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THIRD REGIONAL PROGRAMME FOR LATIN AMERICA AND THE CARIBBEAN

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I. TECHNICAL CO-OPERATION, TRENDS, STRATEGIES AND PRIORITIES

A. Current economic trends

1. After three decades of sustained growth and a rapid recovery from the first oil crisis, the region experienced in 1981 a decline in its per capita gross domestic product (GDP) which persisted and grew worse in the two years that followed. In 1985 the GDP increased 2.8 per cent compared to 3.2 per cent for the previous year. At the same time, the per capita income in the region grew 0.5 per cent in 1985, the same rate of increase experienced in 1977. The fact that very few countries showed an increase accounted for the weak economic growth. Excluding the figures for Brazil (which increased by 7 per cent), the increase in GDP was only 0.8 per cent and the per capita product decreased by 1.5 per cent. More importantly, the crisis revealed the vulnerability of the region to external factors and affected the confidence of many countries that had achieved a state of self-sustained growth.

2. Difficulties in the external sector were the principal manifestations of the crisis. In 1985 the terms of trade declined by nearly 3 per cent with a cumulative deterioration for the period 1981-1985 amounting to 16 per cent. With the exception of coffee, bananas, and copper, the prices of the other 15 most important basic products in the region declined appreciably from the 1984 level. These factors notwithstanding, the trade balance of the region showed a surplus for the period 1982-1985 of \$123.1 billion, and a record surplus was achieved in 1984 of close to \$38 billion. The burden of the external debt (\$370 billion) and contraction in capital flows gave rise to a net transfer of \$106 billion from the region of Latin America and the Caribbean for the same period.

3. Although it is estimated that this net negative transfer will be reduced in subsequent years, it does not seem likely, at the present time, that the decline in interest rates and increase in external resources (financing and investments) will modify the nature of the region's financial transactions with the rest of the world. This implies that internal investment will be less than savings. Therefore, capital formation in the foreseeable future will depend on a reduction of the net negative transfer, a higher rate of utilization of installed capacity, and an increase in the product/capital ratio through the efficient allocation of investments derived mainly from internal savings.

4. The type and degree of industrialization, the amount and characteristics of the external debt, the external-trade structure and the nature of the political processes are noticeably different among the countries of the region. However, almost without exception, the application of adjustment policies affects development and, in most cases, is accompanied by social and political unrest due to economic stagnation, a fall in per capita income, inflation, and a diminished availability of public funds to address the most pressing needs. This demonstrates clearly that the region as a whole could only with difficulty service its external debt under present conditions while at the same time maintaining its growth. Thus its present economic structure and its relationship with the rest of the world require fundamental changes; there is therefore broad agreement that the present situation should be termed a structural crisis, rather than a cyclical disturbance.

5. Consequently, the region is faced with two equally important challenges: in the short and medium term, it must seek to manage the external debt, stabilize and reactivate the economy, and initiate a process of structural adjustment that would create the conditions necessary to achieve simultaneously an acceptable level of economic growth and greater social equity. In the long term, it will need to adapt to technological changes and also to changes in comparative advantages in the various countries in order to be able to find new ways of entering the world economy. Both challenges have as their common denominator a series of questions that cannot be answered with existing models of development, which suggests a need to review the parameters. Finally, it is expected that the period 1987-1991 will continue to be one of transition that would involve a high degree of uncertainty and adversity. This would demand from countries an improved decision-making capacity in order to handle the crisis and a greater flexibility in the production apparatus in order to respond to changing scenarios.

B. Regional development strategies

6. In January 1984, top-level representatives of the countries of Latin America and the Caribbean adopted at the Latin American Economic Conference the Declaration of Quito and a Plan of Action. During the conference concerted action was agreed upon to tackle the crisis and to adopt measures to reactivate the economy and deal with the external debt. These and other complementary agreements reached subsequently in other regional and subregional forums provide the overall policy framework for the regional programme.

7. The Declaration of Quito represents the commitment of the region to adopt its own economic, social and political measures and to respond to the main needs of the countries deriving from the international economic situation. Priority is given to addressing the adverse effects of the crisis in the social field and to mobilizing human and material resources in the region in order to strengthen regional co-operation and integration. The region also sees the need for a joint effort by all the national sectors to extend the benefits of the proposed policies to the marginal rural and urban groups so as to ensure their integration into the development process.

8. The Governments reaffirmed the validity of the Quito Plan of Action at the Eleventh Ordinary Meeting of the Latin American Council of the Latin American Economic System (SELA), 1985, and established the following immediate objectives: (a) to recapture the momentum of development; (b) to regain the level of intraregional trade reached between 1979 and 1981; and (c) to reverse the diminishing capital of the region caused by the deterioration in the terms of trade, debt, capital flight and lack of finance. At the twenty-first session of the Economic Commission for Latin America and the Caribbean (ECLAC) (April 1986), the countries agreed on the urgent need to examine in depth alternative strategies, for stabilization and reactivation and to promote structural changes in the countries' production sectors on the basis of emerging technological trends relevant to the situation.

9. The Second Conference of Ministers responsible for the Application of Science and Technology to Development in Latin America and the Caribbean (CASTALAC II, 1985) reiterated the central role of scientific and technological change in overcoming the crisis and in progressing towards integrated development. The package of measures and recommendations provided the framework for a regional strategy and urged the international community to give attention to the specific needs of the countries of the Caribbean and of the Central American Isthmus.

10. Among the various recommendations were the decision to co-operate in the joint execution of research and development projects with a view to pooling resources; recognition of the need to tackle jointly the challenges created by new technologies, scientific progress and human-resources development; closer links between science and technology and production sectors; and, finally, emphasis on the need to confront rural problems with appropriate technology. It is important to note that the Governments dedicated their collective efforts in matters of research and development in seeking solutions to concrete regional programmes.

C. Technical co-operation priorities

11. The third regional programme for Latin America and the Caribbean is the result of a series of consultations between the UNDP Regional Bureau, Governments, agencies of the United Nations system, regional and subregional institutions and groups of experts. The purpose of these consultations was to facilitate the exchange of views on the economic and social challenges facing the region and to formulate a programme of technical co-operation to deal with them.

12. The main contribution of the Regional Bureau for Latin America and the Caribbean in this exercise was the preparation of a document entitled "Bases of the regional programme for Latin America and the Caribbean 1987-1991", which was distributed to all concerned in August 1985. The document contains an analysis of the nature of the economic problems of the countries of the region, the reduction of the growth rate, the burden of external debt, the implications of technological change for development and social problems, particularly in terms of employment and poverty. Based on an assessment of the experience of the third-cycle programme, the document advocated a strategy that would concentrate on the principal problems of the region. In addition, two supplementary documents were prepared, namely, "The Regional Programme 1987-1991: "The Caribbean Community" and "Central America in the UNDP Programme of Technical Co-operation for Latin America and the Caribbean 1987-1991", whose objective was to examine the specific needs of these two subregions in the context of the implementation of the regional programme.

