

Latin American Integration

Report on the technical co-operation provided by the United Nations System

by
Enrique Ferrer-Vieyra
Joint Inspection Unit



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Geneva
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CONTENTS

	<u>Paragraphs</u>	<u>Pages</u>
PURPOSE OF THE REPORT	1- 3	1
I. INTEGRATION PROCESSES IN LATIN AMERICA	4- 50	2
A. From growth to development	5- 8	3
B. From the country programme to inter-country . programmes	9- 15	4
C. The report of the Administrator for 1974	16- 19	5
D. UNDP co-operation in the integration processes	20	6
E. The Central American process	21- 29	6
F. The Andean process	30- 42	10
G. The integration process in the Caribbean subregion	43- 46	14
H. The regional integration process (regional projects)	47- 50	16
II. THE UNITED NATIONS SYSTEM AND THE INTEGRATION PROCESSES	51-109	19
A. Food and Agriculture Organization of the United Nations (FAO)	54- 59	19
B. International Labour Organisation (ILO)	60- 66	21
C. United Nations Educational, Scientific and Cultural Organization (UNESCO)	67- 74	23
D. World Health Organization (WHO)	75- 87	26
E. United Nations Conference on Trade and Development (UNCTAD)	88- 91	28
F. United Nations Industrial Development Organization (UNIDO)	92- 93	29
G. United Nations	94- 96	30
H. United Nations Development Programme (UNDP) .	97- 99	30
I. Economic Commission for Latin America (ECLA)	100-109	31
III. CO-OPERATION AMONG DEVELOPING COUNTRIES	110-113	35
IV. CONCLUSIONS	1- 18	36
V. RECOMMENDATIONS	1- 7	38
Annex: TECHNICAL CO-OPERATION BY OAS IN THE PROCESSES OF LATIN AMERICAN INTEGRATION (information supplied directly by the General Secretariat)		

PURPOSE OF THE REPORT

1. The General Assembly and the Economic and Social Council of the United Nations have requested the various member organizations of the United Nations family to provide all possible co-operation in the processes of economic and social integration which are taking place in various parts of the world. The purpose of this report is:

- (a) To study the nature and scope of the technical co-operation which the United Nations family is providing in the processes of integration in Latin America; and
- (b) If necessary, to chart some possible courses of action.

2. Emphasis has been placed on the non-economic aspects of integration: that is to say, on social integration in its broadest sense, comprising elements of integration in matters of education, culture, labour, public health, housing, employment and so on.

3. In order to prepare this report, the Inspector has visited the headquarters of the Permanent Secretariat of the General Treaty on Central American Economic Integration (SIECA) and that of the Board of the Cartagena Agreement, which is responsible for the integration of the Andean countries. He has been in touch by correspondence with the secretariat of the Caribbean Community (CARICOM), which is responsible for integration in the Caribbean area, and has visited the United Nations Economic Commission for Latin America at Santiago and the secretariat of the Latin American Free Trade Association (LAFTA) at Montevideo. He has interviewed regional directors of various specialized agencies and officials of the Institute for Latin American Integration (INTAL), an organ of the Inter-American Development Bank. He has also had conversations with officials of a number of organizations at their headquarters and with officials of the United Nations Development Programme (UNDP) in New York.

I. INTEGRATION PROCESSES IN LATIN AMERICA

4. The following integration movements are at present in progress in Latin America:

- (a) The movement for the integration of Central America, whose principal agency is the Permanent Secretariat of the General Treaty on Central American Economic Integration (SIECA) at Guatemala City. This process, which has a long historical and political background, was made official by the General Treaty on Central American Economic Integration, signed at Managua on 13 December 1960. The following countries are participating in the process: Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua, whose combined population totals approximately 16 million;
- (b) The movement for the integration of the Caribbean area, whose institutions function under the acronym CARICOM, meaning the Caribbean Community and Common Market. This movement originated in the signature on 15 December 1965 of the General Treaty of Antigua, which established a free-trade area comprising Antigua, Barbados and Guyana. The Treaty of Dickerson Bay, a revised version of the General Treaty, established as from 1 May 1968 a free-trade area comprising the above-mentioned three countries plus Trinidad and Tobago. The Governments of Grenada, St. Lucia, St. Vincent, Dominica, Montserrat, St. Kitts-Nevis-Anguilla and Jamaica acceded to the Treaty in 1968 and Belize in 1971. The Treaty of Charaguamas, 1973, converted the free-trade area into a common market and established a Community with economic and social objectives. Potential members are the Bahamas, Haiti, the Dominican Republic, Puerto Rico, the Netherlands Antilles, Cuba, Martinique and Guadeloupe. The total population of the Community is about 5 million; inclusion of the last-mentioned countries would increase it to more than 30 million;
- (c) The integration movement of the Andean countries - Bolivia, Chile, Colombia, Ecuador, Peru and Venezuela - whose fundamental document is the Cartagena Agreement signed in 1969. The agency of this process is the Board of the Cartagena Agreement, which functions at Lima, Peru. The population covered totals 80 million; inclusion of the Argentine Republic would increase this to more than 100 million. The Andean countries have also signed three agreements relating respectively to the educational, scientific and cultural integration of the subregion (the Andrés Bello Agreement), to integration in matters of public health (the Hipólito Unanue Agreement) and to labour matters (the Simón Rodríguez Agreement);
- (d) The Latin American Free Trade Association (LAFTA), whose aim is to establish first a free-trade area and then a Latin American economic and social community. The secretariat functions at Montevideo, Uruguay. The following countries are members of LAFTA: Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay and Venezuela, whose combined population totals approximately 250 million.

In addition a process of physical integration is taking place under the River Plate Basin development programme, which covers the territory of the Republic of Paraguay and part of the territory of Argentina, Bolivia, Brazil and Uruguay. The Joint Declaration of Buenos Aires, 1967 - the first stage in institutionalizing the process - also refers to co-operation between the countries concerned in matters of education, health and the development of frontier areas.

This process has not been taken into consideration in the present report owing to its particular legal nature and its emphasis on integration at the infrastructural level.

A. From growth to development

5. It has been said on various occasions that the most important lesson of the First Development Decade is the obvious need to take into account, in any development process, its two fundamental components: the economic component and the social component. This was clearly spelt out by the Secretary-General of the United Nations himself in the introduction to his report on the work of the Organization (1972), when he said:

"... our perception of the problems of the developing countries must change. The distinction between economic and social progress may even have become an impediment to effective action. In many countries poverty and mass unemployment are so widespread and affect so critically the social equilibrium that they constitute, in themselves, blocks to further development. It is no longer possible to rely on the assumption that an expanding modern sector will eventually absorb the mass of people and provide them with decent living standards."

This idea had already been expressed in other words in the Foreword to the 1962 report on The United Nations Development Decade: Proposals for action (E/3613):

"We are learning that development concerns not only man's material needs, but also the improvement of the social conditions of his life and his broad human aspirations. Development is not just economic growth, it is growth plus change."

6. The International Development Strategy for the Second United Nations Development Decade (General Assembly resolution 2626 (XXV), adopted in 1970) laid special stress on human development. It stated inter alia that the developing countries should put as much emphasis as possible on rural employment and on the fullest possible use of manpower (para. 66); that educational and training programmes should aim to improve the literacy and technical competence of groups that were already productively engaged and should include retraining and adult education (para. 67); that developing countries should establish at least a minimum programme of health facilities (para. 68); and that improved housing and related community facilities should be provided in both urban and rural areas, especially for low-income groups (para. 71).

7. The urgent need to assist countries in meeting the most immediate requirements of their people was also pointed out in the report of the Governing Council of UNDP on its twentieth session, when it adopted the following guideline for the future orientation of the Programme:

"The selection of priority areas in which to seek UNDP assistance should remain the exclusive responsibility of the Governments of the recipient countries. In that context, UNDP should respond favourably to requests for meeting the most urgent and critical needs of each developing country, taking into account the importance of reaching the poorest and most vulnerable sections of their societies and enhancing the quality of their life."

8. With regard to the situation in Latin America, the report of the Administrator for 1974 clearly brings out the conditions in which a high proportion of the population live and which, in themselves, indicate the sectors where the co-operation of the United Nations family is most urgently needed. The Administrator states in paragraph 162 of his report that the majority of Latin America's people continue to live in conditions characterized by low life expectancies, little or no cash income and no immediate prospects for a better life. He adds that in many urban and rural areas over 50 per cent of the population lack potable drinking water, that there is a deficit of 20 million housing units, that the per capita consumption of calories and protein is well below international norms, that educational facilities remain inadequate, and that medical care for the poor is minimal. In the Inspector's opinion, these are the fundamental sectors in which the countries concerned need the co-operation of the United Nations system of organizations.

B. From the country programme to inter-country programmes

9. There is no doubt about the importance of the present system of country programming to the attainment of national development objectives. For this reason, as is stated in the Consensus (para. 4), country programming should be based on individual national development plans or, where these do not exist, on national development priorities or objectives.

10. While recognizing the validity of that principle, the Inspector feels that it should be reconsidered in the light of economic and social realities in the world of today, and of the growth of communication and transport systems and other technical facilities which are turning national frontiers into an impediment to the growth process itself. As Gunnar Myrdal once said, the process of optimum national development can be fully achieved only through a multinational process. This is the foundation and objective of the integration processes. That is perhaps the reason why the Consensus provides in paragraph 26 that inter-country projects designed by interested countries "to accelerate the process of economic and social integration" and to promote co-operation will have the first claim on resources.

11. The need for national development plans to be closely related to regional and global plans had already been mentioned in the excellent United Nations document entitled "Five-year perspective, 1960-1964, consolidated report" (E/3347/Rev.1). The end of paragraph 342 of that document reads as follows:

"The strong trend toward national planning and development and the moves toward regional integration might become disruptive elements in wider international economic relations unless conceived and executed within a broad international setting. It would appear that the international harmonization of national and regional policies and the formulation of international economic and social policies have become both more urgent and more desirable."

12. Under the system of country programming, it is undoubtedly the exclusive responsibility of the national Government to formulate its national development plan. UNDP, through the resident representatives, merely provides all necessary technical co-operation in those projects to which the national authorities have given priority.

13. Under the system of inter-country programming, the situation is different. To ascertain the objectives and aims of subregional economic and social development

is frequently a laborious and sometimes an impossible task. This too depends exclusively on the will of the countries of the subregion concerned. The Inspector recognizes that the process of negotiating an inter-country project may be a most difficult task. Here again, the initiative and responsibility for inter-country programming cannot be left to UNDP or the specialized agencies of the United Nations system.

14. At the June 1975 session of the Governing Council of UNDP, one of the Council's members expressed the opinion that regional and interregional projects were an area of activity which should no longer be the exclusive preserve of participating and executing agencies. He added that all member countries should have the opportunity of participating directly in the programming and execution of such projects, which could thus be better adjusted to the recipient countries' real needs and national priorities (DP/SR.469).

15. It is undoubtedly desirable that the countries which constitute a subregion should participate to the fullest extent possible in the programming of projects of interest to the subregion. Where those countries already have multinational institutions responsible for promoting the economic and social integration of the subregion or region, it would also appear desirable that those institutions, in which all Governments are represented, should participate to the fullest extent possible in the programming of UNDP projects in the area and perhaps, under a general directive from the Governing Council, gradually take over as executing agencies for those projects. If the fundamental objective of technical co-operation is to be the promotion of increasing self-sufficiency in the developing countries, the experience and knowledge which UNDP can impart to those institutions in the course of execution of field projects designed to improve the quality of life may be of great value. The institutional support which UNDP provides for the agencies of integration should be addressed primarily to the planning and execution of projects rather than to the preparation of theoretical studies. In this Inspector's opinion, the attainment of self-sufficiency in the execution of inter-country projects is vitally important.

C. The report of the Administrator for 1974

16. This Inspector attaches the greatest importance to the innovation which the Administrator of UNDP has made in his annual report by including in the chapter on selected activities by region a report on integration movements in Latin America (chapter II, D.4). It is true that reference to such movements was made in previous reports, but they are of such vital significance to the development of the region as to deserve special treatment. Also of importance is the more direct co-operation which has been established between UNDP and the secretariats or agencies responsible for these processes. Meetings between UNDP and officials of CARICOM, SIECA, the Board of the Cartagena Agreement and the secretariats of the sectoral integration agreements will undoubtedly result in a better cost-benefit ratio for UNDP contributions.

