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United Nations technical co-operation in Central America
and the Caribbean

Volume I. Central America

Addendum

Comments of the Secretary-General

The Secretary-General has the honour to submit to the Economic and Social Council his comments on the report of the Joint Inspection Unit entitled "United Nations technical co-operation in Central America and the Caribbean: Volume I. Central America" (JIU/REP/84/14).

Annex

COMMENTS OF THE SECRETARY-GENERAL

1. The Secretary-General has reviewed the report of the Joint Inspection Unit (JIU) entitled "United Nations technical co-operation in Central America and the Caribbean: Volume I. Central America" (JIU/REP/84/14) and invited comments on the report from the organizations of the United Nations system. Observations received from those organizations have been taken into account in the preparation of the Secretary-General's comments, which are given below.

I. GENERAL COMMENTS

2. The report of JIU, which was published in September 1984, represents the first of two volumes in which attention is focused on the technical co-operation activities of some of the organizations of the United Nations system in Central America.

3. That comprehensive report, which concentrates on the development of national and regional institutional frameworks for policy formulation, planning and programme management, and on support to population-related activities, shows that the technical co-operation of the United Nations system in Central America has been closely linked to the subregion's specific characteristics and requirements. It is particularly encouraging to note the findings of JIU regarding overall acceptance and appreciation of the United Nations system's support to the development efforts of those countries, as well as to the subregional institutions established by them.

4. The economic and political crisis that the subregion is experiencing has been of particular concern for the United Nations system. In fact, after nearly two decades of overall growth, the countries of the Central American Isthmus (Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama) entered a period of crisis, including severe setbacks in their revenues as a consequence of, inter alia, the decline in world prices of the commodities produced for export, an increase in the prices of imported goods and services, accumulated debt and the high cost of servicing it, as well as a result of deficiencies in the internal structures of the countries. In addition to regional political instability and related social unrest, those countries are facing difficulties in retaining internally generated savings and in mobilizing much needed external resources to maintain - at least at the late 1970s level - their productive capacity and their intraregional and interregional trade. It is noted, for example, that the per capita gross domestic product (GDP) in 1983 (in absolute values of 1982 dollars) was equivalent to that which prevailed in 1973 (Costa Rica), 1962 (El Salvador), 1975 (Guatemala), 1973 (Honduras) and 1965 (Nicaragua).

5. A number of studies have provided a diagnosis of the current situation, and a number of proposals geared to reverse the present regional political instability and the negative growth trends have been examined in several forums and documents. They include the United States National Bipartisan Commission on Central America Report; the Contadora Group recommendations; the efforts of the Inter-American

Development Bank (IDB) (in which the United Nations Development Programme (UNDP) and the Economic Commission for Latin America and the Caribbean (ECLAC) are active participants) in the establishment of the Special Programme for the Economic Development of Central America, whose meetings at Brussels in September 1983 and at Punta del Este, Uruguay, in March 1984 were expected to culminate in the establishment in early 1985 of a formal consultative group; activities of the Latin American Economic System (SELA), through the establishment of the Action Committee for Central America (CADESCA); and, recently, the European Economic Community (EEC), through the meeting of Ministers of Foreign Affairs of member countries of EEC, Spain, Portugal, the Contadora Group and Central American countries, held at San José in September 1984. Those efforts, studies and proposals have in common the need to search for solutions to political problems and to promote and reactivate the development process, including growth, with equity.

6. Several regional action plans have been prepared with the assistance of United Nations agencies and have been submitted to different forums for common action and mobilization of resources to the subregion, including: assistance to the growing refugee population (in co-operation with the Office of the United Nations High Commissioner for Refugees (UNHCR)); education (prepared by the Central American Education Co-ordination Network, with support from the United Nations Educational, Scientific and Cultural Organization (UNESCO)); labour and employment (prepared by the International Labour Organisation (ILO)); and health (prepared with the assistance of the Pan American Health Organization (PAHO)). Much more can still be done. As the JIU report indicates, both the Governments and the United Nations system can and must improve the existing co-ordination mechanisms, improve their monitoring activities so as to avoid duplications and increase their efficiency and effectiveness. The report provides valuable insights and identifies areas where improvement can be achieved. All the agencies involved have taken due note and are implementing the recommendations addressed to their specific area of action.

7. At the request of the countries, United Nations system development support will be intensified and, through the actions of the resident co-ordinators of United Nations system operational activities at the country level, it will further facilitate co-ordination of external assistance to the subregion. Such strategy will contribute to meeting the Governments' urgent development requirements to reactivate their economies and to increase production, while at the same time improving the quality of life of the people. It will also assist the Governments in their efforts to revitalize the integration process and the Common Market, particularly with respect to restoring, at least initially, the traditional intraregional and interregional trade.

8. The United Nations system, through its network of resident co-ordinators and UNDP resident representatives, will spare no efforts to assist the countries, individually and as a group, to meet their growing and diversified development needs.

9. A number of agencies have praised the JIU report as being comprehensive and showing a thorough understanding of the region's particular characteristics and requirements. The substantive comments that follow take into account some of the observations received from several of those agencies.

10. The brief background provided in the introductory section of the report should perhaps have mentioned the Central American Research Institute for Industry (ICAITI), established by an intergovernmental convention in 1956, with headquarters at Guatemala City, as an additional example of highly significant subregional co-operation. It should also be pointed out that since the report in its first volume deals only with a few key development sectors, it is not clear whether other areas, such as, for example, science and technology for development, would be covered in successive volumes. This question is of particular importance in the case of ICAITI, which is a clear example of early subregional activities involving technical co-operation among developing countries.