13. The preparation of these documents was facilitated by various meetings of experts covering the different aspects of the programme which were held under the auspices of UNDP in New York as well as in various countries of Latin America and the Caribbean. Consultations were also carried out with ECLAC and SELA, and subregional as well as country-specific missions were undertaken in order to identify priorities. At the request of the Latin American Group (GRULA) in New York, the Regional Bureau held informative meetings on the programming process for the fourth cycle.

14. On the basis of all the above, the document entitled "Framework for the regional programme for Latin America and the Caribbean 1987-1991", was submitted for the consideration of Governments at the Special Meeting for Joint UNDP/ECLAC Consultations held in Mexico City in April 1986. The meeting reviewed the proposed strategy of the programme, the mechanisms for co-ordination and the means of implementation. Its conclusions and recommendations were included in the programme.

15. The Regional Programme has the following three general objectives which the Governments consider areas of priority: (a) to facilitate the eradication of conditions of extreme poverty while promoting social equity and employment generation; (b) to encourage self-reliant economic growth; and (c) to promote technological change. In tackling these objectives, special attention will be given to: (a) the need to revise social strategies in order to ensure greater equity in the distribution of social costs arising from economic adjustment; (b) strengthen government capabilities for policy formulation, implementation and management aimed at alleviating the consequences of the crisis; (c) accelerate scientific and technological advances consistent with production requirements, and (d) promote subregional integration and technical co-operation among developing countries (TCDC) as a strategy for development.

Social strategies to alleviate poverty

16. In 1980, poverty in the region affected 130 million persons, or 35 per cent of the population. The definition for critical poverty developed by UNDP-ECLAC-UNICEF in its 1979 study was used; the cut-off line is determined by calculating a basic nutritional requirement, its cost, and disposable family income. Between 1960 and 1980 the per capita GDP increased by 84 per cent while the incidence of poverty appeared to have been reduced only from 50 per cent to 35 per cent. With a few exceptions, from 1980 average urban unemployment in the region increased significantly and by 1984 exceeded 11 per cent in the majority of countries. The short-term economic measures applied did not lessen the effects of the economic crisis on the lower-income sectors. On the contrary, there was an increase in the number of persons living below the poverty line.

17. As a consequence, an increasing number of Governments in Latin America and the Caribbean recognize the urgency of adopting drastic solutions to the problems of poverty. Although the efforts made to overcome it were insufficient, the region has had creative experiences that can be utilized and built upon with a view to a more integrated treatment of social and economic problems. These initiatives have also generated valuable institutional experience which is reflected in improved inter-institutional co-ordination; improved planning, formulation and management of communal projects; and greater capacity to mobilize funds and develop more stable and institutionalized programmes to promote social development.

18. The Governments would like to draw on these experiences in order gradually to absorb the pockets of poverty and simultaneously strengthen the economy of the countries. To achieve this it will be necessary: (a) to adjust public expenditure and make it compatible with the measures of economic revival that will increase mass consumption; (b) to review the resources invested in the social sectors and, eventually, to redistribute them in order to reach the beneficiaries directly; and

(c) to identify the most serious deficiencies and design sets of policy measures for non-monetary services directed to the sectors of absolute poverty.

19. In order to promote the advancement and participation of women, it will be necessary to strengthen the technical capacity to formulate and implement practical measures aimed directly at the integration of women in economic activity. The development of female human resources to carry out management functions should receive priority attention in some of the projects included in the programme. In the context of rural and communal activities the problems are different and therefore can be addressed in more specific terms. One initial measure would involve, for example, the strengthening of the role of women in the management of small social, agricultural-credit and marketing enterprises. It would permit an increase in the level of productivity and income of the female population, quite apart from the assistance that would normally be directed to the problems of vulnerable social groups.

Strengthening the capacity of public management for self-reliant growth

20. The Governments see the difficulties in the external sector as the determining factor in the current economic stagnation. The strong protectionist tendencies, the increasing importance of the services sector and the virtual rationing of foreign capital, are major obstacles to development. The new round of multilateral trade negotiations to be held by the General Agreement on Tariffs and Trade (GATT) and the consultations that Governments of the region have initiated through the Latin American Integration Association (ALADI) provide important opportunities for increasing the countries' participation in international trade. The preparation for and follow-up of such events require technical co-operation.

21. The countries of the region have formulated and are implementing programmes of structural adjustment, management of the external debt and development financing, some of which are highly innovative. SELA, the Cartagena Group and the Caribbean Community (CARICOM) are the systems through which the Governments identify policy options and harmonize national and regional decisions. UNDP has contributed in different ways to some of these efforts. This growing experience should be used to disseminate information, provide advice and to train additional human resources that could assist the countries in carrying out programmes of stabilization and adjustment.

22. The role played in the past by national planning systems in the government decision-making machinery has been shifted to the government departments responsible for short-term economic policies. This creates a void in the public-administration process which makes it difficult to harmonize short- and long-term policies and prevents proper co-ordination between economic and social policies. This situation calls for a rethinking of planning parameters and the creation of instruments: (a) to respond to the abrupt fluctuations in the principal economic variables and the great uncertainty stemming from imbalances in the world economy; (b) to adapt development models to future requirements; (c) to introduce administrative decentralization and regionalization; (d) to direct the participation of the private sector and other factors in development; and (e) to improve efficiency in the administration of social sectors. Drawing on the vast

experience accumulated in the region and on the techniques employed in countries outside it, new ways of increasing the effectiveness of planning can be found.

23. Before they can tackle their socio-economic problems and consolidate their democratic institutions, the countries of the region must improve both their political and technical skills in the formulation and management of public policies. International technical co-operation can help improve the mechanisms of public administration in order to select strategic sectors for which modernization and allocation of resources are important for economic recovery. It can also help improve the international competitiveness of production, mobilize business sectors and increase the gross national product.

24. To achieve this, technical co-operation is required in the following areas: (a) provision of training to improve the efficiency of public management designed to meet the special needs of the Caribbean and Central America; (b) project planning for investment management and the exports promotion; (c) strengthening of management procedures and their links with economic and social planning; (d) implementation of activities to promote key economic sectors within the framework of subregional integration.

Scientific and technological advancement

25. Many of the countries of the region are studying carefully the changes taking place in the technological-industrial model prevailing in the industrialized countries and the resulting social transformations. During the period of transition, a new production structure is emerging at the international level that will require corresponding adjustments in the countries of the region. These phenomena will help to increase the technological gap in three ways: first, between modern and traditional strata of the national economies; secondly, between centres of research and productive sectors; and thirdly, between the developing and the industrialized countries.