17. These subregional integration processes are, of course, no more than aspects of a wider process: namely, the economic and social integration of the continent, as the Presidents of the American Republics pointed out at the Punta del Este Meeting in 1967. The Latin American States have not yet established an agency to take charge of the process of regional integration proper. One agency - the Organization of American States (OAS) - is of too general a nature, and its range of functions have not allowed it to concentrate on the question of economic and social integration of the continent. However, it has made some valuable contributions to that process (see the annex to this report). Another agency -

the Latin American Free Trade Association (LAFTA) - is almost exclusively economic in character and is designed to deal with the Customs and tariff problems which hamper intra-area trade; furthermore it does not include all the countries in the region. The third agency is ECLA. This lack of an "integrationist" regional agency makes it difficult to programme projects of a regional nature, for consultation with a score of countries is an arduous and complex operation. For these purposes, therefore, UNDP should make more extensive use, firstly of ECLA and secondly of OAS, both of which have organs composed of government representatives. The countries of the region have recently established a new agency, the Latin American Economic System (SELA), whose main purpose is to institute a permanent system of intraregional co-operation, consultation and co-ordination of the positions of Latin America both in international economic agencies and forums and in relation to third countries and groups of countries. This new agency could play a very important part in promoting the economic integration of the area.

18. To return to the Administrator's report, it is stated in paragraph 176 of the document that:

"UNDP has long been committed to supporting movements for economic integration and co-operation in Latin America. At present, fifty per cent of all funds for regional projects are consigned directly or indirectly to integration activities."

The Inspector has singled out this sentence because the specific purpose of this report is to stress "the other aspect of integration", i.e., the social aspect, or non-economic component, of integration. Perhaps the stage has been reached, or soon will be reached, at which support for economic integration should be balanced by support for the non-economic aspects of integration.

19. A process of integration undoubtedly involves more than a mere exchange of goods. This is an exaggerated way of referring to the support which the United Nations family has given to the economic process, perhaps at the expense of the social process.

D. UNDP co-operation in the integration processes

20. As the Administrator noted in his report, some 50 per cent of all funds for regional projects are assigned in support of economic integration. It will be of interest to see what these co-operation projects cover, and what is involved in other inter-country projects not concerned with economic integration. Reference will thus be made to:

- (a) Subregional projects directly connected with integration;
- (b) Projects relating to the physical subregion;
- (c) Regional projects.

E. The Central American process

21. The Central American process of integration is the one which has, without any doubt, received the greatest assistance from UNDP. Such assistance has been provided mainly in the institutional and economic field. The main UNDP projects connected with Central American integration or relating to the development of the subregion are the following:

- RLA-68-366: Central American integration programme. Executing agency: United Nations. UNDP contribution: \$768,886;
- RLA-68-440: FAO Advisory Group for Central American Economic Integration. Executing agency: FAO. UNDP contribution: \$896,892;
- RLA-68-489: Assistance to the Central American Bank for Economic Integration. Executing agency: FAO. UNDP contribution: \$126,930;
- RLA-70-622: Central American industrial integration programme. Executing agency: UNIDO. UNDP contribution: \$98,000;
- RLA-70-710: Central American integration programme (international trade). Executing agency: UNCTAD. UNDP contribution: \$105,950;
- RLA-71-246: Central American integration programme (international trade). Executing agency: UNCTAD. UNDP contribution: \$277,271;
- RLA-65-030: Central American fishery development. Executing agency: FAO. UNDP contribution: \$2,562,054. At present project RLA-72-048 is concerned with payment for a fisheries adviser to the subregion at a cost of \$91,000;
- RLA-67-088: Assistance to the Central American Institute of Public Administration. Executing agency: United Nations. UNDP contribution: \$1,442,347;
- RLA-74-083: Central American power interconnexion. Executing agency: UNDP. UNDP contribution: \$86,000;
- RLA-71-999: Pre-investment feasibility study of the Central American transport system. Executing agency: IDB. UNDP contribution: \$581,500;
- RLA-72-094: Assistance to the Central American Institute of Telecommunications (INCATTEL). Executing agency: ITU. UNDP contribution: \$1,599,881;
- RLA-73-037: Improvement of shipping and ports in Central America. Executing agency: UNCTAD. UNDP contribution: \$1,353,550;
- RLA-68-367: Intensive training course in economic planning for Central America. Executing agency: United Nations. UNDP contribution: \$114,122;
- RLA-69-717: Export promotion for Central America. Executing agency: UNCTAD. UNDP contribution: \$71,941;
- RLA-74-056: Programming, investigation and training of the public sector in Central America. Executing agency: United Nations. UNDP contribution: \$712,160;
- RLA-75-055: Assistance to the Central American Common Market. Executing agency: UNCTAD. UNDP contribution: \$558,000.

22. The UNDP working paper on technical co-operation in Central America, 1975-1978 (a UNDP/RBLA document of December 1974), describes in paragraph 19 four categories of possible activities for the next few years:

- (a) Activities designed to facilitate the process of negotiating and restructuring the system of integration at the regional level, for which the High-Level Committee (CAN) is primarily responsible;
- (b) Activities designed to strengthen the machinery for the programming, financing and implementation of integration, for which SIECA and the Central American Bank for Economic Integration (BCIE) are primarily responsible;
- (c) Activities designed to support national efforts to institutionalize policy-making and the co-ordination and administration of each country's continuing participation in the integration process; and
- (d) Regional activities which are not directly connected with the central integration effort but which contribute to the integration process and to the social and economic development of the region.

These categories constitute the frame of reference within which UNDP considers that the regional programme in Central America should be formulated and carried out.

23. The proposal for technical co-operation submitted by SIECA to UNDP indicates nine types of activities designed to attain many of the objectives set in the study on the restructuring of the Central American Common Market. To this end, SIECA submitted 18 projects totalling \$10,300,000 and relating to agriculture, industrial development, physical integration, and integration of communications, trade, economic and social programming, and public administration (UNDP/RBLA, paras. 15 and 16). UNDP notes in that document that the identification of the projects shows an approach which entails no significant change in the type of projects carried out so far.

24. In the UNDP information on the "Draft regional programme of technical co-operation in Central America, 1975-1979", which is expected to cost a total of \$17,366,200, the following sub-paragraphs are listed:

Subprogramme for the farming and animal husbandry sector, agriculture:
basic grains; plant health; animal health; identification of regional investment projects;

Subprogramme for the farming and animal husbandry sector, forestry:
satellite group; Siguatepeque school;

Subprogramme for the agriculture sector, fisheries: Central American integrated project;

Subprogramme for the energy sector: Central American Power Commission; master plan, hydrometeorology, phase II;

Subprogramme for the industrial sector: industrial programming by branch;

Subprogramme for the transport sector: integration of air transport; Air Safety Agency;

Subprogramme for the international trade sector: common external tariff; related department of BCIE; common trade policy;

Subprogramme for the communications sector: telecommunications; post;

Subprogramme for natural disasters: prevention of natural disasters; hurricanes; seismological network; training in tropical meteorology and seismology;

Subprogramme for economic policy: national accounts; seminar on inflation;

Subprogramme for social policy: education; Regional Employment Programme for Latin America and the Caribbean (PREALC);

Subprogramme for institutional support: subregional co-ordinator and advisers for institutions of integration (SIECA, BCIE); technical assistance to BCIE;

Subprogramme for the tourism sector: regional project.

According to the information supplied to the Inspector at SIECA, these projects have already been approved by the Committee on Central American Economic Co-operation (CCE), for which ECLA acts as the secretariat. This Committee is responsible for "proposing specific measures for the gradual and progressive integration of the economies of the region and for making arrangements to carry out appropriate studies". According to the information given in document E/CEPAL/CCE/369, paragraph 125, approval was granted on the basis of a joint ECLA/CCE document (E/CEPAL/CCE/368/Rev.2).

25. Among the projects which were in process of execution in April 1975, and to which UNDP contributed approximately \$5,500,000, only one was predominantly social in content within the meaning of paragraph 2 of this report. This is the project on educational systems in Central America (RLA-72-100), with a contribution of approximately \$80,000 (source of information: a document on regional, inter-regional and global projects, with the participation of one or more Central American countries, in execution in April 1975). This information is confirmed in a document on Central American subregional accounts, dated 31 October 1975.

26. The almost exclusively economic orientation of UNDP's contribution to the Central American integration process is due, without any doubt, to the fact that the Governments and the agencies of integration have been essentially concerned with this sectoral aspect of development. However, there is a salutary tendency on the part of Governments and institutions to give the process an increasing social content. Thus the Consensus of the High-Level Committee on fundamental aspects of the restructuring of the Central American Common Market (San Salvador, 22 March 1974) states in paragraph 4 that integration must be a single and complete process and not be limited to strictly commercial aspects. Consequently it must be extended to the social and cultural fields in order to respond to the interests and aspirations of the various groups of the Central American population, to ensure their participation in a fair distribution of the benefits of the integration process, and thus to obtain the majority support needed to make it permanent and stable. Paragraph 5 refers to the need to establish a Central American economic and social community. Paragraph 6 adds that the attainment of the objectives of the Central American Economic and Social Community requires co-ordination of the main lines of economic and social development policy at the regional level and the consistency of national development plans with those lines, particularly as regards aspects which directly affect the process of integration.

27. These points from the Consensus were incorporated in the preliminary draft text establishing a Central American Economic and Social Community, which was prepared by SIECA (December 1974), and which refers in chapter V to social policy (education, labour, health, housing and social security).

28. In view of the urgent need that work should be done on the social aspects of integration, SIECA organized a seminar on the subject, which was held at Guatemala City in July 1975. The excellent working paper submitted by SIECA on social development policy in Central American economic integration (SIECA 28 PES/P.S./ASJ.1) makes the following main points:

- (a) A review of the history of the integration process shows how little attention Governments paid to the social aspects of integration from 1960 to 1970, and the serious cumulative effects of such neglect;
- (b) The Organization of American States has carried out a series of studies and inquiries on social matters, but most of its recommendations have not been implemented;
- (c) It is considered very important to relate social phenomena to economic development policies and to the process of regional economic integration because it is necessary to go beyond a piecemeal redress of possible external imbalances and to deal with internal imbalances as well;
- (d) One of the objectives of integration must be to reduce the social gap between the different strata of the Central American population;
- (e) The economic and social aspects of integration are interdependent and interact continuously;
- (f) It is important to identify the social objectives of integrated development in order to ensure the distribution of social benefits and costs throughout the development process;
- (g) One of the limiting factors in the process has been the lack of social participation, which has given the process an "elitist" character;
- (h) What is needed is not to draw up a list of social aspects on which specific action is desired, but to design broad programmes of action in priority areas in order to give effect to realistic Central American policies and solutions in those areas;
- (i) It is of the greatest importance to take into account the social aspects of the common policy on agricultural development, the social aspects of industrial development policy and the social aspects of the common policy on international trade.

29. The Inspector understands that the seminar received financial assistance from UNDP, which also helped to prepare a working paper submitted by the Institute for Latin American Integration (INTAL) on social aspects of integration in Latin America.

F. The Andean process

30. To date, UNDP's contribution to the Andean integration process too has essentially taken the form of co-operation in the economic sector. The reason may

be that co-operation has concentrated on attaining the objectives and aims of the Board of the Cartagena Agreement. The most important projects are the following:

- RLA-70-375: Assistance to the Board in general economic programming.
Executing agency: United Nations (ECLA/ILPES).
UNDP contribution: \$850,000;
- RLA-70-496: Assistance to the Board in agricultural programming. Executing agency: FAO. UNDP contribution: \$345,000;
- RLA-71-724: Assistance to the Board in international economic policy.
Executing agency: UNCTAD. UNDP contribution: \$630,000;
- RLA-74-004: Assistance to the Board in industrial programming. Executing agency: UNIDO. UNDP contribution: \$270,000.
- RLA-75-086: Assistance to the Board in economic policy. Executing agency: UNCTAD. UNDP contribution: \$150,000.

There are also two small-scale projects, one concerning cultural tourism (UNDP contribution: \$87,500) and another concerning assistance to the Board in metallurgy (cost to UNDP: \$47,000). The Andean Development Corporation has received a total of \$130,000 in assistance for three small-scale projects through UNIDO. UNIDO has also served as the executing agency for a further eight small-scale assistance projects costing a total of \$180,000. Another project of interest to the Andean countries is project RLA-72-047 on the restoration of cultural property and development of handicrafts to promote tourism, executed by UNESCO at a cost to UNDP of \$450,000. Project RLA-75-057, concerning subregional co-ordination of the Andean countries' programmes, will cost UNDP, the responsible agency, approximately \$175,000.

