisis, the challenges it raises and the international co-operation for which it calls (E/CEPAL/CCE/402), are suitable for initiating the process of consultations among the governments of the region which could culminate in the establishment of a mechanism permitting a dialogue with the various donor sources.