26. With regard to this priority, available technology and technological innovation must be made accessible in the rural settlements in order to contribute to the rational use of natural resources, promote agricultural and agro-industrial production, and improve the living conditions of the rural population. The Caribbean countries view with concern the increase in agricultural imports. It is therefore necessary to improve the identification and formulation of agricultural projects by regional institutions such as the Caribbean Development Bank (CDB) and the Caribbean Food Corporation (CFC), with a view to increasing the flow of financial resources for food production and helping to expand commercial agriculture by small farmers.

27. In the majority of the countries of the region technological requirements of the productive sector have been geared towards research in the development of processes and products. To the extent that the countries try to increase their technological options, the demand is focused on applied research, which also generates the need for basic research. For this reason, technological research and development must be linked with the entrepreneurial sectors. Subregional and regional co-operation and integration can play a decisive role in broadening these

efforts, thus complementing the technical infrastructure and human resources available in the region. The selection, negotiation, acquisition, transfer and installation of technology and the inclusion of technological considerations in evaluations of production activities constitute the basic requirements of technical co-operation.

28. Progress in advanced technology, selection of technological options, negotiation of technological packages, adaptation of production to market changes, satisfaction of social demands and efficient use of natural resources will require improvement in the planning, management and financing of research and development. Since the countries of the region cannot compete internationally on all fronts, it is proposed that their efforts be concentrated on certain specific areas. Biotechnology, data-processing, microelectronics, the re-evaluation of natural resources (prospecting based on remote-sensing techniques) constitute priorities for the region.

Subregional integration as a development strategy

29. Strengthening of subregional economic integration constitutes the basis for promoting wider regional co-operation. The documents "The regional programme 1987-1991: the Caribbean Community", as endorsed by the twenty-eighth session of the CARICOM Council of Ministers, and "Central America in the UNDP regional technical assistance programme for Latin America and the Caribbean: 1987-1991" provide the frame of reference for determining subregional needs in the formulation and implementation of projects.

30. The development process in the Caribbean will be determined essentially by the parameters of structural adjustment. It is therefore vital to reinforce CARICOM's institutional machinery so that it can carry out its regulatory and supervisory functions more efficiently, particularly in critical areas such as the integration of industrial and agricultural production and trade. The promotion of functional co-operation under the Treaty of Chaguaramas and assistance to subregional institutions constitute important elements for counteracting the effects of the crisis.

31. In the countries of the Caribbean tourism is of such vital importance that they must increase demand, ensure competitiveness, combat the factors of pollution and erosion, and examine the impact of the use of drugs on the local society. Also, water resources management, mobilization of the private sector, marine resources and needs in the area of science and technology must be adapted to the particular circumstances of island developing countries. Finally, the increasing process of urbanization with high-density populations and the scarcity of land have caused serious sewage-disposal difficulties, which must be resolved.

32. The general characteristics of the Central American crisis are typical of the entire region. Faced with the prevailing economic situation, the subregion has become increasingly vulnerable to external economic, political and cultural factors.

33. The general strategy for the regional programme adopted in Mexico is applicable to Central America. However, it should be emphasized that technical co-operation in Central America must be more closely linked to economic and social integration before the crisis can be overcome. For this reason, it is necessary to concentrate on concrete projects geared to promoting subregional co-operation; emphasize activities for the alleviation of extreme poverty; rebuild the economic viability of the countries; begin to narrow the technological gaps in the rural sectors; stimulate industrial reconversion; and assist in the promotion of consulting firms which can provide advice and technological services in the subregion.

34. In order to solve their structural problems, the countries of the Andean Group must agree to adopt political undertakings in terms of the integration process. Until such time as there is a new mandate, UNDP is expected to co-operate with the Board of Cartagena Agreement (JUNAC) in the areas of foreign trade and in assistance programmes for the relatively lesser developed countries of the subregion, and contribute to the research and follow-up of the phenomenon caused by the El Niño current, whose social and economic effects endanger the countries of the South Eastern Pacific.

35. TCDC has been the most important tool of the region for strengthening relations and facilitating other forms of co-operation. On the basis of these principles, during the present cycle it is proposed to increase TCDC components in all activities to the extent possible. Regional and subregional institutions and national centres of excellence will be used in the implementation of the programme, which will contribute to an improved integration in the areas of policy and technology and which will also optimize the use of IPF resources.

D. Co-ordination arrangements for technical co-operation

36. The Caribbean Group for Co-operation in Economic Development (CGCED) was established in 1977 to mobilize resources to assist the efforts of the countries of the Caribbean and ensure greater co-ordination among the various donors. It operates under the auspices of the World Bank, IMF, Caribbean Development Bank (CDB), IDB, Organization of American States (OAS) and UNDP. This arrangement, unique in the region, constitutes a successful co-ordination mechanism for technical assistance at national and subregional levels.

37. The countries of Central America still do not have a permanent, institutionalized forum for technical and financial co-ordination and consultation. The Interinstitutional Commission which unites the subregional organizations of integration has fulfilled the purpose of determining priorities and promoting the participation of the organizations in the activities of the regional programmes. These will be confirmed by the Governments of the subregion during the implementation of the programme.

38. The participation of technical and financial organizations in the programming exercise made it possible to identify forms of co-operation, complementarity and co-ordination of activities. To expand the mechanisms of co-ordination and

complementarity during the formulation of projects, links will be promoted with interregional, regional and national activities; cost-sharing will be determined and activities will be promoted to mobilize additional resources from participating Governments and donors.

39. In order to avoid duplication and ensure an efficient utilization of available resources, co-ordination with the regional and subregional institutions is being undertaken at the initial stage of project formulation. As an illustration we have the agreements reached among ALADI, CARICOM, ECLAC, JUNAC, SELA, and UNCTAD in the trade sector. Other ad hoc co-ordination mechanisms include: meetings of project co-ordinators, government expert groups and inter-agency steering committees.

40. During the joint meeting in Mexico, agreement was reached on modalities and forms of effective participation of Governments in the management of the regional programme. It was agreed, among other things, that the designated focal point in each country should be utilized as the principal channel of communication at all stages of the project cycle and that participation of the countries should be strengthened through institutional commitments and with contribution of resources. These measures, which were adopted by the Governments of the region, will also help to strengthen mechanisms for co-ordination between national programmes and regional policies.

II. THE REGIONAL PROGRAMME

A. Assessment of previous programme

41. The regional programme for the third cycle was conceived within the goals of the regional action programme for Latin America and the Caribbean in the 1980s, adopted by the ECLAC member countries. It was formulated with the goal of promoting the process of regional development and aimed at establishing links between regional and international activities. The development objectives of the programme during the period 1982-1986 addressed the region's priority needs as regards training of human resources, strengthening its scientific and technological capability, as well as promotion of integration and technical co-operation among developing countries (TCDC).