31. It should be noted that the Board is also receiving technical co-operation through projects financed from other sources. The most important of these are the United Nations-financed project ED/1363 (UNDAT-Andean Group), which is being executed by ECLA/ILPES in consultation with the United Nations Department of Economic and Social Affairs; an ITC/Government of Finland project executed at a cost of \$500,000, through which the Board is receiving assistance in international trade; project VC/RLA-73-082, financed by a voluntary contribution of \$500,000 from Italy to the Board and the Andean Development Corporation, through which they are receiving assistance in the electronics field, including the development of the electronics industry in the Andean countries; and so on.

32. According to information supplied to the Inspector by the Board of the Cartagena Agreement, the UNDP funds allotted to the Board during the period 1972-1975 were distributed between areas of activity as follows:

- General programming: \$758,267;
- Agriculture: \$354,749;
- Economic policy: \$600,000;
- Industry: \$280,000;
- Tourism: \$32,500.

Detailed information on the use of these resources is given in document J/RIAT.20, 1974.

33. The need for close co-operation, in both programming and execution, between subregional projects and country projects in the same areas of activity is pointed out in a document prepared by the UNDP Resident Representative at Lima in November 1973 (Report on UNDP-financed technical co-operation with the Board of the Cartagena Agreement and the Andean countries). In this document an attempt is made to identify projects financed by UNDP and programmed in conjunction with the Board of the Cartagena Agreement and country projects programmed by UNDP in conjunction with the Governments participating in the subregional integration process. The additional contributions made by UNDP through country projects in the areas indicated above are as follows:

General programming: projects to the value of approximately \$1,650,000;

Agriculture: projects to the value of approximately \$2,000,000;

Economic policy (export promotion): projects to the value of \$2,300,000;

Industrial programming: projects to the value of \$1,950,000;

Tourism: projects to the value of \$500,000.

None of the projects "in the pipeline" can be said to have a substantial social content. The projects under consideration are as follows:

RLA-74-084: Experimental export centre;

RLA-75-027: Regional programme for the mechanization of agriculture;

RLA-75-052: Expansion of agricultural production in the Andean countries;

RLA-75-026: Farming insurance; and

RLA-74-007: School of business administration under the Andrés Bello Agreement.

34. An interesting document on the co-operation of the United Nations Development Programme in the Andean integration process, dated October 1974, reports on the main projects of UNDP assistance to the Board of the Cartagena Agreement. The document acknowledges that the fundamental objective of the Cartagena Agreement is to intensify the development of the member countries through a gradual process of economic integration. It goes on to say - very wisely, in the Inspector's view - that, above and beyond the letter of the Agreement, the countries concerned are seeking to establish a network of community relations which will give expression to the will for Andean integration: in other words, in order to carry out and consolidate this integration process it is necessary not only to set in motion the important mechanisms provided for in the Agreement but also to initiate various measures of common interest that will enable States and social forces to express their creativity through community policies, activities or projects in the various fields of social, economic, political, scientific and cultural life in the countries concerned.

35. The list of the main UNDP-financed projects given in the foregoing paragraphs gives us a clear picture of the way in which assistance in economic integration has been allocated.

36. Basically, all co-operation by the United Nations system in the processes of integration may take one of two distinct forms: co-operation in making the

"institutions" or agencies of integration work better, and in preparing sectoral documents; or co-operation in implementing economic, cultural, educational, health or other projects programmed in conjunction with those institutions and carried out in the field.

37. In the first case, what is really being provided is financial co-operation or budgetary assistance to enable United Nations-financed "experts" to work in the agencies of integration and to collaborate with the experts and other officials of those agencies. In the second case, in addition to economic support for the implementation of a project in the field, there is a genuine transfer of technology in the form of the experience gained by the entire United Nations system of organizations in implementing field projects. None of the countries concerned possess such experience in implementing true technical co-operation projects at the inter-country level, and in the Inspector's opinion this is one of the most valuable contributions that the United Nations system can make.

38. The priority aspect of UNDP participation in the Andean integration process is brought out clearly in the document last mentioned. Basically, UNDP has been providing the Board of the Cartagena Agreement with technical co-operation broadly equivalent to budgetary assistance. Referring to the need for a fresh approach to Latin American and Andean integration in the light of experience, the document states that it is now necessary to develop subregional projects in which, in some cases States, and in others social forces, can participate - or, in other words, to extend the network of relationships of interdependence on the basis of projects that reflect common interests. This will require far better co-ordination than exists at present between country and subregional projects and between subregional and regional projects proper, so that all may combine to serve Latin American integration.

39. It is of interest to note that UNDP is endeavouring to improve the institutional form of its co-operation with the Board of the Cartagena Agreement by appointing a Subregional Co-ordinator based on Lima and an expert to collaborate directly with the Board officials dealing with international technical co-operation. UNDP would be the executing agency for the "project" concerned, and its actual implementation would be delegated to the Office of the Resident Representative at Lima. Posts of Subregional Co-ordinator have also been created at Georgetown and Guatemala City, for projects connected with integration in the Caribbean area and Central America respectively (RLA-75-057, Co-ordination of Subregional Programmes (Andean Group); duration: two years; UNDP contribution: \$174,800).

40. It is unfortunate that the project document refers solely to the process of economic integration, without even mentioning social integration. All co-ordination tasks will be performed in relation to the Board; no provision is made for similar co-ordination with the permanent secretariats or other organs of the sectoral social agreements mentioned earlier. One positive feature is that the immediate objectives of the project include that of ensuring complementarity between regional projects in support of the Board and UNDP-financed country projects in progress or planned in the same fields. It is also the Co-ordinator's duty to ensure complementarity between regional projects in support of the Board and inter-country projects in progress or planned whose implementation will be of assistance to the Andean integration process or, better still, to Latin American integration.

41. Lastly, the annual meetings recently begun, at which officials of UNDP and those of the Board of the Cartagena Agreement discuss the work programme, are of vital importance. In this connexion it would be desirable to arrange for

representatives of the organs responsible for the sectoral integration agreements, officials of ECLA, officials of the Andean Development Corporation (CAF) and officials of other interested agencies to participate in those meetings.

42. In addition to the Cartagena Agreement, the Andean countries have as we know signed three integration agreements on educational, scientific, cultural, labour and health matters: the Andrés Bello, Simón Rodríguez and Hipólito Unanue Agreements respectively. These Agreements are fully in effect, and their organs are endeavouring to carry out projects having a far more direct social impact than those mentioned previously. The programmes of work and UNDP's participation in programming and implementing these projects are described further on in this report, in the passages dealing with the co-operation provided by UNESCO, the ILO and WHO in subregional integration.

G. The integration process in the Caribbean subregion

43. The process of economic and social integration in the Caribbean area is the latest of the multinational development processes in Latin America. UNDP co-operation is reflected in the following list of major projects already completed or in course of execution in the area. Some are specifically related to the integration process; others resemble it in the geographical area they cover.

- RLA-74-066: Communications development for regional integration in the Caribbean. Executing agency: UNESCO.
UNDP contribution: \$339,900;
- RLA-70-715: Training Course for Customs Officials of CARIFTA Countries. Executing agency: UNCTAD. UNDP contribution: \$100,000;
- RLA-70-701: Caribbean integration programme (international trade). Executing agency: UNCTAD. UNDP contribution: \$180,000;
- RLA-75-058: Co-ordination of regional programmes in the Caribbean. Executing agency: UNDP. UNDP contribution: \$80,000;
- RLA-68-443: Caribbean Food and Nutrition Institute. Executing agency: FAO. UNDP contribution: \$370,000;
- RLA-72-030: Caribbean Fisheries Training and Development Centre. Executing agency: FAO. UNDP contribution: \$1,332,900;
- RLA-70-539: School of Librarianship, Mona Campus, University of the West Indies. Executing agency: UNESCO. UNDP contribution: \$298,105;
- RLA-70-511: Development of regional mass communication in the Caribbean. Executing agency: UNESCO. UNDP contribution: \$210,000;
- RLA-70-111: Caribbean Development Bank technical assistance project. Executing agency: IBRD. UNDP contribution: \$2,108,459;
- RLA-68-760: Environmental sanitation (Caribbean). Executing agency: WHO. UNDP contribution: \$250,000;
- RLA-72-092: Formulation of process list - CARIFTA. Executing agency: UNCTAD. UNDP contribution: \$46,000;

- RLA-72-093: International marketing of non-traditional processed and unprocessed agricultural products. Executing agency: UNCTAD. UNDP contribution: \$100,000;
- RLA-75-021: Revision and strengthening of instruments of economic co-operation in the Caribbean Community. Executing agency: UNCTAD. UNDP contribution: \$123,000;
- RLA-68-763: Health education (Caribbean). Executing agency: WHO. UNDP contribution: \$180,000;
- RLA-72-049: Advanced training in meteorology in the Caribbean English-speaking countries. Executing agency: WMO. UNDP contribution: \$540,000;
- RLA-71-310: Education and training of paramedical (allied health) personnel in the Caribbean (phase II). Executing agency: WHO. UNDP contribution: \$500,000 (UNICEF contribution: \$10,000);
- RLA-72-102: Caribbean Aviation Training Institute: Executing agency: ICAO. UNDP contribution: \$1,200,000;
- RLA-74-029: Aeronautical communications for the Central Caribbean. Executing agency: ICAO. UNDP contribution: approximately \$60,000;
- RLA-72-029: Training of veterinary assistants in the Caribbean. Executing agency: WHO. UNDP contribution: \$1,248,226.

44. According to information supplied to the Inspector, the main projects in the pipeline are the following:

- RLA-75-021: Revision and strengthening of instruments of integration;
- RLA-75-032: Centre for Training in Development Studies;
- RLA-73-056: Social Welfare Centre in the Caribbean;
- RLA-73-057: Training Course in Agrometeorology;
- RLA-74-065: Symposium on Social Security;
- RLA-75-037: Opportunities for and obstacles to economic co-operation in the Caribbean.

45. The meeting held in October 1974 between UNDP officials and the Secretariat of the Caribbean Community, at which the most important aspects of the co-operation to be carried on between 1975 and 1977 were identified, is considered by the Inspector to have been extremely useful and timely (UNDP/RBLA document, Caribbean Basin Subregional Meeting, 1975-1977 Programme of Technical Co-operation, UNDP Caribbean Community, December 1974).

46. This document, which reflects the official position of the Governments of the subregion, stresses the need to take positive action with regard to the social as well as the economic aspects of integration. The programme of co-operation between UNDP and the Community is focused on three main aspects: economic development, social development, and strengthening the institutions of integration. Under the heading of social development and the subheading "development of human

resources", first priority is given to problems of education and employment. In the health field, the Community has proposed a project for training paramedical personnel (phase II) on a much greater scale than the original project RLA-71-310. It is noteworthy that, although the Caribbean integration process was the last to begin in Latin America, it was the first to pay special attention to the social component of development.

H. The regional integration process (regional projects)

47. UNDP has financed a large number of useful regional projects in Latin America, most of them in the economic field and in that of institution-building. A smaller proportion of projects have been executed in the social field proper, and few if any of these have been designed or programmed expressly with integration in mind. There is no doubt that every development project has or could have some feature that is relevant to the integration of Latin America, but the great majority of UNDP regional projects could have been carried out equally well even if the countries had had no intention of integrating economically, socially or politically. They are similar to the projects which UNDP has executed in other parts of the world. In the Inspector's opinion, there are two possible reasons for this: first, the fact that until very recently the Latin American countries themselves showed relatively little interest in the process of social integration, and second, the lack of a regional agency assigned to the task of Latin American integration. There are institutions only for subregional integration. However, as was said in paragraph 17 above, there are three agencies in which Governments are represented and which, pending the establishment of a specific agency of integration, could serve provisionally as forums in which to discuss and analyse regional integration programmes. There are also the legislative bodies of the specialized agencies, on which all States are represented.

