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REPORT OF THE FIFTEENTH SESSION OF THE COMMITTEE OF
HIGH-LEVEL GOVERNMENT EXPERTS (CEGAN)

(New York, 27-29 March 1989)

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A. ORGANIZATION OF WORK

Place and date of the meeting

1. The fifteenth session of the Committee of High-Level Government Experts (CEGAN) took place at United Nations Headquarters, New York, on 27-29 March 1989. CEGAN, which was created by ECLAC resolution 310(XIV), is made up of the developing member countries of the Commission. In keeping with the functions assigned to it by ECLAC resolution 422(XIX) and with the ECLAC calendar of conferences approved by resolution 495(XXII) of the Commission, CEGAN held its fifteenth session immediately prior to the twentieth session of the Committee of the Whole (New York, 30-31 March 1989).

Participants

2. Representatives of the following member States of the Committee participated in the meeting: Antigua and Barbuda, Argentina, Barbados, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Peru, Saint Lucia, Suriname, Trinidad and Tobago, Uruguay and Venezuela.

3. The following Associate States also participated: the Netherlands Antilles and the United States Virgin Islands.

4. A representative of the Latin American Economic System (SELA) also attended the meeting as an observer.

Election of Officers

5. In keeping with the usual practice when meetings of CEGAN held in off years between sessions take place in New York, the Officers from the preceding session were re-elected as follows:

Chairman: Ambassador Paulo Nogueira-Batista, Brazil
First Vice-Chairman: Ambassador Marjorie Thorpe, Trinidad and Tobago
Second Vice-Chairman: Mr. José Sivila de la Torre, Cuba
Third Vice-Chairman: Ambassador Pedro Daza, Chile
Rapporteur: Ms. Ingrid Herrmann, Costa Rica.

Agenda

6. The meeting adopted the following agenda:
1. Election of Officers.
 2. Adoption of the Agenda.
 3. Economic evolution of the region since the twenty-second session of ECLAC:*/ main events.
 4. Preparation of the new International Development Strategy for the Fourth United Nations Development Decade.
 5. Other business.
 6. Adoption of the report.

Documentation

7. The Secretariat presented to the Committee the working papers entitled "Recent economic trends in Latin America and the Caribbean" (LC/L.492(CEG.15/3) and Corr.1) and "Preparation of a Third International Development Strategy. Note by the Secretariat" (LC/L.494(PLEN.20/4)).

Adoption of the report

8. The draft report of the meeting was presented and adopted in accordance with the usual practices.

B. SUMMARY OF THE DEBATES

9. In opening the meeting, the Chairman, Ambassador Paulo Nogueira-Batista, said that at the previous session of CEGAN it had been seen once again that the region was facing major financial and economic problems. The report now submitted by the Secretariat showed that the situation had deteriorated still further.

10. He drew attention to the interrelationship between the two substantive items on the agenda for the current session and proposed that they be discussed jointly. He recalled that when CEGAN had been created in 1971 it had been designed specifically as a forum for analysing various aspects of the IDS; the purpose of the present meeting was linked to that original function. He felt that it would be difficult for the Committee to draft and adopt a regional position paper on the subject at the current session but that the Secretariat, on the basis of the session's discussions, would be

*/ Rio de Janeiro, Brazil, 20-27 April 1988.

able to draft a document for consideration by CEGAN at a meeting held prior to that of the Ad Hoc Committee of the Whole for the Preparation of the new International Development Strategy for the Fourth United Nations Development Decade.

11. Turning to the preparation of the Strategy, he emphasized the need to elaborate an appropriate methodology for calculating targets for the transfer of resources necessary for development. In the previous Strategy, that calculation had been based solely on the resources transferred to developing countries in the form of official assistance, loans or capital investments. In his opinion, the new Strategy would also have to take into account the resources which developed countries received in the form of remittances of patent fees, profits and dividends, capital repatriation, and interest, commission and other components of the debt service.

12. In presenting the documentation, the Secretariat representative first briefly reviewed the present state of the economy of Latin America and the Caribbean. He said that 1988 had seen a prolongation of the economic crisis of the 1980s. For the first time since 1983, per capita gross domestic product had dropped (by 1.5%). The decline in the region's standard of living had been quite widespread, affecting the vast majority of countries and, in particular, those population groups who were least able to defend themselves. Extreme poverty and marginalization were thus becoming increasingly pressing problems for all the region's countries.