42. The programme was implemented with the participation of the UNDP offices of the countries where the regional projects are located (Principal Resident Representative). The Regional Programme Division initiated a process of improvement of the system of information and control of projects. An examination of the progress made during the first half of the cycle constituted a basis for the evaluation of the programme. Basic information and the profiles of all regional projects (printed as data sheets) were distributed to all the countries. In September 1985, a document reflecting the results of the evaluation and analysis of the third cycle programme was prepared.

43. It is also important to point out that by mid-1985 19 formal project evaluations were carried out, representing 15 per cent of all projects. The budget for these projects represents 57 per cent of the resources approved for the five-year period. Obviously, this is an important sample.

44. At the time of the formulation of the programme, the regional IPF was \$76.5 million. The reduction of resources to an amount of \$37.5 million actually available for its execution, limited its capacity for adaptation to the needs resulting from the social and economic crisis being experienced by the countries of the region. Cost-sharing centred mainly on specific projects: Assistance for the preparation of agricultural and rural development projects in Central America and Panama (RUTA) (RLA/79/008); Caribbean Project Development Facility (RLA/81/010); and Inter-Agency Resident Mission (RLA/82/004). The sum involved was \$8.3 million, or 23 per cent of the IPF. However, this amount, although less than was hoped for, does not reflect the total resources obtained through co-financing. Indeed, in some projects, additional resources mobilized are not reflected as cost-sharing. They include PROCADES (RLA/77/006), Education and training of auxiliary health personnel in the Caribbean (RLA/79/054), Industrial property (RLA/82/018), Cultural heritage (RLA/83/002), and the Research Programme for International Economic Relations (RIAL) (RLA/80/019).

45. The main characteristic of the programme was its broad coverage of objectives and sectors. During the period 1982-1986, 131 projects were executed. This ensured a strong presence of UNDP in many different aspects of regional development and enabled it to play a catalytic role by providing critical inputs for important projects; but, at the same time, the absence of links between the projects resulted in dispersal. For this reason, during the fourth cycle the convergence of objectives and the co-ordination of projects at the time of their formulation should be ensured.

46. Within the CARICOM framework, projects were implemented with a high degree of effectiveness in subregional economic integration activities. Sixty seven per cent of the programme resources employed in the subregion were devoted to public policy and development planning. The major emphasis was placed on improving the capacity to administer integration projects, such as that providing institutional support for the CARICOM secretariat (RLA/79/010), which laid the basis for the adoption of the structural adjustment programme. In the formulation and management of public policies, a predominant role was played by the Inter-Agency Resident Mission (RLA/82/004), and the Centre for Development Administration (CARICAD) (RLA/84/004), which contributed to the strengthening of the management capability of the Governments. CARICAD provided training for 42 middle-level managers from the seven countries of the Eastern Caribbean and Barbados, prepared case studies, for example, that on administration reform in Belize and organized workshops based on studies in priority areas such as (a) Innovative approaches to government (CARICOM/USAID/CARICAD/UWI/Government of St. Vincent and the Grenadines) (1983); (b) Educational management workshop (USAID primary education project, St. Lucia) (1983); (c) Development and application of agricultural management in national farms - training of trainers (Dominica) (1984); (d) International workshop - general management of health and health administrative sciences (CARICAD/Ministry of Health of St. Lucia) (1984). In activities for the improvement of senior-level management experience has shown the need to adopt a more structured focus and to ensure greater continuity.

47. In Central America, the Institute of Public Administration (ICAP) (RLA/79/017 and RLA/84/005) assisted the Governments in human resources training, research,

information and dissemination of public administration technique, while the Latin American Institute for Economic and Social Planning (ILPES) (RLA/81/013) concentrated its efforts in the subregion with activities geared towards strengthening planning and providing advice on policy formulation. Moreover, activities were undertaken to bolster investment in the rural development sector, RUTA (RLA/79/008). Of the 28 projects prepared, at a total cost of \$730 million, 10 (costing \$250 million) are ongoing. Assistance was given to the Central American Bank for Economic Integration (CABEI) in resource mobilization for projects dealing with social development (RLA/83/027) and financial strategy (RLA/83/019).

48. The Latin American Integration Association (ALADI) (RLA/82/026), the Andean Group (RLA/76/007), the Latin American Economic System (SELA) (RLA/79/016 and RLA/84/002) benefited from institutional and administrative support projects which assisted the secretariats in carrying out studies and in the preparation of work programmes. This emphasis on activities of critical importance to regional institutions is important for their efficient operation. However, if such projects are to attain their ultimate objective, they will have to be designed to achieve advances in the areas of regional integration, co-operation, co-ordination and consensus.

49. The project on biological sciences (RLA/78/024) established an efficient Latin American network of co-operation for organizing 186 national and regional specialization courses in which 2,900 people participated; 456 researchers received advanced training; 153 research projects were carried out and resulted in 236 original articles published in international magazines; and various universities co-ordinated their post-graduate curricula. The success which the scientists have had with this project should be carefully examined with a view to applying the most relevant lessons to other areas.

50. One of the pillars of regional development is the capital goods industry. The project (RLA/77/015) led to the creation of the Latin American Association for Capital Goods Industrialists (ALABIC). This made it possible for the entrepreneurs and the technical experts of the project to examine common problems and to create the basis for effective co-operation which is reflected in recent agreement among the countries in this sector. These activities enlarged the participation of the private sector in the UNDP regional programme.

B. New regional programme proposal

51. The regional programme is designed to promote and support integration at the political, economic and social levels, while taking into consideration regional and subregional characteristics and achieving the programme objectives stated in paragraph 15. Utilizing regional capacities, activities will be carried out aimed at strengthening public sector management, widening the productive base and assisting with institutional development and training of human resources in terms of various actions (universities, women, private sector, trade unions, grass-root organizations, and others) in the development of the region. In this context, the promotion of subregional economic integration and TCDC - as a strategy of

development - constitute the central purposes of the programme. Additionally, a limited number of projects that support the strategic objectives mentioned above are envisaged. Given the importance of integrating women into development, the programme will stress the formulation and execution of projects clearly aimed at benefiting women. This emphasis will be reflected especially in projects concerned with critical poverty since, in most countries, women suffer the most from its consequences.

Critical poverty, equity and employment

52. Two principal lines of action are envisaged in support of this objective. The first is to support national efforts at subregional and regional levels, to strengthen the capacity of the State to formulate and, principally, to implement policies which would help to eradicate extreme poverty and increase the efficiency of the social sectors. The second line of action is aimed at providing assistance for the implementation of national projects concerned with critical poverty, integrating social, economic and cultural factors.