48. Of the projects completed or in course of execution, several could have played, or might still play, a very important part if given a "mandate for integration" from the Governments and UNDP. The most interesting of these are the following:

- RLA-73-001: Latin American Council for Social Science (CLACSO). Executing agency: UNESCO. UNDP contribution: \$245,000;
- RLA-73-059: Assistance to the Inter-American Research and Documentation Centre on Vocational Training (CINTERFLOR). Executing agency: ILO. UNDP contribution: \$609,088;
- RLA-68-503: Regional Education Centre for Community Development (CREFAL). Executing agency: UNESCO. UNDP contribution: \$600,846;
- RLA-68-506: Institute of Adult Education (Caracas, Venezuela). Executing agency: UNESCO. UNDP contribution: \$111,136;
- RLA-70-540: Regional Centre for Book Development. Executing agency: UNESCO. UNDP contribution: \$286,866;
- RLA-71-223: Feasibility study of the regional educational television satellite system. Executing agency: UNESCO. UNDP contribution: \$895,958;
- RLA-69-355: Latin American Course on Regional and Local Development Planning. Executing agency: United Nations. UNDP contribution: \$185,576;

- RLA-74-234: Latin American Institute for Economic and Social Planning (ILPES). Executing agency: UNDP. UNDP contribution: \$3,799,750;
- RLA-71-414: Promotion of tourism in Latin America. Executing agency: United Nations. UNDP contribution: \$132,968;
- RLA-72-724: Restoration of cultural property and development of handicrafts to promote tourism. Executing agency: UNESCO. UNDP contribution: \$307,714;
- RLA-71-254: Inter-American Centre for Labour Administration. Executing agency: ILO. UNDP contribution: \$1,282,100;
- RLA-71-307: Regional employment programme. Executing agency: ILO. UNDP contribution: \$1,304,199;
- RLA-68-083: Pan American Programme for Health Planning. Executing agency: WHO. UNDP contribution: \$116,000 (total cost: approximately \$2,000,000);
- RLA-71-241: Pan American Zoonoses Centre. Executing agency: WHO. UNDP contribution: \$1,539,000;
- RLA-74-008: Development of science and technology in Latin America. Executing agency: UNDP. UNDP contribution: \$80,000;
- RLA-74-091: Latin American scientific and technical co-operation. Executing agency: UNDP. UNDP contribution: \$110,000;
- RLA-71-238: Assistance in physical planning. Executing agency: United Nations. UNDP contribution: \$810,586.

49. In addition to the projects listed above, UNDP has some economic projects of an obviously integrationist nature, such as the following:

- RLA-73-027: Joint studies on Latin American economic integration. Executing agency: UNDP. UNDP contribution: \$723,000;
- RLA-74-051: Training in administration of integration. Executing agency: UNDP. UNDP contribution: \$180,000;
- RLA-72-073: Co-operation with LAFTA in the fields of commercial policy, industry and statistics. Executing agency: UNCTAD. UNDP contribution: \$271,810;
- RLA-72-096: Seminar on Criteria for and Methods of Assessment of Benefits of Economic integration. Executing agency: UNCTAD. UNDP contribution: \$43,500;
- RLA-73-063: Advisory services in trade expansion and economic integration. Executing agency: UNCTAD. UNDP contribution: \$60,000;
- RLA-74-002: Symposium on aspects of economic integration. Executing agency: UNCTAD. UNDP contribution: \$46,000;

RLA-75-003: Technical assistance to the Union of Banana Exporting
Countries. Executing agency: UNCTAD. UNDP contribution:
\$114,000.

50. Further considerations on regional projects are advanced in the section of this report dealing with the work of the executing agencies for the Programme. For the sake of brevity they are omitted here.

II. THE UNITED NATIONS SYSTEM AND THE INTEGRATION PROCESSES

51. In order to give a broader picture and to bring out the sectoral aspect of the co-operation provided by the United Nations family in the process of integration of Latin America, it has been thought useful to include a chapter describing the work done by various organizations of the system.

52. Beyond question the great majority of the technical co-operation projects now being carried out in Latin America are financed by UNDP. There are, however, a few specialized agencies which use funds from their regular budgets for technical co-operation activities; the World Health Organization is the agency which uses the largest amount of its own funds for this purpose. In addition some projects are executed with non-budgetary resources, funds being provided by Governments or by governmental or private bodies. In 1974 regional projects in Latin America (including subregional projects) entailed an investment by the agencies of approximately \$3 million from their regular budgets and \$5.5 million from extrabudgetary sources other than UNDP. Of the \$3 million spent by the agencies on regional projects out of their regular budgetary funds, about \$2.3 million was disbursed by WHO, \$383,000 by the United Nations and \$326,000 by the International Labour Organisation (source: document DP/123, table 2). FAO, through its regular programme, has sent missions to the field and published documents, maintains the Joint FAO/ECLA Division, and keeps an agricultural expert with the LAFTA secretariat. Virtually all the technical co-operation provided in the field by ICAO, ITU and IMCO is financed out of extrabudgetary resources.

53. It is a difficult and complex task to identify the technical co-operation projects executed by the agencies with funds not provided by UNDP, and an even more difficult task to identify projects which embody an element of integration. For this reason almost all the information given in this report relates to projects executed by the agencies but financed by UNDP. 1/

A. Food and Agriculture Organization of the United Nations (FAO)

54. The contribution of FAO to the Central American integration process has been large. The Organization has rendered technical assistance in this process through two important projects: CAIS, based on Mexico City, and GAFICA, based on Guatemala City. CAIS was a multi-agency project comprising studies on land use and tenure, agricultural statistics and trade in basic grains. FAO, the ILO, ILPES, the Inter-American Institute for Agricultural Sciences (IICA), ECLA and BCIE participated in the studies. GAFICA (FAO project RLA-68-440, FAO Advisory Group for Central American Economic Integration) was active in three main areas: programmes and studies on specific problems of the subregion; agricultural statistics; and agricultural policy and planning. The studies made by GAFICA relate to the storage of basic grains; cattle and meat marketing in the Central American Isthmus; the economic return on cattle raising in various parts of Central America and Panama; bases for the development of beef-cattle raising in Central America and Panama; inventory of the project on diversification of sown crops in Central America and Panama; land tenure and rural development in

1/ The highly important work of UNICEF, with its outstanding social content, is not covered by this report. The Inspector ventures to draw attention to a meeting organized jointly by UNICEF, OAS and the Inter-America Children's Institute (IIN) and held at Montevideo in April 1975, entitled [in translation] "First interagency consultation on co-operation in programmes for young people in Latin America"; the final report of the meeting was published by OAS in two volumes (051-2S-8689 and 051-2-S.8701).

Central America; preliminary study on agricultural statistics with a view to economic integration in Central America; and prospects for the development and integration of agriculture in Central America (PACA). The last-mentioned study, which was undoubtedly the most important, was published in two volumes by FAO/SIECA in 1974. GAFICA did a great deal of work advising SIECA on various agricultural problems. However, as the project was designed, the Advisory Group was composed of experts in agro-industrial development (4), marketing (3), agricultural economics (3), statistics (2), agronomy (2), rural administration (2) and so on, but included no specialists in rural sociology or rural social problems (source: RLA-68-440, terminal report, appendix 1, Rome, 1974). At present FAO has no projects directly concerned with Central American integration.

55. FAO has also made an important contribution to the process of integration of the Andean countries. With funds from its regular programme, teams have been sent into the field and documents produced at FAO Headquarters, in the Joint FAO/ECLA Division and in the Regional Office at Santiago, Chile, have been published. The two most important documents are perhaps one on the situation of and prospects for trade in agricultural produce in the Andean countries (1970) and one on questions of farming and animal husbandry in those countries, prepared in co-operation with ILPES (1972).

FAO is at present the executing agency for a UNDP-financed project (RLA-70-496: assistance to the Andean Pact in the agricultural sector; UNDP contribution: approximately \$350,000) which is scheduled to end in 1976. Under this project, FAO keeps an agricultural economist continuously on the staff of the Board secretariat and provides, on a short-term basis, consultants and experts on other questions relating to the production and marketing of agricultural produce. Of the 13 reports and papers prepared under this project, none has a social content. They are concerned with the marketing of agricultural produce; prospects for the production and marketing of rice, wheat and maize; mechanisms and procedures for intensifying trade within the subregion; a subregional market information and price information service; and similar questions.

56. FAO assistance in the process of integration of the Caribbean area began in 1968 with the establishment of the Caribbean Free Trade Association (CARIFTA) - which became the Caribbean Community and Common Market (CARICOM) in 1973 - and has continued until the present day. FAO has placed special emphasis on the development of fisheries (project RLA-72-030, UNDP contribution: \$1,332,900) and on assistance to the Caribbean Food and Nutrition Institute (project RLA-68-443, UNDP contribution: \$371,527).

Project RLA-72-025, on Assistance to Less-Developed Countries of CARIFTA/CARICOM in Agricultural and Rural Development, Integration and Training (phase 1), has as its primary objective the establishment of a basic framework for subsequent large-scale projects of collaboration with the countries of the area (Antigua, Dominica, Grenada and Montserrat) in stimulating agricultural development and trade (source: FAO Regional Office for Latin America, "Regional Projects", January 1975, p. 8). The project embodies a UNDP contribution of approximately \$150,000 and has been operational since March 1974. This project has some social content; the experts employed on it include a rural sociologist and an expert on agricultural extension and training. (The Inspector has found no reference to this project in UNDP Compendium of Approved Projects No. 6; in other FAO documentation the project is numbered CAR-74-001 - FAO note to JIU of 1 December 1975, page 5).

In the above-mentioned note from FAO, reference is also made to project RLA-75-029 on feasibility studies for multinational production of food. The studies made by FAO and the missions sent to the Caribbean have been almost exclusively concerned with promoting the production and marketing of food in the subregion.

57. In relation to the Latin American Free Trade Association (LAFTA), FAO has provided and is continuing to provide a limited amount of technical assistance with funds from its regular programme. The Joint FAO/ECLA Division has prepared various studies on the production, consumption and marketing of maize, wheat, sugar, etc. in LAFTA countries. Since 1965 an agricultural expert from the Division has been stationed at Montevideo in order to collaborate with the LAFTA Department of Agriculture in preparing technical papers and proposals. In 1975 the Joint Division published a paper of great technical interest entitled [in translation] "The agricultural sector in schemes for the economic integration of Latin America".

58. A seminar on agriculture and regional integration was recently held at Rome in order to evaluate the work done in this field in Latin America, Asia and Africa. The report on this seminar will be published shortly.

One of the recommendations of the seminar is that a small unit specializing in integration questions should be established at the headquarters of the Organization.

59. It should be noted that in several documents published by the FAO Regional Office for Latin America reference is made to the desire and intention to relate the work of FAO much more closely to the social problems of the region.

B. International Labour Organisation (ILO)

60. The contribution of the International Labour Organisation (ILO) to the social and labour integration process in Central America has been a limited one. Several years ago, using funds from its regular budget, the ILO co-operated with the Central American Common Market in the harmonization of legislation on social security and conditions of work in the Isthmus. UNDP Compendium of Approved Projects No. 6 does not list any projects executed or being executed by the ILO in the field of labour and/or related matters. The ILO has submitted to the UNDP Resident Representative at Guatemala City, who is in charge of subregional projects, a project on labour aspects of integration (labour legislation, wage policy and improvement of labour administration) that would entail a UNDP contribution of approximately \$300,000. Another important project is concerned with social security systems and administrative procedures. In addition to the Central American countries, this project would include Cuba, the Dominican Republic, Mexico and Panama. It would entail an investment of approximately \$100,000 and would be financed out of the ILO regular budget.

61. Similarly, in the process of Andean integration, the ILO has not developed or executed any projects with an "integrationist" approach. However, it has been responsible for the execution of a project which, although not specifically connected with any process of integration, had a significant social component and yielded lessons of experience which can be used with profit by a number of countries with Andean or indigenous populations. This was project RLA-69-157, on integrated development of Andean communities, which was completed in mid-1975 with a UNDP contribution of approximately \$650,000.

62. As we have seen, the Andean countries have signed an agreement on integration in labour matters: the Simón Rodríguez Agreement on Social and Labour Integration. This instrument was approved at the Second Meeting of Ministers of Labour, held at Caracas in 1973. It had emerged from the work of the First Meeting, at which the Ministers approved the "Quito Declaration". The Declaration sets out the conceptual framework and states the guiding principles for the efforts of the Ministers of Labour with regard to Andean social and labour integration, identifies the various social and labour aspects thereof, and lays down priorities for action. The Third Meeting, held in April 1975, adopted the "Lima Programme of Action", which specifies various tasks and calls for the co-operation of international organizations, in particular the ILO. The co-operation of the Regional Employment Programme is sought, and also direct ILO/UNDP co-operation in the harmonization of labour and social security legislation and with regard to migrant labour, the labour aspects of multinational corporations, rural development questions, etc.