13. Economic policy, for its part, had had to give top priority to combating inflation, thereby aggravating the recession. On the other hand, most countries had recorded increases in the value of their exports as a result both of increases in the volume of their sales abroad and, in the case of non-petroleum-exporting countries, higher prices. Contrary to what might have been expected, however, that had not resulted in any significant increase in countries' import capacities or capacity for growth.

14. He explained that the results of the increase in imports had been offset by an increase in the external debt service and by a drop in new capital inflows. As a result, in 1988, for the seventh consecutive year, the region had again transferred financial resources abroad, this time totalling almost US\$30 billion. The phenomenon of the transfer of resources had dominated the political picture in the 1980s and, together with the problem of the steady decline in the standard of living of the vast majority of people in Latin America and the Caribbean, was one of the key issues which might find a response in the new International Development Strategy.

15. Lastly, the Secretariat representative pointed out that, because of its impact on the external sector and on public finance, the external debt problem was inseparable from the situation just described. The debt service had become a kind of Gordian knot both for the recovery of economic activity in the short term and for the financing of the changes which would make growth possible in the medium and long term. In that connection, it was to be hoped that the various recent proposals for subordinating debt service to the attainment of minimum development goals would prosper.

16. In presenting the document on the preparation of a new International Development Strategy (IDS), the Secretariat representative pointed out that, after a period of widespread scepticism about the role of multilateralism, in 1988 the United Nations had scored major political successes in the area of peace. That new environment offered the new IDS the possibility of becoming the instrument which would restore a long-term perspective in the economic and social sphere and re-establish development as a top priority.

17. He mentioned a number of political, technical and institutional characteristics which would make it possible to overcome the drawbacks of the second IDS. In that connection, special emphasis was placed on the need, while keeping the main focus on promoting the economic and social development of the developing countries, to make explicit mention also of the interests of the developed countries. To that end, it would have to be determined which resources and commitments were indispensable, so that all countries could weigh them in the light of their respective interests. Such a procedure would also facilitate evaluation and make it easier to identify who was responsible for failing to comply with what was proposed. Likewise, when the Strategy was being formulated, attention would have to be paid to the capacity of the United Nations system to co-operate in implementing and evaluating proposals. The existence of political, technical and institutional restrictions would thus make it necessary to select objectives and goals so that the number and nature of the latter would be consistent with the system's political commitments and capacity.

18. Lastly, the Secretariat representative gave examples of two general objectives which met the conditions just mentioned. Those objectives were a gradual reduction of the disparities between the developed and the developing countries by reversing the negative transfer of real and financial resources, and measures to improve the quality of life of the mass of the population, above all by reducing or eliminating situations of extreme poverty. In each case, reference was made to the political instruments, quantifiable indicators and evaluation mechanisms which would facilitate attainment of those objectives.

19. The representative of Peru agreed with the Secretariat that the prospects reflected by recent economic trends in the region were gloomy, not only in economic terms but in social terms as well. He stressed the importance of the external debt problem in that situation and mentioned the "Brady Plan" put forward by the United States Secretary of the Treasury. He cited certain positive aspects of the proposal, such as its acknowledgement of the impossibility of repaying the existing levels of debt and its implicit recognition of the impracticability of the Baker Plan, as well as of the adverse political and economic effects of debt on the countries of the region. However, he said, the proposal was somewhat vague --it made no mention of mechanisms or dimensions and, above all, failed to consider the underlying causes of the problem, which lay in interest rates, protectionism, terms of trade and other characteristics of the international economic environment.

20. The next IDS would differ from its predecessors in four important ways. The first was that it was being formulated in a much more critical economic and political environment. Secondly, far-reaching developments in science and

technology were tending to widen the disparities between developed and developing countries, thereby perpetuating the latter's marginal status. Thirdly, the current Strategy had not been implemented fully and had ceased to be effective with the outbreak of the external debt crisis in the region; finally, it seemed that the preparation of the IDS was viewed with pessimism by most of the developed countries, particularly in so far as the setting of quantitative objectives was concerned. For all those reasons, he predicted that the development and negotiation of the new Strategy would present many problems.

21. The objectives of the new IDS would be economic on the one hand and social on the other. Economic objectives included the need to reverse the negative transfers of resources which were occurring in connection with external debt and in the areas of international trade and the transfer of science and technology. Among the social objectives, he believed that a global aim should be to improve the standard of living, which meant eradicating poverty.

22. Lastly, he agreed that international mechanisms for appraisal should be established and should have their scope and time-frames clearly defined; he proposed a time-frame of five years.