11. The section on performance and outputs portrays in a very positive light the United Nations Fund for Population Activities (UNFPA)-supported projects in Central America by stating that "mother and child health is a serious problem and a preoccupation of ... the sub-region" (para. 56), and that UNFPA-supported mother-child health and family planning programmes "have attained a good measure of success" (para. 62). To emphasize the results obtained, the Secretary-General would note that projects in population education and communication have been ongoing for a number of years in El Salvador, Honduras and Nicaragua, and that the initial phase of a population education project was recently approved for Guatemala.

12. The JIU report also states that the establishment of population units in Ministries of Planning "are important achievements which will hopefully lead to significant improvements in the evaluation of national development programmes" (para. 84). It should be noted that UNFPA is now supporting projects of this nature in all the Central American countries.

13. In considering the duration of some projects, the Inspectors state that "generally, prolongation of external assistance well beyond its initially projected duration reflects inadequacies in setting priorities, planning and execution and ... has implications on the budget" (para. 26). In this regard, while recognizing that the subject should be closely monitored, the Secretary-General would point out that there are areas, such as mother-child health and family planning which, as the report states "is an area in which, inter alia, a considerably long period has to be allowed before meaningful results and lasting impact can be seen" (para. 80).

14. The Secretary-General fully endorses the report's emphasis that "self-sufficiency in trained manpower is fundamental to the successful and sustained development of these countries" (para. 27). On the subject of training, and to have a better appreciation of the emphasis placed on this project component, all types of training, particularly that which is provided by international advisers to their direct counterparts in the daily management of project activities, should be included. In this manner, the real magnitude of efforts and resources allocated to this critical aspect of development would be far greater than a simple analysis of budgetary lines would be able to reveal.

15. Regarding technical co-operation among developing countries (TCDC), the Secretary-General shares the Inspectors' opinion that "the potential [exists] for transfer of skills and knowledge among the countries of the sub-region as well as

between these and other parts of the world having similar problems or development goals" (para. 87). That potential has already been displayed in the case of TCDC arrangements established between UNFPA-supported projects in Panama and El Salvador, and between El Salvador and Belize. In the search for ways to promote TCDC, it should be noted that UNDP and UNFPA-financed regional activities promote and facilitate the establishment of TCDC arrangements.

II. COMMENTS ON SPECIFIC RECOMMENDATIONS

16. The following specific comments of the Secretary-General on the recommendations of JIU should be read within the context of the foregoing considerations.

Recommendation 1. Programme resources

17. The Secretary-General fully endorses the Inspectors' recommendation to the international community to increase the level of its contributions for programme purposes to the subregion. There is already evidence of the positive response of the international community in this regard in terms of the increased co-financing arrangements that have been established during recent years with a number of donor countries. The Secretary-General hopes that this tendency will continue.

Recommendation 2. Sectoral balance and inter-sectoral linkages

18. While the Secretary-General would agree with the Inspectors' concern for a more balanced distribution between social and economic development, this should not be viewed as an attempt to impose projects on Governments, but rather as a recognition that Governments are the ones which are ultimately responsible for the decision on which projects require external assistance. In this regard, the Secretary-General would point out that UNDP and other United Nations organizations are financing, both at the national and at the subregional levels, a number of projects aimed at the social aspects of development, taking into account the need to establish inter-sectoral linkages and, wherever feasible, the undertaking of joint programmes with other sources of external assistance with a view to avoiding duplication of efforts, hence optimizing the use of scarce resources.

Recommendation 3. Responsibilities for project execution

19. Some of the points raised need to be acted upon directly by the Governments of the subregion. However, the following are some of the actions that the organizations of the United Nations system have been pursuing in Central America to support the Governments in assuming greater responsibilities for the execution of technical co-operation projects:

(a) Increased use is being made of national professionals in UNDP-financed projects;

(b) Various UNDP field offices have assisted the Governments in designing and implementing a more efficient system of dissemination and distribution of

fellowship opportunities offered by the United Nations system, which has led to an increased use of United Nations-funded fellowships;

(c) Greater emphasis has been placed on local training in order to obtain a better return on the scarce resources available through UNDP;

(d) Several UNDP field offices, in co-operation with selected agencies, have designed a system for monitoring the career development of returning trainees.

Recommendation 4. Procurement and utilization of project equipment

20. It should be pointed out that extreme caution is being applied throughout the region to procure the most appropriate equipment for United Nations-implemented projects. Their level of sophistication is determined by the relative development stage that the concerned sector has reached within the country. The corresponding authorities are consulted at all times and no decision for procurement of equipment is taken without their prior approval. UNDP is already taking measures to achieve further improvements in the areas of proper use of project vehicles and their procurement.

Recommendation 5. Mechanism for disseminating project experiences

21. The need for disseminating and sharing experiences gained from project implementation has always been a primary concern for UNDP and other United Nations organizations. The increased use of the TCDC modality in Latin America and the Caribbean proves that this is also a deeply felt need of Governments, and UNDP field offices and co-operating in facilitating this type of co-operation. A special effort was recently made at UNDP headquarters to provide the Governments of Central America with a comprehensive overview of UNDP-financed activities in the area. A copy of the corresponding report has been submitted directly to JIU for information.

III. CONCLUSION

22. The Secretary-General welcomes the report and endorses its conclusions and recommendations, subject to the comments expressed above. The degree of effectiveness and impact of technical co-operation provided by the United Nations system and other multilateral and bilateral organizations on the development process of the countries of the subregion will ultimately depend on the countries' will to institute reforms and implement the appropriate corrective measures, in the context of a true partnership relationship of the concerned parties. For this, a climate of political stability should prevail, accompanied by a greater infusion of external resources of programmes basically aimed at enhancing the countries' capabilities for self-reliance and addressing the most basic needs of their population.