63. The Economic and Social Advisory Committee of the Andean Group (CAES) held its third regular session in 1975 and adopted a resolution on migrant labour and social security. The resolution called - and this is considered to be the most important of the decisions taken - for increasing participation by the workers in the process of economic and social integration of the subregion. In order to give effect to the decision, Governments were requested to include representatives of the workers in their delegations to the Council for Social Affairs, which the Commission of the Cartagena Agreement established by decision No. 39 (sixth session, Lima, July 1971). It should be noted that workers' delegates already attend the meetings of the Advisory Committee. The ILO has submitted requests to UNDP for three subregional projects concerning the application of the Andean instrument on social security to migrant workers; Andean social and labour integration; and support for the Andrés Bello Andean School of Business Administration. In preparing these projects, the ILO has worked directly with the authorities of the permanent secretariat of the Simón Rodríguez Agreement. The purpose of the project on Andean social and labour integration is to provide the co-ordinating secretariat of the Simón Rodríguez Agreement with the technical co-operation needed in order to carry out a large proportion of the work specified in the Lima Programme of Action; it would involve a UNDP contribution of approximately \$260,000. The ILO has also planned a seminar on co-operative integration in the Andean Group countries which, as now envisaged, may possibly include countries outside the area.

64. The Inspector would point out here that rational co-ordination of the work of the Council for Social Affairs, the Economic and Social Advisory Committee and the secretariat of the Simón Rodríguez Agreement would seem an effective means of securing full use of such resources as may be obtained from the international organizations and would also facilitate programming. This also applies to the organs of the Board dealing with health and education, which should co-ordinate their activities with the secretariats of the Andrés Bello and H. Unanue Agreements.

65. As to the integration of the Caribbean subregion, the ILO has devised, in co-operation with the authorities concerned, a project on an actuarial centre for national social security systems and another for monitoring the quality of occupational training. It is also considering smaller projects on labour matters in the less-developed countries of the area.

66. Among regional projects proper, the ILO is the executing agency for several that are predominantly social in content: for example, project RLA-71-307 on the Regional Employment Programme (PREALC), with a completion date in 1977 and a UNDP contribution of more than \$1,300,000; project RLA-7-254, concerning the

Inter-American Centre for Labour Administration, which involves a similar UNDP contribution (this project provides administrative and technical support for the meetings of the Andean Pact countries); and project RLA-73-059 on assistance to CINTERFLOR, with a UNDP contribution of more than \$600,000.

It is worth noting that, at the Tenth Conference of American States Members of the ILO, held at Mexico City in 1974, a resolution on social and labour aspects of Latin American integration was adopted. The resolution stated that such integration could not be effective unless special attention was paid to the social and labour problems that those processes involved; it recommended inter alia that the Governing Body of the ILO should invite the Director-General to prepare as soon as possible a technical co-operation project for the countries members of the regional and subregional agencies of Latin American integration, and for those agencies themselves, in order to help in finding co-ordinated or uniform solutions to social and labour problems.

C. United Nations Educational, Scientific and Cultural Organization (UNESCO)

67. UNESCO is perhaps the specialized agency that has been most particularly concerned with the process of Latin American integration. In 1968 the General Conference instructed the Director-General to study the possibility of initiating a programme for the promotion of regional integration in the spheres of education, science, culture and communication, taking into account the integration processes taking place in Latin America. This background information and other decisions adopted by the Executive Board are to be found in "Regional integration in Latin America in the fields of UNESCO's competence" (UNESCO/MINISLA 4) 2/, a document in which the content of Latin American integration has been clearly perceived. Chapter XVII states inter alia that integration is the Latin American countries' most vigorous undertaking, adding [in translation] that: "such an extraordinary task goes beyond the merely economic scheme of things. To plan integration solely and exclusively in that area and to set as its ultimate objective the establishment of a Latin American Common Market would be a very one-sided way to set about it. ... The work of integration covers all aspects of the concerns and doings of the Latin American peoples, and makes up a global process in which economic integration ranks alongside the other forms of integration: the physical, cultural, educational, scientific, social and political." There can be no doubt - the document affirms - that whatever happens in the field of Latin American integration is the responsibility of the Governments of the region, and that the task of the international agencies can only be one of co-operation. Such co-operation should take the form of developing programmes that will promote the integrationist ideas defined in advance by the Governments and contribute to progress in the matters in which their assistance is sought. The document goes on to say: "If such agencies organize and co-ordinate their resources and programmes in the region in such a way as to serve the purpose of integration, their collaboration can be highly significant." The interest of the Latin American Member States in the tasks of cultural integration is made clear in the various

2/ This document was presented at the Conference of Ministers of Education and Those Responsible for the Promotion of Science and Technology in Relation to Development in Latin America and the Caribbean, convened by UNESCO in co-operation with ECLA and OAS and held in Venezuela in December 1971. In February 1976 a meeting of experts was convened at Panama City to study the progress made, taking especially into account the recommendations adopted at the Conference.

memoranda and documents submitted and in the replies to an inquiry made by the Director-General (see document 16 C/86). The regional organizations, OAS and IDB, also fully supported the new type of programming proposed and the Secretary-General of OAS added that the Member States had already given him a similar mandate. The Economic Commission for Latin America (ECLA) replied that it had "no particular suggestions or proposals to make", but expressed its "great interest ... in UNESCO's activities in this field" (op.cit., annex XII).

68. However, as UNESCO has proceeded with its work, it has been possible to identify only a few projects of importance that have been planned with the integration process in mind or with an "integrationist" approach. In Central America UNESCO has been the executing agency for two small projects (RLA-72-100 and RLA-71-504) concerning respectively the educational system and adult education; it was also the executing agency for project RLA-68-538 on librarianship, at a cost of \$92,000.

69. In the Caribbean area UNESCO has been the executing agency for project RLA-70-539 on a school of librarianship in the University of the West Indies, at a cost of \$300,000; project RLA-70-511 on development of mass communication in the Caribbean, at a cost of \$200,000; and project RLA-74-066 on communications development for regional integration, to be completed in 1977 at a cost of \$340,000.

70. UNESCO's future work in the Andean countries is helped by the signing of the Andrés Bello Agreement on educational, scientific and cultural integration of the countries of the Andean region (Bogotá, 1970), which enumerates in chapter I the objectives of integration and in succeeding chapters the activities or tasks to be performed. The Executive Board, at its 97th session, authorized the Director-General to negotiate with the Permanent Executive Secretariat of the Andrés Bello Agreement (SECAB), pursuant to article XIII of the UNESCO Constitution, a draft agreement on co-operation and technical assistance. The text of such an agreement is under study by the UNESCO Executive Board.

71. Beyond any question, among the Andean processes, integration in education has made the greatest headway. By December 1975 six Meetings of Ministers of Education had been held in the subregion. The Co-ordinating Committee for Science and Technology of the Andrés Bello Agreement has held several meetings to lay the foundations for a subregional policy. At the Sixth Meeting of Ministers of Education already mentioned, resolution no. 24 was adopted establishing the International Institute of Integration under the Andrés Bello Agreement, with headquarters at La Paz, Bolivia; in the words [in translation] of article 1 of the resolution, the Institute's purpose is "to make continuous inquiries into objects and topics of integration and to hold special courses and carry on activities to publicize and promote integration in the countries parties to the Agreement". In the field of higher education, the Andean Commission on Higher Education (CANDES) exists to set integrationist objectives for the institutes and councils of higher education in the region. Likewise in the context of integration, the Catholic University of Chile, the Papal Catholic University of Peru, the Papal Catholic University of Ecuador and the University of the Andes at Bogotá, Colombia, signed in November 1971 an agreement constituting the Interuniversity Centre of Andean Development (CINDA) with headquarters at Santiago, Chile; the purpose of CINDA is "to canalize, promote and guide the contribution of those institutions to the process of integration and the political, economic, social and cultural development of the continent". For the time being CINDA is concentrating on activity in four branches of learning: engineering, social sciences, law and economics. In 1975 it was decided to extend eligibility for membership, with full rights and duties, to a maximum of two universities per country.

A private organization which has been the unquestioned pioneer in the matter of integration in Latin America, and which has accomplished work of outstanding importance on subjects relating to integration law, is the Inter-American Institute of International Legal Studies, with headquarters at Washington, D.C. This Institute's seminars, round tables and publications are of such value that some effort should be made to carry on the work which, over a period of many years, has given rise to intense activity of legal and institutional research at the main universities and law faculties of the continent. 3/

72. As to the projects in execution in the Andean area, UNESCO is the executing agency for project RLA-72-011 on cultural tourism in the Andean road, which is marginally social in character. UNDP's contribution is approximately \$87,000. In that connexion UNESCO is also executing a much larger project, RLA-72-047, for the restoration of cultural property and development of handicrafts to promote tourism, at a cost to UNDP of \$450,000.

73. The Permanent Executive Secretariat of the Andrés Bello Agreement (SECAB), which functions at Bogotá, Colombia, sent to UNDP in November 1974 "some initial ideas about possible subjects for co-operation between SECAB and UNDP". These ideas are the following:

- (a) That those programmes of support for the process of integration of Latin America which relate to education, science and culture and in which the Andean subregion is involved should to the fullest extent possible be channelled through SECAB in so far as the subregion is concerned;
- (b) Since each of the States signatories of the Agreement is advancing, with the co-operation of UNDP and the specialized agencies, in its country programming, measures should be taken to encourage co-ordination of activities and projects relating to education, science and culture which are carried on in the subregion;
- (c) Since UNDP has resources intended for the support of regional and subregional integration projects, it seems reasonable to propose that the organ for co-ordinating execution should be SECAB where such projects are within its field of competence;
- (d) Supplementary financing of projects for the integration of the subregion in the areas of competence of the Agreement;
- (e) Support by the local offices of resident representatives, within the limits of their autonomy, for regional projects based on each of the countries signatories of the Agreement.

74. UNESCO's main activity has been devoted to regional projects, with the emphasis on "institution-building" projects of the kind which will doubtless have an effect on the integration processes at a later stage but which for the time being do not involve anything of direct benefit to the masses in their need to struggle

3/ In the information field, a periodical entitled Decisión, órgano periodístico de la integración latinoamericana ["Decision: the periodical organ of Latin American integration"] published at Santiago, Chile, since 1974 is of great value in keeping abreast of developments in the various subregional processes.

against illiteracy or to receive immediate training in order to improve their living conditions. Examples are project RLA-68-518 on the Social Science Research Centre in Brazil, executed at a cost of approximately \$120,000; project RLA-68-521 on the Latin American Centre for the Study of the Conservation and Restoration of Cultural Property, executed at a cost of \$230,000; project RLA-68-530 on the Centre for Higher Studies in Journalism, executed at a cost of \$150,000; project RLA-73-001 on the Latin American Council for Social Science (CLACSO), in course of execution at a cost of \$245,000; project RLA-68-517 on the Latin American School for Political Science and Public Administration, scheduled for completion in 1976 at a cost of \$400,000; project RLA-71-142 to develop a junior secondary teacher training curriculum, scheduled for completion in 1976 at a cost to UNDP of \$2,000,000; project RLA-75-047 concerning the regional programme of post-graduate education in biological sciences (phase I), to be completed in 1976 at a cost to UNDP of \$370,000; project RLA-70-538 on libraries and documentation at the Regional Centre of the Western Hemisphere, to be completed in 1976 at a cost of \$150,000; project RLA-73-059 on assistance to CINTERFLOR, to be completed in 1977 at a cost of \$610,000; project RLA-68-506 on the Institute of Adult Education (Caracas), at a cost to UNDP of \$115,000; project RLA-68-508 on specialists in rural and adult education, at a cost to UNDP of \$140,000; project RLA-68-515 on the Regional School Building Centre for Latin America and the Caribbean (CONESCAL), completed in 1975 at a cost to UNDP of \$140,000; project RLA-69-502 on science teaching (elementary and secondary), also completed in 1975 at a cost to UNDP of \$75,000; and project RLA-70-540 on the Regional Centre for Book Development, completed in 1975 at a cost to UNDP of \$300,000. UNESCO is also the executing agency for other, smaller projects. Two sizeable projects with an important social content are: project RLA-68-503 on the Regional Education Centre for Community Development (CREFAL), executed at a cost of more than \$600,000, and project RLA-71-223, a feasibility study of the regional educational television satellite system, completed in 1975 at a cost to UNDP of \$900,000. Lastly there is a project (RLA-74-024) administered by ECLA and executed by UNESCO, at a cost of \$293,000, on development and education in Latin America and the Caribbean.