Ongoing and proposed projects

53. In 1986 the design for an inter-agency project was initiated. It sets out various activities aimed at integrated treatment of the causes and effects of poverty. Two functional components are envisaged in this project. The first is national. Its aim is to co-operate with Governments which need assistance in formulating and implementing specific priority-oriented programmes and in the analysis of the relationship between economic and social policies. Measures will be promoted to provide objective social services and to carry out activities geared to social development, which benefit directly the most needy groups. To carry out these tasks, national working groups will identify governmental and non-governmental institutions that will co-operate in the planning and execution of such projects. The second component is regional and will have the following aims: (a) to measure and monitor the evolution of situations of extreme poverty in the region and issue a periodic report and, for this purpose, to compile statistics and elaborate the most effective indicators of social change; (b) to compile information on the experiences in the implementation of social programmes and promote exchange of information on them among countries; (c) to co-ordinate other projects relevant to the implementation of programmes of critical poverty.

54. The research conducted by the Regional Employment Programme for Latin America and the Caribbean (PREALC) on labour markets in Latin America has indicated that underemployment is concentrated primarily in the informal urban sector and that, in the short term, this sector will continue to absorb a significant proportion of the urban labour force. Consequently, the aim is to reallocate public funds to subcontracts with enterprises producing goods for the urban sector; to implement a credit evaluation programme for the informal urban sector; and to analyse the effect of public intervention on the costs and benefits of informal enterprises.

55. The adjustment of income among social sectors is a means of executing public policies aimed at social stability, increased employment, and export competitiveness. On the basis of work previously carried out (Latin American

Social Science Council) (CLACSO), RLA/78/004 and Income policies, RLA/85/016, it is expected that training activities will be carried out specifically designed for trade unions, entrepreneurs, and government employees.

56. The countries of the region have adjusted to the economic crisis through a drastic reduction in aggregate demand which, at the same time, has caused disproportionate harm to the lower income groups. In order to contribute to a more self-reliant and equitable style of growth, investments for the production of basic consumer goods will be identified through productive units based on a production-consumption chain. With these integrated productive systems, a simultaneous attack can be launched on the problems of poverty, self-reliant growth and technological development, through a greater supply of goods, a more equitable distribution of added value than the economic mean, and the development of technologies more suitable to existing resources.

57. The underutilization of the labour force in Central America is greater than in the majority of countries in the region. For this reason, special measures will be required to ensure that the activities undertaken at the regional level have a broader coverage or that they address the specific problems of the subregion. Activities are envisaged in income and employment generation in areas of extreme poverty which receive food assistance provided by the World Food Programme (WFP), jointly with integration and development of co-operatives for training producers in the subregion in management techniques, and to create financing mechanisms to provide technical assistance for production activities. These activities will be supported by a subregional component of PREALC, with the main objective of assisting Governments in the formulation of policies and in the evaluation of job-creation programmes.

58. National projects of a sectoral character, which, duly co-ordinated, will contribute to an integral treatment of situations of poverty, will be favoured. To ensure an adequate supply of drinking water and low-cost sanitation in rural and marginal urban populations trained human resources are required to formulate and implement projects. There exist in the region, as well as outside it, experience and low-cost technology whose utilization are limited to certain geographical areas. The project, to be executed by the World Bank and the Panamerican Health Organization (PAHO), will be responsible for disseminating this information, utilizing available teaching materials. Training will be given to government employees, professionals and other participants responsible for national drinking-water and sanitation projects, thus promoting the adaptation and development of new technologies.

59. Urbanization, which is the most important social transformation of this century, assumes a particularly explosive form in Latin America and the Caribbean. In 1980, of the total population (400 million), two thirds lived in cities. Given existing trends, it is estimated that in the year 2000 the population of the region will increase to 625 million inhabitants, three quarters of whom will live in cities and two thirds below the poverty line. The financial implications of this increase has led many Governments to seek technical assistance to formulate policies, strategies and investment programmes to improve municipal management and to promote economic growth and the development of the urban sector.

60. In Central America, it is proposed to widen the coverage of health services and improve the quality of social services. To carry out this task, human resources at the management level will need to be strengthened. The functioning of an administrative system for the management of health resources based on modern systems of financial management is also indispensable. PAHO and ICAP, with assistance from UNDP will co-operate with the Governments of the subregion in developing training activities and establishing programmes of co-operation through the integration of efforts and resources of the Central American countries.

61. In the area of education, the challenge faced by Central America is to offer the type of instruction which specifically emphasizes the reduction of poverty; to give it to the most disadvantaged groups; to strengthen and enrich education with cultural values and training received in the home; and to permit a creative and participatory education process which stimulates initiative and critical analysis on the part of students. For this purpose, plans are envisaged to strengthen rural education with the relevant interdisciplinary elements; to train and update rural teachers and equip them to perform their socio-educational function; to improve the quality and efficiency of the teaching-learning processes; to promote a system of training and overall modernization of the rural economy, which will have a direct and immediate impact, taking advantage of the programmes, experiences and human resources available in the subregion; and to utilize quick-delivery operational mechanisms. Regional activities will be linked with country projects and made consistent with the objectives of the Principal Project in Education approved by the member countries of UNESCO.

Linkages

62. The focus given to these activities is intended to ensure participation of the Governments in their implementation, through the utilization of capacities available in the region and appropriate co-ordination of regional and national activities. Moreover, the inter-agency project, Critical poverty (RLA/86/004), is designed to link the various projects with the objectives of the programme and to strengthen co-ordination of the international systems of co-operation, including investment activities. The country programmes for Argentina, Bolivia, Brazil, Guatemala, Jamaica and Peru, among others, have defined objectives to deal specifically with problems of critical poverty.

63. ECLAC provides a link between activities of the regional programme and the decisions of the Governments in matters pertaining to social policies and, with its technical knowledge contributes to the strengthening of UNDP's efforts. In the area of employment, this role is played by ILO/PREALC, whose work in the region ensures an effective focus on the prevailing problems. Activities in the area of health are part of the programme, Health for peace in Central America and Panama, prepared with the co-operation of WHO.

64. The project, Information and training for water supply and low-cost sanitation (INT/82/002), executed by the World Bank, will contribute to the Latin American network system, with PAHO providing regional experience in this area. As regards urban development, the experience of CLACSO's Committee for Urban and Regional Development (RLA/78/004) will be combined with that of the World Bank to strengthen national activities through the adoption of a regional focus.

Programmed reserve

65. It is estimated that the UNDP contribution for the above-mentioned activities will be \$9.1 million, leaving a programmed reserve of \$2 million for projects, the preparation of which will depend on the results obtained from the activities envisaged, the completion of the steps projected or the course of events.

Self-sustaining growth

66. Governments of the region have assigned priority to the objective of boosting development and ensuring patterns of self-sustaining growth. To this end, they propose to study, analyse and implement strategies aimed at increasing present growth rates, achieving greater autonomy in their economies and promoting regional and subregional co-operation and integration. In formulating working hypotheses and proposals, special consideration is being given to variables related to savings, internal and external investment, international trade, incorporation in the world economy and technological and productive patterns.