D. World Health Organization (WHO)

75. The work of WHO in Latin America is essentially based on the Ten-year Plan (1971-1980) adopted at the Third Special Meeting of Ministers of Health of the Americas. According to WHO there is a definite trend towards country programming in Latin America (Official Records of the World Health Organization, No. 220, p. 424).

76. Mention should be made of the sound judgement shown by the WHO authorities in their approach to the health problem, or problems, of the continent as a whole. Health problems in both industrialized and rural societies reflect a series of conditioning factors whose control is often beyond medical technology. At the same time medical technology is a component of economic and social development. There can be no doubt, therefore, that programmes for health care should be multidisciplinary in view of the several causes involved in their origin and extension. It follows that - within Governments and international agencies as well as between them - joint planning and joint implementation are fundamental. It must be admitted that there is still no practical system for social planning, which has become so important for rural development (ibid.).

77. Under the technical co-operation programme funded from the regular budget, WHO has allotted the sum of \$2,281,191 to inter-country programmes in Latin America, and the extrabudgetary funds used for this purpose amounted to just over \$14,600,000 (op.cit., p. 361). In addition a number of programmes are financed by the Pan American Health Organization. The list of inter-country programmes in the Americas appears on pages 538 et seq. of the same document.

78. On the list of regional projects financed by UNDP, WHO is shown as the executing agency for project RLA-68-083 concerning the Pan American Programme for Health Planning, to be completed in late 1976 with a UNDP contribution of approximately \$2 million; project RLA-68-764 on biostatistics education and population dynamics, scheduled for completion in 1975 with a contribution of \$170,000; project RLA-70-761 on management of health services, completed in 1974 with a contribution of \$100,000; and project RLA-70-762 on teaching of behavioural and social sciences in medical schools, completed in 1975 at a cost of \$90,000.

79. In Central America 19 meetings of Ministers of Health had been held by 1975 in order to set the priority tasks to be performed. PAHO/WHO has received a request from the Central American Bank for Economic Integration (BCIE) to collaborate in the process of health integration in the subregion, and a joint ECLA/BCIE mission is now (December 1975) visiting the Central American countries in order to identify projects with a social impact (see the latter part of paragraph 109 below).

The World Health Organization is not executing and has not executed any UNDP-financed projects with an integrationist or subregional aim in Central America. In the Caribbean subregion ^{4/} WHO has been the executing agency for project RLA-68-760 on environmental sanitation, which was completed in 1975 with a UNDP contribution of \$250,000 and project RLA-68-763 on health education, which is nearing completion at a cost of \$200,000. It should be noted here that a PAHO/WHO official has been in charge of the Health Section of CARICOM since September 1971 and has co-operated in the annual Meetings of Ministers of Health of the Caribbean.

80. In the Andean area, health integration is governed by the Hipólito Unanue Agreement signed at Lima on 18 December 1971. The Unanue Agreement establishes the Meeting of Ministers of Public Health of the Andean Area (REMSAA) as the highest authority. The first meeting of REMSAA was held at Lima in 1971, the second at Quito in 1973 and the third at Caracas in 1974. The fourth meeting of REMSAA is to be held at Cali, Colombia, in August 1976. A meeting on nutrition and food policy was held in Chile in 1975. A Co-ordinating Committee, an Executive Secretariat and Advisory Committees have also been established.

81. On inaugurating the Third Meeting at Caracas, President Pérez said [in translation]:

"Integration has already been achieved in our countries by endemic diseases and malnutrition. Unless we succeed in integrating ourselves in the struggle for health, whatever plans we may put together for economic development, for cultural creation and development, and for the social betterment of our societies will come to nought because they will lack the essential and primary basis of support: that is, the protection of our peoples' health."

82. The Co-ordinating Committee of the Unanue Agreement, at its Third Meeting, held at Quito in August 1974, approved the preparation of an Additional Protocol to the Agreement in order to strengthen its institutional structure, stimulate the activities of its organs, and co-ordinate their work with that of the other agencies

^{4/} Although the Institute of Nutrition of Central America and Panama (INCAP), the Caribbean Food and Nutrition Institute (CFNI) and the Caribbean Epidemiology Centre (CAREC) have carried on their activities in the context of the Caribbean subregional group, they perform functions of assistance to the countries of Central America.

of integration and with that of international organizations. The Protocol was adopted at the Committee's Fourth Meeting, held at Caracas in November 1975, and was signed, also in November, by the Ministers of Health of the countries concerned.

83. At that Meeting it was decided inter alia to set up national systems of co-ordination between the Andrés Bello, Hipólito Unanue and Simón Rodríguez Agreements in order to make it easier for the competent Ministers to programme joint activities, to co-ordinate, and to complement one another in the national implementation of agreements and resolutions adopted by the permanent organs of the Agreements.

84. In view of the unified approach to development and the obvious interconnexion between the education, labour and health sectors, this Inspector considers it a particularly sound idea to set up machinery through which questions that combine to affect the quality of life can be dealt with on an interdisciplinary basis.

85. The co-operation of WHO in the Andean integration process may well be given fresh impetus following the signature on 28 November 1974 of an "arrangement between the Hipólito Unanue Agreement and the Pan American Health Organization/World Health Organization". Article 6 of the Unanue Agreement states [in translation] that:

"In view of the importance of this Agreement to the integral development of their countries, the Parties agree to bring it to the attention of the Pan American Sanitary Bureau, the Regional Office of the World Health Organization, and to request it to extend its co-operation and support in giving effect to the resolutions of the Meeting of Ministers of Health of the Countries of the Andean Area in whatever respect those resolutions may require."

86. The most important provision of the arrangement between the Unanue Agreement and WHO is article II on the submission by WHO, at the request of the authorities of the Unanue Agreement, of "proposals and programmes of subregional interest for consideration by its permanent organs". Article IV provides that WHO shall appoint an official to act as Co-ordinator with the Agreement and to participate in the meetings of the Co-ordinating Committee. WHO has appointed in this capacity the Chief of Zone IV, who is based on Lima. He will also be able to assist the Regional Director or his representative at the Meetings of Ministers of Health. Pursuant to the same arrangement, WHO has co-operated with the Unanue Agreement authorities in a meeting on dental health held at Quito, the meeting on nutrition and food policy already mentioned, which was held in Chile, and meetings on nursing standards, the maintenance of medical and hospital equipment, and pharmacological production.

87. The experience gained by WHO in inter-country health projects in various parts of the world is undoubtedly of great potential value in the programming and implementation in Latin America of integrationist projects that have an immediate and direct impact on the population. To pass on that experience to the regional and subregional agencies of integration should be one of the main objectives of the technical co-operation programme of the United Nations family.

E. United Nations Conference on Trade and Development (UNCTAD)

88. The United Nations Conference on Trade and Development (UNCTAD) is possibly one of the few executing agencies for UNDP programmes to have formulated projects with Governments with the integration process in mind. It is also the only

organization which has a Division for Trade Expansion and Economic Integration. In the nature of UNCTAD, its projects are of a "commercial" and economic character, for it covers topics relating to shipping, insurance and the like.

89. In the Caribbean region, for instance, UNCTAD is responsible for the following projects: project RLA-74-066, on communications development for regional integration in the Caribbean, which is to be completed in 1977 at a cost to UNDP of approximately \$250,000; project RLA-70-715, concerning a training course for Customs officials of CARIFTA countries, ending in 1975 at a cost to UNDP of \$100,000; project RLA-70-701, on the Caribbean Integration Programme, completed in 1974 with a contribution of \$180,000; and project RLA-72-092 (Formulation of process list - CARIFTA), which was scheduled for completion in 1975 with a UNDP contribution of \$45,000.

90. As to the Central American integration process, UNCTAD is the executing agency for two sizable projects: project RLA-70-710 on the Central American Integration Programme (and international trade), which was scheduled for completion in 1975 with a UNDP contribution of \$105,000; and project RLA-71-246 with the same title, which is to be completed in 1976 at a cost to UNDP of slightly less than \$300,000. One fairly large project is No. RLA-71-724, on assistance to the Board of the Cartagena Agreement, which is to be completed in 1977 with a UNDP contribution of \$600,000.

91. Among regional projects, UNCTAD is carrying out one fairly large project on co-operation with LAFTA in the field of commercial, industrial and statistical policy, which is to be completed in 1976 with a UNDP contribution of around \$300,000.

F. United Nations Industrial Development Organization (UNIDO)

92. The contribution of the United Nations Industrial Development Organization (UNIDO) has also been made chiefly in the economic field. Most of the projects concerned have been programmed with an integrationist approach, but the great majority of them have also been, or are, on a very small scale. The largest project in execution is No. RLA-74-011 on technical co-operation with the Andean Development Corporation in the industrial sector, which is to be completed in 1977 with a UNDP contribution of \$370,000. The next largest project is No. RLA-74-004, concerning assistance to the Board of the Cartagena Agreement in industrial programming, which is to be completed in 1976 with a contribution of \$240,000. The third largest is project RLA-72-078 concerning an in-plant training programme for personnel engaged in industrial research, which is due for completion in 1976 with a contribution of about \$220,000. UNDP contributions to the remaining projects vary from \$7,500 for project RLA-74-053 to \$100,000 for project RLA-70-622 concerning the Central American industrial integration programme, completed in 1974. A number of projects costing between \$15,000 and \$20,000 are classified as "programme reserve projects" (see Compendium of Approved Projects No. 6, p. 359).

93. Perhaps owing to the limitations of its resources and the fragmentation of projects we have just witnessed, which is incompatible with the formation of a "programme", UNIDO has not acted as the executing agency for any project (whether a budgetary assistance project or an operational project proper) dealing with the impact made by a process of industrialization, regardless of its scale, on a society of limited size such as generally exists in a developing country. In many instances, industrial programming which was sound from a purely technical point of view has served only to set up social tensions in communities which had not

been "prepared" for such a growth process. Unless account is taken of the housing, education and public health conditions prevailing in a small community, industrialization usually generates tensions, either because one sector of the population, not being in a position to use the available services, feels discriminated against or because the entire community remains in the same "qualitatively" inadequate situation as before.

G. United Nations

94. The United Nations, as an executing agency for UNDP-financed projects, has been carrying out two major projects, one relating to the Central American integration process and the other to the integration process in the Andean area. They are: project RLA-68-366 concerning the Central American Integration Programme, which was completed in 1975 with a UNDP contribution of approximately \$768,000; and project RLA-70-375 concerning the Andean Integration Group, which is to be completed in 1976 with a UNDP contribution of \$806,000. The United Nations has also been executing three subregional projects on a large scale: project RLA-67-088 on the Central American Institute of Public Administration, which is to be completed in 1977 with a UNDP contribution of \$1,442,347; project RLA-68-367 on an intensive training course in economic planning for Central America, which was scheduled for completion in 1975 at a cost of \$114,122; and project RLA-74-056 on programming, investigation and training of the public sector in Central America, which is to be completed in 1977 at a cost to UNDP of approximately \$712,000.

95. Among regional projects proper, the United Nations was the executing agency for one major project: the Latin American Institute for Economic and Social Planning (ILPES) (phase III), which was completed in 1975 at a cost to UNDP of \$4,380,893 (phase IV of the project is also being financed by UNDP, at a cost of \$3,799,750). The United Nations is now executing project RLA-66-058 on the Latin American Demographic Centre, which is due for completion in 1977 at a cost to UNDP of \$3,521,174. There are three small-scale projects also related to demography: project RLA-74-069 (seminars about demography and related topics); project RLA-74-070 (national intensive courses on demography); and project RLA-74-071 (mortality in the first five years of life). Another major regional project for which the United Nations is the executing agency is project RLA-71-238, which is to be completed in 1976 at a cost to UNDP of \$810,586. A project on local and regional planning courses completed in 1974 was executed by the United Nations at a cost of approximately \$200,000. The project on assistance to Latin American schools of administration (RLA-74-005), now in progress, is to be completed in 1976 at a cost of \$60,000.