67. To assist with this objective, UNDP will co-operate by providing inputs for the planning and co-ordination of regional policies aimed at promoting more effective participation in international economic co-operation. In this context, it is proposed to promote measures designed to increase the benefits derived from the exchange of goods and services, foreign investment, financing and the transfer of technology, placing emphasis on the mechanisms of subregional integration.

68. UNDP will also collaborate with the Governments in their efforts to improve public sector management in order to: (a) formulate and implement policies of structural adjustment; (b) create a more favourable environment for the participation of different social sectors in the economy; (c) rationalize and articulate decision-making processes; (d) perfect mechanisms for political mediation among different national groups; (e) update and adapt planning methods and policy formulation and co-ordination.

Ongoing and proposed projects

69. During the fourth cycle it is proposed to initiate a second phase of the External sector project (RLA/82/012) to co-operate in the promotion and expansion of international trade and to reinforce the co-ordination of the external economic policies of Latin America and the Caribbean. To this end assistance will be provided to the Governments, and regional and subregional organizations in their preparation to participate in multilateral, regional and subregional negotiations. The substantive priority themes are: (a) the external debt and financing; (b) commodities; (c) manufactures; (d) technology and services.

70. Complementing these activities, UNDP in conjunction with SELA, will support the harmonization and co-ordination of policies in the external sector and will contribute to the promotion of regional co-operation in very specific areas. This will strengthen the capacity of the countries for negotiating in international forums, promote regional and subregional commercialization of manufactures, and stimulate co-operation activities between public and private enterprise for the

establishment of joint business ventures, complementary production agreements and trading in the industrial sector.

71. The increase of intraregional trade is seen, in the short term, as a suitable mechanism to lessen the effects of the serious lack of liquidity in the region and, in the longer term, as the most effective instrument to contribute to a lessening of its vulnerability and to strengthen integration. The member countries of ALADI agreed in 1986 on the bases for initiating a round of regional negotiations. The tasks entrusted to the project being executed by ALADI are summarized as follows: (a) alternative forms of negotiations for pairs and groups of countries; (b) preliminary studies of complementarity for the expansion of trading opportunities among member countries; (c) elements for bilateral or multilateral negotiations between member countries of ALADI and the rest of the region; (d) proposals to facilitate the adoption of decisions relating to the integration strategy; (e) options to lessen the disequilibrium of regional trade; (f) complementarity models between the comparatively less developed countries and other countries, with emphasis on neighbouring economies; (g) bases for negotiation in the areas of greatest potential for co-operation in the services sector.

72. Assistance to CARICOM will strengthen the technical capacity of the secretariat to promote activities in support of economic integration and of the TCDC programme of the more developed countries in relation to the less developed countries of the Community. In the area of foreign trade, the CARICOM secretariat as well as the countries of the subregion will receive assistance for the development of a system which will provide trade information specific to groups of products and marketing opportunities. Training will also be provided in order to enable entrepreneurs to establish private enterprises for the new market opportunities. Similar activities will be undertaken in the rest of the region. These models have the merit of linking the users of the systems with international centres of commerce.

73. The increasing role of foreign ministries in international economic relations makes it necessary to strengthen their capacity to carry out these emerging responsibilities. In this context, UNDP has been requested to provide assistance: (a) to strengthen the capacity to analyse international policies; (b) to facilitate training in negotiating techniques; (c) to co-operate in the establishment of modern information systems; (d) to facilitate systematic research activities in support of international economic diplomacy.

74. During the twenty-first session of ECLAC the Governments recommended an examination of the feasibility of designing economic policies that are compatible with economic growth, a reasonable level of equilibrium in the external sector and moderate increase in internal prices. This task coincides with the objectives of the regional programme. To this end, it is proposed to combine the resources of ECLAC, the Governments and UNDP to: (a) identify, analyse and evaluate more effective policies of adjustment and stabilization, at a minimum cost in terms of employment, remuneration and other social aspects; (b) disseminate the results and facilitate the exchange of information and analytical interpretations; (c) analyse the role that can be played by external financing; (d) define the characteristics of internal financing systems, particularly in terms of savings; (e) assess the

evolution of the external debt and the process of adjustment; (f) follow-up on the process of financial integration in the region; (g) contribute to the design and formulation of economic programmes; (h) adapt the institutional framework required for the implementation of adjustment policies.

75. Treatment of the economic and fiscal policies of the members of the Organization of Eastern Caribbean States (OECS) will be undertaken by means of technical assistance activities geared to the improvement of economic management and to the elaboration of proposals for legislative reforms designed to increase fiscal resources and stimulate internal savings.

76. The project, Social sciences and crisis (RLA/86/001), addresses the relations between the State, society and the economy from a long-range perspective in a sociological context. This will contribute to the analytical knowledge of the aspects most relevant to the modernization of the State; to the formulation of guidelines for decentralization and for more active participation by the private sector and other social groups; and to an examination of the potential for innovation in economic and socio-cultural policies.

77. Training of human resources to improve public-sector management is a priority activity. The region depends on three institutions with experience in this field: they are the Latin American Centre for Development Administration (CLAD), ICAP and the Caribbean Centre for Development Administration (CARICAD) which cover respectively, South America, Central America and the Caribbean. Under the programme it is intended to utilize this experience to train high-level public officials in order to improve the general capacity to formulate and implement priority social programmes and to contribute proposals and technical co-ordination and administrative decentralization.

78. The complex nature of the economic and social phenomena requires an increased role for planning systems in order to respond more effectively to conditions of uncertainty and to the influence of external factors in the national decision-making process. ILPES is expected to execute the project, which will be linked to the efforts of the countries to revise and modernize their planning methodologies and their policy co-ordination. The project is also designed to promote the exchange of experience among the countries of the region, with a view to updating the technical knowledge of planners and to contribute to the process of political, economic and administrative decentralization.

79. The project, Caribbean Project Development Facility (RLA/81/010), jointly sponsored by UNDP, USAID, IDB, the Canadian International Development Agency (CIDA) and the Netherlands Government, has proved to be a suitable mechanism for mobilizing resources for project formulation and for ensuring the continuation of these activities in the programme. At the sectoral level, the need to co-operate in the formulation of agricultural projects has been identified. The project to be carried out in this field is designed to select and prepare agricultural development projects for financing by the Caribbean Development Bank. A project to facilitate investments in Central America will also be developed. These initiatives will facilitate the identification and formulation of investment projects in various sectors, for submission to financial institutions.

80. A planning project will assist Caribbean Governments in the preparation of plans and programmes which will help to determine needs in this area and ensure the methodical training and development of human resources needed to support development activities in the subregion.