96. In the United Nations regular programme of technical co-operation - which is financed out of the Organization's regular budget and entails an investment of approximately \$5 million per annum - the Inspector has been unable to find any projects relevant to the economic and social integration of Latin America. In this respect the information provided by the Secretariat (documents DP/RP/15 and 16) is based on a different methodology from that provided by UNDP, and it is not possible to "identify" field projects. According to the information available, the United Nations was carrying out in 1974 regional (and subregional) projects in Latin America to a value of \$383,000 out of its own funds, and of \$2,303,000 from extrabudgetary sources (excluding UNDP) (see document DP/123, table 2).

H. United Nations Development Programme (UNDP)

97. It is common knowledge that in recent years UNDP has become one of the main executing agencies for the Programme. In the area of direct relevance to the integration processes, it executed project RLA-74-063, on co-operation with LAFTA

in the integration of the industrial development of the less-developed countries, at a very low cost (\$3,000) in 1974; in the same year it executed project RLA-74-026, on study and co-ordination of UNDP assistance to Latin American integration schemes (international trade), at a cost of \$10,000. In 1976 UNDP will complete project RLA-74-083, on Central American power interconnexion, at a cost of approximately \$90,000. A much larger project, RLA-73-027, "Joint studies on Latin American economic integration", is scheduled for completion in 1977 at a cost of approximately \$730,000. Project RLA-75-002, on revision of the theory of integration and its application in developing countries, was executed in 1975 at a cost of \$23,500; project RLA-74-051, on training in administration of integration (cost: \$180,000), is scheduled for completion in 1979.

98. In the regional sphere proper and without any direct connexion with integration, UNDP is executing large-scale projects such as project RLA-74-234 relating to ILPES (approximate cost: \$3,800,000), which is scheduled for completion in 1978; project RLA-74-091 on Latin American scientific and technical co-operation (cost: \$100,000), scheduled for completion in 1975; and project RLA-74-008 "Development of science and technology in Latin America" (cost: \$80,000), scheduled for completion in 1976. A smaller project, RLA-75-005 on marginal urbanization in Latin America (cost: \$30,000), was to be executed in 1975, as were project RLA-75-038 on assistance to the Latin American Centre of Administration for Development (cost: \$10,000); project RLA-74-090 on forest industries advisory services for Latin America (cost: \$12,000). and project RLA-73-002, "Mathematical simulation model for development in Latin America" (cost: \$40,000). Project RLA-73-051, "Training course on negotiations with foreign investors", was executed in 1974 at a cost of \$30,000; and project RLA-73-060, on regional programming in Latin America (cost: \$80,000), is scheduled for completion in 1975.

99. Lastly, UNDP is executing a number of small-scale projects in various sectors of economic activity or concerned with matters of infrastructure, most costing between \$10,000 and \$30,000.

I. Economic Commission for Latin America (ECLA)

100. ECLA is, of course, active in support of Latin American economic integration, both within the sphere of competence of LAFTA and in that of the secretariats and other permanent organs of the subregional integration processes, especially SIECA and the Board of the Cartagena Agreement. In the report of the Joint Inspection Unit on the regional structures of the United Nations system (JIU/REP/75/2) it is recommended inter alia that the regional economic commissions should be recognized as having team leadership and responsibility for co-ordination and co-operation at the regional level; that the executive secretary of each regional economic commission should establish annually, in conjunction with UNDP, 5/ a framework for the regional programme; and that the regional economic commissions should participate more broadly in the evaluation of large regional and subregional projects, particularly those of a multidisciplinary nature. With specific reference to the Americas it is recommended that ECLA should examine the question of transferring a part of its Mexico City office to Guatemala City to enable that office, in close collaboration with SIECA, to perform better its functions related

5/ Co-operation between ECLA and UNDP has been strengthened by the establishment of a liaison office at Santiago. This has enabled ECLA to take a more active part in the formulation and administration of projects connected with economic and social planning, technology, multinational corporations, etc. The most important such projects are project RLA-74-234, on ILPES; project RLA-75-014, on a multinational fertilizer scheme; project RLA-74-024, on education and development; and project RLA-74-083, on Central American power interconnexion.

to the economic integration of Central American States; and similarly that a part of the Bogotá office should be transferred to Lima to give more effective assistance to the Andean integration movement.

101. Although ECLA has co-operated on a large scale in the integration processes of the continent, it must be recognized that for many years the emphasis has been placed almost exclusively on economic integration. The whole structure and work programmes of ECLA were until very recently focused on the economic component of development.

102. In the interesting ECLA document on Latin America and the first appraisal of development submitted at the Commission's fifteenth session, held at Quito in 1973 (E/CN.12/947/Add.1/Rev.1), the whole of chapter VII is devoted to regional integration. In this chapter the main focus of attention is economic integration; not a single aspect of social integration is mentioned.

103. As is stated elsewhere in this report, it is for Governments to give the international organizations guidelines for the work to be done on this fundamental aspect of integration. At the 16 sessions held by the Commission to date, various resolutions have been adopted on co-operation with integration movements, but all of them have dealt with economic questions.

104. However, the need for a once-and-for-all attack on the practical disadvantages and technical difficulties of a unified approach to development was clearly expressed by the Commission in adopting, at its fifteenth session, the Quito Appraisal, whose opening paragraphs read as follows:

"1. A central preoccupation in the review and appraisal of the International Development Strategy should be the concept of integrated development and the differences existing between the phenomenon of economic growth and actual development.

"2. Integrated development cannot be achieved through partial efforts in particular sectors of the economy or the social system, but only through concerted progress in all aspects. It is exceedingly difficult to make an appraisal of the development process thus defined, since it is not sufficient to refer to one or more indicators, but it is necessary to observe to what extent concerted progress in all sectors is helping to promote a new type of society oriented towards rapid human development.

"3. The growth of economic variables has frequently failed to bring with it qualitative changes of equal importance in human well-being and social justice. This is shown by the continued existence of serious problems such as mass poverty, the incapacity of the system of production to provide employment for the growing labour force, and the lack of economic and social participation of broad strata of the population ...".

105. The Inspector appreciates the Commission's difficulties in proceeding with studies and, in particular, with the execution of projects in which a unified approach to development has prevailed; because, after the very important statement reproduced above, only a timid reference is made to the social aspects of integration, when it is stated in paragraph 81 that:

"Stress is laid on the hope that the integration systems in Latin America will devote particular attention to social aspects of development, especially education and health."

106. These difficulties become even plainer when it is seen that the plan of action laid down in the Chaguaramas Appraisal (sixteenth session of the Commission, second regional appraisal of the International Development Strategy and establishment of a new international economic order) is aimed almost exclusively at the economic sector.

107. In the document on the priorities, plan of work and institutional machinery of ECLA, prepared by the secretariat for the Commission's sixteenth session (E/CEPAL/995), reference is made to the Commission's responsibilities at the global, regional and country level. At the regional level, it is stated, that secretariat's task is to provide all possible assistance to the less-developed countries in order to improve their economic and social situation, while at the same time assisting all countries to achieve closer intraregional relations. The document adds:

"Part of this work should be centred on contributing new ways of stimulating the existing integration processes. This can undoubtedly be done and thus opens new opportunities for regional co-operation."

Among the priority tasks, the following two broad spheres of action are identified: firstly, contribution to economic and social thinking, and secondly, co-operation in specific areas or fields. Under the heading "contribution to economic and social thinking", reference is made to studies on:

- (a) Development of the situation and economic and social trends in the region; in essentials this is a matter of updating the Economic Survey of Latin America;
- (b) Basic problems of development in Latin America; and
- (c) Problems of the new international economic relations and regional co-operation.

Under the heading "co-operation in specific areas or fields", the following areas of activity are identified:

- (a) Co-operation in international economic relations;
- (b) Industrial co-operation;
- (c) Agricultural co-operation;
- (d) Co-operation in transport and communications;
- (e) Co-operation in technology;
- (f) Co-operation in matters of natural resources, environment and energy; and
- (g) Co-operation in statistics.

The two priority spheres of action selected are undoubtedly very important, and the tasks listed could be of particular significance to the integration process if the desired co-operation was maintained bearing in mind - if not setting as an objective - the integration of the Latin American countries in those spheres of action. Undoubtedly, too, a programme with a greater "social integration" content would have made a great contribution to the fundamental task of reconsidering the

problems and objectives of integration at this juncture in the light of the experience of the past 15 or 20 years. As the SIECA document points out with reference to the Central American process (para. 28) and the UNDP document with reference to the Andean process (para. 38), the need to consider integration in up-to-date terms is becoming more urgent with every day that passes.

108. With reference to the projects which ECLA is executing in Latin America and which may relate to, or involve collaboration with, the integration processes, there is little the Inspector can say. The Joint Inspection Unit has repeatedly recommended that the regional economic commissions should serve increasingly as executing agencies for UNDP-financed projects. This is particularly appropriate in the case of regional or subregional projects, where the store of information and experience accumulated by the economic commissions makes them especially well qualified to execute projects of this type, most of which are or tend to be multidisciplinary. At the time of writing, the Inspector has no information about any integrationist projects for which ECLA is the executing agency. It is however, the executing agency for a United Nations-financed project which may be of great value for the purposes of integration of the Andean countries (project ED/1363, UNDAT-Andean Group).

109. The long-overdue introduction of a new modus operandi at ILPES will enable ECLA to do even more to meet the requirements of a unified approach to development, for it is in the process of development planning that such an approach is needed most. If this approach is accompanied by a trend towards or aptitude for integration, the potential benefit to the peoples and Governments of Latin America will be much greater.

As the Inspector was completing this report, he received the document prepared by the joint ECLA/BCIE mission referred to in paragraph 79. When the Central American Bank for Economic Integration established the Social Development Fund, it sought the technical co-operation of ECLA in setting the Fund to work and in identifying projects. The main task of the joint mission was to visit the subregion, identifying programmes or projects of a social nature which member Governments were considering carrying out in agreement with the national authorities concerned, and which might need the Bank's financial assistance. The mission focused its attention on the following fields of activity:

- (a) Education and occupational training;
- (b) Health and hygiene;
- (c) Social housing;
- (d) Handicrafts, rural aqueducts, small irrigation works, rural roads and other rural development works;
- (e) Other fields of social and economic development in which the Fund has objectives to attain.

The Inspector regards the document prepared by the joint mission as of vital importance both to BCIE and to UNDP.

III. CO-OPERATION AMONG DEVELOPING COUNTRIES

110. In adopting resolutions 2974 (XXVII), 3251 (XXIX) and 3461 (XXX) on technical co-operation among developing countries, ^{6/} the General Assembly has, in the Inspector's opinion, provided the Latin American countries with a valuable instrument for co-operation among themselves, with UNDP support, in attaining the goals set by their economic and social integration plans.

The final report of the Working Group on Technical Co-operation among Developing Countries (DP/69) lists a set of tasks of the highest importance to those countries. Those tasks take on particular significance where the countries concerned have already expressed the desire to achieve integration.

111. The preamble to the above-mentioned document states two main propositions which are vital to the success of the programme and its favourable reception by the countries concerned: first, that all actions of technical co-operation among developing countries "should be in consonance with the basic political, social and economic aspirations of nations"; and second, that development programmes will fail in their essential purpose if they allow extremes of wealth and social injustices to persist.

112. The Working Group also states in its report that the concept of "technical co-operation" should be as broad and flexible as possible (para. 12) and that it should inter alia lead to the promotion and strengthening of economic integration among developing countries and to the promotion of sectors connected with social development (para. 14 (iii) and (ix)).

113. The executing agencies of the United Nations Development Programme and the regional economic commissions must play a "crucial role" in promoting technical co-operation among developing countries. With regard to Latin America, the Inspector considers that it would be highly beneficial for representatives of the agencies of integration to participate in the regional meetings referred to in General Assembly resolution 3461 (XXX), paragraph 7. The UNDP Special Unit proposed in the Working Group's report as a means of co-ordinating such co-operation should also have a direct relationship with the agencies of integration. Programmes of co-operation among developing countries may, by nature, be binational or multinational. In this matter UNDP should combine its efforts with those of the regional economic commissions, which are the best-informed organs of the United Nations with regard to the operational potentialities and needs in the various regions.

^{6/} In addition to the resolutions mentioned, the General Assembly has adopted inter alia resolutions 3177 (XXVIII), 3241 (XXVIII) and 3442 (XXX), which are mainly concerned with economic co-operation among developing countries and which entrust specific tasks to UNCTAD.

IV. CONCLUSIONS

1. UNDP and the United Nations family should concentrate their efforts on the immediate needs of the poorest and most vulnerable sectors of society in order to improve the quality of their lives.

2. The main objective of the processes of economic and social integration is to strengthen national development processes. In these processes, not only the economic component of development but also the social component should be taken into account. The social tensions set up by the impossibility of making even a minimum improvement in living conditions are, in their turn, factors totally adverse to economic growth.

3. It is plain that the Governments of the Latin American countries have until now been interested primarily in the economic aspects of integration, particularly so far as regional integration is concerned. The processes of subregional integration, which used to be on the same lines, are now giving much more attention to social integration. From this standpoint it is vitally important that the agencies of social integration should be institutionally strengthened.

4. The co-operation of the United Nations family and, in particular, of UNDP has run parallel to the process of economic integration and has been of substantial assistance to the agencies of integration, either by facilitating studies and work concerned with strengthening the integration institutions or by providing extrabudgetary aid through experts.

5. It seems to the Inspector a clear necessity that the resources of UNDP and the specialized agencies should be distributed in a more balanced way between the social and the economic components of development.

6. Co-operation in social integration should be designed first of all to assist Governments and the authorities of the executive organs of integration in charting priority courses of action in the interests of as many countries as possible, and then to work with those authorities on programming, for field execution, operative projects which will have the fastest possible social impact. Priority should be given to activities calculated to meet the minimum needs of the population for health, education and work.

7. Since the Governments of the Latin American countries have on various occasions voiced the desire of their peoples to achieve integration - which found its highest expression in the Declaration of the Presidents of America - UNDP and the United Nations family should do their utmost to give their regional and subregional projects a "mandate for integration".

8. In practice it is becoming daily more urgently necessary to relate national development programmes to subregional and regional programmes. It is desirable from every point of view that countries should take a greater part in inter-country programming. There is an important task to be carried out by the agencies of integration which the Governments themselves have established, and by UNDP and ECLA.

9. One of the main contributions of UNDP and the organizations of the United Nations family to the agencies of integration is to pass on the knowledge and experience gained in the course of many years of programming and executing inter-country programmes.

10. With regard to programming, the decision of UNDP to appoint a co-ordinator for the agencies of integration is considered very sound. Such co-ordination will be needed in the economic and the non-economic sectors of integration alike.

11. The decision of the Central American countries to encourage the non-economic aspects of integration, as witness the seminar on social integration recently held by SIECA; the activities carried on by the Andean Group of countries through their permanent bodies responsible for cultural, health and labour integration; and the clear intention and wishes of the Caribbean countries to give prominence to this sector - all these factors open up broad prospects for revitalizing the technical co-operation programmes of the United Nations family, and of UNDP in particular, and for widening their horizons.

12. Such co-operation, which has so far been mainly in the form of "budgetary collaboration", should henceforth lay greater emphasis on assisting the agencies of integration in the execution of operational projects.

13. The increasing importance attached by ECLA to social problems and, in particular, to a unified approach to development is considered a great gain. The Commission's knowledge of the economic and social situation in the region and the subregions and the role it ought to play as an executing agency for inter-country projects indicate that co-operation between ECLA and the agencies of integration needs to grow and to cover all aspects of development.

14. Taking into account the new working relationship between ECLA and ILPES, a reorientation of some of the tasks of ILPES with emphasis on the social aspects of integration could be of great benefit to the Latin American countries.

15. In order to ensure that the co-operation activities of the United Nations family are better co-ordinated, the agencies and the United Nations should publish information on the projects they are executing with funds from their regular budgets or from sources of financing other than UNDP, in a form in which the individual projects can be identified. Information on the "sectors" in which projects are being carried out is not sufficient. It is important to correlate such projects with those being financed by UNDP at both the country and the inter-country level.

16. The large specialized agencies - the ILO, FAO, UNESCO and WHO - have, beyond question, a particularly important task to perform in the process of Latin American integration. Consideration should be given to the question whether it would be possible and desirable to establish within the offices responsible for technical co-operation, as was recently proposed in FAO, some unit to deal with integration problems.

17. As to the task that UNIDO should perform, the Inspector considers that it should try to place greater emphasis on the social problems which any process of industrial growth is bound to raise.

18. The programme of technical co-operation among developing countries can be a very useful instrument for purposes of integration. It is essential that there should be direct ties of co-ordination and co-operation between the programme and the agencies of integration.

V. RECOMMENDATIONS

1. In programming technical co-operation activities in Latin America, UNDP and the other organizations of the United Nations system should bear in mind the desire for integration repeatedly expressed by the Governments of the area in order to give their projects, wherever possible, a "mandate for integration".

2. Such technical co-operation should place growing emphasis, in projects to be approved in the future, on the non-economic aspects of integration, i.e. on social integration.

3. In programming inter-country projects, it is desirable that the United Nations agencies should work in close co-operation with the regional or subregional agencies of integration. The Economic Commission for Latin America should also take part in this task.

4. Co-operation should in the main take the form of operational projects rather than indirect budgetary aid. Such projects should so far as possible be executed by the agencies of integration themselves.

5. One of the essential purposes of the technical co-operation of the United Nations family should be to pass on to the agencies of integration and to countries the experience gained by the organizations of the system in programming and executing inter-country projects.

6. The organizations of the system should pay special attention to the need to provide sufficient backstopping for the various processes of integration in Latin America, either directly from headquarters, from regional offices or from elsewhere, as their regional structure may require.

7. The UNDP programme of technical co-operation among developing countries should be designed to help the countries to attain the objectives they are pursuing through the processes of integration, making use of technical co-operation among themselves.

Annex

TECHNICAL CO-OPERATION BY OAS IN THE PROCESSES OF LATIN AMERICAN INTEGRATION (information supplied directly by the General Secretariat) */

Fiscal harmonization

At the level of the regional agencies of integration, three such agencies received technical support services from the Public Finance Programme of OAS in the 1972-1974 biennium: the Executive Secretariat of LAFTA, the Board of the Cartagena Agreement and the Permanent Secretariat of the General Treaty on Central American Integration (SIECA). The progress made in highly important parts of the integration programmes is revealed by practical measures adopted at the national level which reflect trends in the direction of regional fiscal harmonization.

Under the OAS programmes of activities for the next biennium, 1976-1978, and subsequent years, the Organization proposes to continue co-operating with the Governments of the Member States at the regional level by supplying the regional agencies of integration with direct services of regional action for development, with a view to formulating and implementing programmes of fiscal harmonization within each region.

Such co-operation will be provided through the execution of four projects of regional technical support for the executive secretariats of the four regional agencies of integration. This entails an integral combination of advisory activities and regional training activities, and also the promotion of technical advisory forums through meetings of national officials responsible for formulating and applying fiscal policy or for planning and organizing fiscal administration.

In Central America SIECA has already prepared, in co-operation with OAS, a broad regional plan for the harmonization of inland taxation and Customs duties, which has been built up on the basis of several consensuses reached by the High-Level Committee (CAN) in 1974.

In LAFTA the results achieved through the annual meetings of directors-general of inland taxation and Customs - which are technical meetings - were received with special interest during the Collective Negotiations held in 1974, when it was recommended that the work of fiscal harmonization should continue and that the subject should be examined by the Conference of the Montevideo Treaty.

In the Andean Group, the work programme of the Board provided that the Fiscal Policy Council, the organ instituted by the Cartagena Agreement for planning fiscal harmonization, should be convened for the first time in 1975.

The fourth agency of integration - the Caribbean Community - will need technical support in the near future in order to co-operate in rationalizing and reconciling the tax systems of the four Member States of OAS which belong to the Caribbean Community - Barbados, Grenada, Jamaica, and Trinidad and Tobago - to the extent required by the objectives of regional fiscal harmonization. In view of the scale of operations in the four countries concerned, which have only a small staff of officials at the national level, specialized training is provided through regional instead of national courses.

*/ Translation by the United Nations Secretariat.

The execution of these projects entails expanding the existing technical support missions; the extent of the expansion will certainly depend on the progress made on adopting harmonization agreements and on their scope. In addition specialized training will have to be provided, through regional courses in inland and Customs taxation, for national officials of the 11 countries members of LAFTA, the five countries of the Central American Common Market, the six countries of the Andean Subregional Group and the countries members of the Caribbean Community and Common Market (CARICOM).

Budgeting and planning

The demand for services among the countries members of the system in the field of budgeting and planning, which international organizations, seminars and technical meetings alike regard as a real necessity, is also in evidence in the subregional groups of Latin America.

For the countries members of the Andean Subregional Group (Cartagena Agreement), it has been agreed that specialized seminars on budgeting and planning should be held through the OAS Administration for Development Programme. Two such seminars have already been held, one at Lima in 1973 and one at Santiago in 1974. In addition a programme of annual seminars on Comparative Public Administration has been agreed upon with the English-speaking Caribbean countries Members of OAS and is being carried out (Barbados, 1972; Trinidad and Tobago, 1973; Jamaica, 1974; Barbados, 1975; and possibly Grenada, 1976).

As to the Central American countries, OAS has been co-operating with SIECA for several years and is continuing to provide technical assistance in budgeting and planning.

Capital markets

The new policy of emphasizing technical co-operation based on the formulation and execution of an integral strategy for the development of capital markets has been favourably received by the Member States and by regional agencies.

As part of the overall OAS Capital Markets Programme, provision has been made for co-operation in the formation and development of regional capital markets. With regard to the complexity of demand, experience has shown that requirements vary widely from country to country, and it is therefore particularly important that the services of the Programme should fit into a strategy for capital market development. At the same time the Programme aims to play a part in co-ordinating the efforts of the various international institutions active in this field, both with regard to the technical assistance rendered to every country in the region and with regard to assistance directed towards the integration and development of regional capital markets. Through the Caribbean Development Bank, requests for assistance to four countries - Barbados, Grenada, Jamaica, and Trinidad and Tobago - have already been received.

Since beginning operations the OAS Capital Markets Programme has held, and co-operated through the regional agencies of integration in holding, national courses, round tables and technical meetings.

Transport and communications

OAS has for several years been supplying the Secretariat of LAFTA with direct technical assistance in matters of shipping, and at the same time has been co-operating with ECLA in work in the transport field.

Science and technology

In January 1972 the Inter-American Council for Education, Science and Culture, considering firstly that some less-developed Member States would lack a national science policy, and secondly that in order to achieve genuine Latin American integration it was necessary that OAS should make a substantial effort in the direction of co-operating in national science policy-making, recommended the Secretariat to promote the technical assistance required by Member States in this field. Thus, among the activities of the Scientific and Technological Policy and Planning Programme for the 1974-1976 biennium, provision was made for a subregional project for Central America, with the Central American Technological Research Institute for Industry (ICAITI) as national counterpart agency. The purpose of the project is to inventory the resources of the scientific and technological system at the Central American level.

Education

Through the Regional Programme of Educational Development of the Inter-American Council for Education, Science and Culture, OAS has been rendering assistance in an integrated regional form to the countries parties to the Andrés Bello Agreement, especially in the area of education administration and planning, on such subjects as education costs and education statistics.

Note by the Inspector: For several years the Organization of American States gave firm support to the Inter-American Institute of International Legal Studies, the body referred to in paragraph 71 of the report, which has done highly important work in the field of integration law and institutions. The Inspector regrets that OAS has not continued to support the Institute. The present need to emphasize the social aspects of integration makes it necessary to set about the harmonization of law, a task to which the Institute can make a valuable contribution. The Institute's main publications on integration are the following: Seminar on Legal and Institutional Aspects of Central American Integration (University of Miami, 1964); Instrumentos relativos a la integración europea ["Instruments relating to European economic integration"] (3 vols., 1965); Seminar on Legal and Institutional Aspects of the Latin American Free Trade Association (1965); Meeting on Teaching and Research regarding Legal and Institutional Problems of Latin American Integration (1966); Roundtable on the Integration of Latin America and the Constitutional Question (2 vols., 1967/1968); Problemática jurídica e institucional de la integración de América Latina ["Legal and institutional problems of the integration of Latin America"] (1968); Derecho comunitario Centroamericano ["Central American Community law"] (1968); and Instruments relating to the economic integration of Latin America (2nd edition, 1968).