81. In order to support the activities contemplated in this area systems of information, organization and management must be strengthened. For this purpose, three computer systems will be installed in the region, together with the methodology to design, create and maintain "meta-data". This system is the result of a joint effort of the European Statistical Offices, co-ordinated by the Commission of the European Economic Community, with UNDP assistance. The project will also aim at correcting deficiencies resulting from the lack of feedback for national decision-making. To strengthen the capacity for the design and implementation of the systems, it is proposed to provide technical assistance and training of human resources.

Linkages

82. The projects in this sector are linked through consultations and joint activities designed to optimize results and harmonize policies among the different institutions involved. The new phase of the External sector project (RLA/82/012) will serve as a major vehicle for this purpose; it will ensure the co-ordination of activities with UNCTAD, ECLAC, SELA, ALADI, CARICOM, SIECA and JUNAC in the region. The activities related to the promotion of foreign trade will be integrated into a network with services established in interregional projects in the area of trade and economic co-operation (MNS/INT/84/008).

83. The activities dealing with structural and financial adjustment are co-ordinated with the Cartagena Group, SELA and ECLAC, which serves as the executing agency. As the project progresses, technical meetings will be held with financial organizations to conduct a joint examination of its results. Meetings envisaged between project personnel will exchange inputs for these activities and those related to the external sector, international economic relations and planning. This will ensure the consolidation of links between national and regional activities aimed at supporting economic and social policies and improving public sector institutions.

84. It is planned to establish a closer link between projects for the training of human resources in public administration and public sector management so as to ensure a wider exchange of experience between the subregions, where these are operational. It is considered important to pursue joint training activities among these projects and the project executed by ILPES, with a view to consolidating the links between the planning stages and the execution of policy.

Programmed reserve

85. The estimated cost of the projects identified is \$12.9 million and \$1.9 million are reserved for activities which will be defined subsequently in the light of events.

Scientific and technological advancement

86. The region has skilled workers and an adequate infrastructure which provide the basis for the development of science and technology. However, there are also limitations which need to be overcome through collaborative research and development rooted in national scientific and technological policies.

87. To contribute to this regional objective, projects will be designed to: (a) provide access to technological innovation and assist in developing research aimed at improving the living conditions of the marginal rural groups; (b) assist in co-ordinating the scientific and technological infrastructure with production in the goods and services sectors; (c) stimulate the generation of bilateral and multinational applied research projects to stimulate integration; (d) strengthen the region's capacity to seize the opportunities offered by the new technologies, especially biotechnology and micro-electronics, and its capacity to reassess the potential of natural resources.

88. Food security is a priority objective in the region as a whole but it takes on a special dimension in Central America. Agricultural technology has been aimed mainly at the capital-intensive modern sectors. The objective is to take advantage of innovative technological experience for the benefit of the traditional sectors and to disseminate it through agriculture extension systems in the subregion. Drawing on these experiences, co-operation in development of applied research, in beans, maize, sorghum, rice, potatoes, animal products and others, will be pursued, utilizing the international agricultural research centres. The experience of the Nutrition Institute for Central America and Panama (INCAP) will be utilized to promote low-cost production of food with appropriate technology.

89. Timber and other low-cost materials available locally can be used in rural areas to reduce construction costs of bridges, housing and social structures (schools, primary health centres, etc.). The necessary technology is available but it must be disseminated; prefabricated models must be mass-produced; construction regulations must be standardized; and technicians and construction workers must be trained. The project will be initially implemented in Central America.

90. The substitution of artificial sweeteners for sugar has posed a threat to the economies of many countries in the region which depend on this commodity. The dilemma which they face is whether to eliminate sugar cane production, with all its economic and social consequences, or to find alternative uses, processes and products that would make sugar production viable. The project is designed to deal comprehensively with the problem, utilizing the technical capacity and experience existing in the region in order to reduce the cost of sugar production, to exchange experience in the alternative uses of cane sugar (paper, fuel, alcohol, sucro-chemical products, etc.) in order to promote technological innovation and stimulate the generation of complementary projects between sugar factories and contribute to the development and specialization of human resources.

91. Capital goods production is correlated with technological progress. Capital goods imports in Latin America are valued at \$20 billion annually. The decrease in the participation of regional enterprises in this market increases the idle

capacity of industry. It is proposed to focus co-operation within this industry in the following areas: (a) assisting industries to project intraregional short- and long-term demand for capital goods; (b) supporting them technically in the area of management to solve the problem of financing their sales; (c) increasing the negotiating capacity of regional firms to deal with transnational corporations and their subsidiaries; (d) co-operating in the organization of enterprises as consortia so as to increase their technological capacity and their qualitative and quantitative participation in the market. Two projects will provide assistance for this purpose. The project to assist the Latin American Energy Co-operation Programme (PLACE) (RLA/82/011), in its final phase, will identify demand for capital goods in the energy sector and a new project will be based on the results obtained from the capital goods project (RLA/79/015). They will be executed by the Latin American Association of Capital Goods (ALABIC), the participating Governments and ECLAC.

92. In Latin America and the Caribbean, information technology can do much to raise productivity and international competitiveness, thus exercising a decisive role in reactivating the economy. The project contributes simultaneously to the process of establishing economic sub-systems and increasing the efficiency of those already in existence. Two main lines of action are envisaged. One will be to provide inputs for the formulation and adoption of policies in this field. The other relates to the application of information technology in public management and business expansion. The activities envisaged include models for the analysis of the impact on the region of these technologies and the compilation of existing studies, training of human resources in technological management and assistance in the creation of regional and subregional co-operation mechanisms between producers of software and public-user concerns.

93. These activities will be complemented initially with modest assistance in the area of micro-electronics. The infrastructure and capacity of the region will be strengthened to facilitate the exchange of experience and through co-operation, to identify technological advancement in the field of micro-electronics. During this phase, it will contribute to the establishment of new plants or expanding existing ones for the design and production of micro-electronic components promoting industrial complementarity.

94. The major effort of UNDP in support of the objectives described for promoting technological advancement will be focused on the development of biotechnology. The aim is to formulate a regional subprogramme executed by UNESCO and UNIDO, in co-operation with other agencies. It will involve basic research as well as the development of products and processes. The strategy consists in: (a) supporting technological innovation which promotes the establishment of joint research and development enterprises; (b) contributing to the implementation of bilateral and multilateral research projects and the application of biotechnological products in agriculture, medicine and industry; (c) facilitating scientific progress in basic sciences and technical capacity in industry; (d) promoting investments from other sources of financing that contribute to industrial development. This strategy is based on the capacity of the countries of the region to co-ordinate their own efforts to carry out the activities planned. The subprogramme will be implemented through the Latin American biotechnology network. UNDP will co-operate by

providing critical inputs for implementation of research and development projects and will contribute to the training and specialization of human resources required for carrying out these activities.

95. In support of the activities programmed in the area of technological progress, a project on intellectual property has been identified. During the third cycle, UNDP co-operated in the institutional development and modernization of organizations dealing with industrial property. In this new cycle, it will assist in projects designed: (a) to negotiate and acquire technological packages; (b) to make arrangements for the collective acquisition of licences; (c) to formulate policies on patents, trade-marks, taxes and trade; (d) to provide information for the selection of technologies.

96. Co-operation in the evaluation of natural resources through the use of remote-sensing techniques requires the necessary physical infrastructure and equipment as well as trained human resources. These facilities are available in the region and the countries which have them are willing to share them and provide training for their use, particularly in the forestry sector.

97. It is envisaged that support for the scientific and technological development project in the Caribbean will be continued for the remainder of the cycle. It is designed to help the Governments to develop a system of technological information and to implement the strategy adopted by CARICOM.

Linkages

98. Rural sector projects will form part of the activities on critical poverty described previously. The project on critical poverty will co-ordinate these activities at the regional level and will help to disseminate the results and the progress made. In executing the agricultural project, it will be necessary to draw on the experience of the International Centre for Maize and Rice Improvement (CIMMYT), particularly for the use of varieties of protein-rich maize and frost-resistant sorghum.

99. The capital goods project will seek to establish operational links with national projects in this sector and will refer such subjects as financing and negotiations with purchasing firms to the relevant forums, ALADI and SELA, for policy decisions.

100. The biotechnology subprogramme includes nitrogen fixation as one of its substantive themes. Use will therefore be made of the facilities and experience of the project GLO/84/004 for training of professionals and updating techniques in the co-operating institutions.

Programmed reserve

101. Of the total of \$11.1 million allocated for this objective, \$3.1 million are reserved to expand the technological innovation activities for marginal rural groups, to implement a training project for the protection and development of air transport, and to continue programmed activities in biotechnology and other areas that require support.

Complementary sectoral activities

102. To ensure that the regional programme is flexible, responds to specific subregional needs, and can make a modest contribution to a series of sectoral initiatives that are critical for the region, projects are included to stimulate regional co-operation and the promotion of activities for the technical and cultural integration of the countries.

Ongoing and proposed projects

103. The World Maritime University, established in Melmo (Sweden, 1983) is financed through the UNDP regional, global and interregional programmes, as well as from other sources. Its training activities have been extensively utilized by the countries of the region. Since it is necessary to train and provide specialized human resources in the area of technical and administrative management of maritime transport, this activity has been included in the fourth cycle.

104. The project, Assistance to the maritime infrastructure of Latin America and the Caribbean (RLA/85/006), will continue during the first part of the fourth cycle in order to finalize the work of co-ordinating policies concerned with security and pollution in harbours and specialization of the merchant marine in harbour operations.

105. The Southern Pacific countries are adversely affected by El Niño current which has caused severe economic and social damage. The vastness of the areas affected has prompted its study by high-level international centres. The project has the following objectives: (a) to review with centres outside the region the amount of information available on the current; (b) to make a general study of the current and the Southern Oscillation and oceanic and atmospheric effects, with special reference to the South Eastern Pacific; (c) to link this study to future actions which will tend to minimize the negative socio-economic impact of the current; (d) to establish a stronger regional network for its observation and prediction; (e) and to improve the quality and increase the number of basic oceanographic, atmospheric and biologic observations.

106. The project, Meteorology and hydrology in the Caribbean (RLA/79/050), sponsored jointly by UNDP, the Government of the Netherlands, and the Commission of the European Economic Community, provides training in the fields of meteorology and hydrology. The project is expected to continue until 1989.

107. The project, Caribbean network of innovation for development (CARNEID) (RLA/81/004), is designed to encourage the introduction of innovations in Caribbean educational programmes. It is expected to continue until 1988.

108. The Caribbean Sub-regional Centre for Post-graduate Social Services (RLA/81/005) is a consortium of various donors designed to: (a) establish a high-level institution for the development of applied social sciences; (b) provide post-graduate training for graduates of Caribbean universities; (c) to conduct research programmes; (d) to carry out research on the transfer of knowledge in the field of science and technology. It is expected to continue to the end of the cycle.

109. The project, Training of auxiliary health personnel in the Caribbean (RLA/79/054), is designed to improve the training of paramedics and to provide specialized courses for public health professionals.

110. The project, Water resources development and administration in the Caribbean (RLA/82/023), has the following objectives: (a) to develop a knowledge of the present and potential state of water systems and demands; (b) to assist the Governments in the evaluation, development and conservation of these resources; (c) to assist with the planning and implementation of engineering work; (d) to analyse and plan water resources, both medium- and long-term.

111. The cultural dimension in development processes plays an integral role which the countries consider important to incorporate in the regional programme in order to co-operate in the management of cultural projects, the conservation of museums, the establishment of cultural industries, and the editing and dissemination of publications designed to enhance the value of their cultural heritage and co-ordinate their activities in this area. In the Caribbean, Governments will be assisted in the preservation of musical instruments and their commercial manufacture.

Programmed reserve

112. The resources needed for complementary activities are \$5.6 million. This includes, in addition to the projects described, the following projects: Disaster management and preparations in the Caribbean, Elimination of solid wastes in the Caribbean, Development of maritime transport in the Caribbean, Development of energy resources in the Caribbean, Development of tourism in the CARICOM countries, the Andean University, Health information network (BIREME) and Treatment of pulmonary cancer. An additional \$0.8 million are envisaged to meet the needs envisaged.

C. Unprogrammed reserve

113. Of the resources of the fourth cycle programme, an unprogrammed reserve of \$2.6 million has been set aside to respond to the continuing programming needs resulting from changes in the international situation.

Annex

FINANCIAL SUMMARY

I. ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING

<u>A. UNDP-administered sources</u>	<u>\$</u>	<u>\$</u>
Third cycle IPF balance	(600 000)	
Fourth cycle IPF	49 700 000	
Subtotal IPF		49 100 000
Special Measures Fund	-	
Special programme resources	-	
Government cost-sharing	-	
Third-party cost-sharing	-	
Operational funds under the authority of the Administrator	-	
UNDP special trust funds	-	
Subtotal, UNDP non-IPF funds	-	
 <u>B. Other sources</u>		
Funds from other United Nations agencies or organizations firmly committed as a result of the country programme exercise	-	
Parallel financing from non-United Nations sources	-	
Subtotal, other sources	-	
 TOTAL ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING		 <u>49 100 000</u>

II. USE OF RESOURCES

Ongoing projects	4 266 000	
New project proposals	34 440 000	
Programmed reserve	7 794 000	
Subtotal, programmed resources		46 500 000
Unprogrammed reserve		<u>2 600 000</u>
TOTAL USE OF RESOURCES		<u>49 100 000</u>