23. The representative of Uruguay said that, in defining the regional position on the new IDS great care should be taken to avoid the errors and limitations of past Strategies, while every effort should be made to take advantage of the new international climate, which was marked by renewed confidence in international institutions. It was particularly important that the number of topics should be limited and that they should be realistic and flexible. He also emphasized the need to consider the topic of poverty in a dynamic context.

24. The topic of trade must be included, as must the central role which liberalization must play in future development, including any results that might ultimately be obtained in that area by the Uruguay Round. Finally, the thematic objectives of the Strategy for the region must include measures to overcome the problem of debt-servicing, to liberalize trade and to analyse the effects of scientific and technological change on traditional production structures in the region.

25. The representative of Brazil, began by commenting on salient features of the document on recent economic trends in Latin America and the Caribbean submitted by the Secretariat. The decline in per capita income to 1978 levels had been the most striking feature of the region's economic performance in 1988, which had been characterized by negative transfers of resources outside the region that had attained the extraordinary figure of nearly US\$29 billion, or approximately 4% of GDP. The amount might be even higher in 1989, given the steady rise in interest rates. The negative transfer of nearly one-third of all savings largely explained the virtual absence of growth in the region, the deterioration in patterns of distribution and the decline in capital formation. It had also become impossible to use the trade surplus to stimulate imports, since the bulk of it was used to cover remittances abroad to service the external debt. The situation could be summarized as one of

decreasing investments, fewer imports and, consequently zero --or even negative-- growth.

26. He then proceeded to review the topic of the IDS. The fundamental objective of reactivating development must not be portrayed as a question of catching up with the developed countries, but rather in terms of achieving the goals which the countries of the region had themselves set to improve their population's standard of living. Secondly, existing policies and measures must correspond to the objectives already set, so that the latter were not thwarted. Thirdly, the new Strategy must endeavour to strike a better balance of responsibilities among all countries in terms of the disruptions that might be caused in international trade or finance, or else provide for a decision-making mechanism that would allow for participation by more than just the few. Finally, with regard to debt, which he said was a fundamental concern of the new IDS, the needs of debtors, and not merely those of creditors, must be taken into account.

27. He concluded by noting that the information submitted by the Secretariat on the regional economic situation led to the inevitable conclusion that countries must, at the very least, be able to hold on to their domestic savings and that one means of doing so was to reduce interest rates.

28. The representative of Chile pointed out, in respect of the situation in Latin America, that most of the countries had not recovered from the economic and financial crisis that had affected the region since 1982, while a recessionary situation, which was a source of great concern, persisted. Large negative financial flows continued to drain the region's savings, wiping out its investment capacity and undermining its development. In addition, the efforts which Latin American and Caribbean countries were making in the area of trade had not met with an encouraging response. The debt problem remained as serious as ever.

29. Speaking of the economic situation at the national level, he said that Chile had been affected by the crisis of 1982-1984: indeed, according to ECLAC Chile had been the country of the region most affected by the serious deterioration in the terms of trade. As the information submitted by ECLAC indicated, Chile had managed the crisis successfully, having met its financial obligations while experiencing sustained growth, with all its macroeconomic indicators moving in a positive direction. He recalled that, at the outset of the crisis, a major structural reform had been under way in the Chilean economy to open it up to the exterior. With regard to the debt, Chile had chosen not to break off its payments but rather to engage in concerted negotiations with the Bretton Woods institutions and commercial banks, and had succeeded in meeting its international obligations and reducing its debt, chiefly through capitalization and debt-conversion measures. As for the Brady Plan, more detailed information was needed before a final assessment could be given.

30. With regard to the new International Development Strategy, he agreed that confidence and credibility in such exercises had waned. However, the renewed interest in multilateralism should help create a more favourable environment for the new IDS, and it was essential to overcome the inherent defects of the previous one: lack of realism, over-ambitiousness and

excessively vague proposals. The main objective of the Strategy must be the development of the developing countries and, in addition to the objectives set out in the document, international trade and the debt must also be considered.

31. The representative of Bolivia said he agreed with the Secretariat concerning the global character and objectives which should be imparted to the new IDS. He referred to the external debt and pointed to the need to solve that problem within the region, without however neglecting the effects of bilateral and multilateral indebtedness. He made special mention of the need to enhance solutions to the external debt problem from a Latin American and Caribbean perspective. He drew attention, as had other delegations, to the unfavourable international trade situation, emphasizing especially that, within the region, asymmetrical trade relations had been established which might become a serious problem if appropriate precautions were not taken. He also noted that the emergence of the so-called informal sector in the economies of the region ran the risk of causing a drift towards illegality. Consideration of those additional restrictions was important in order to preserve democratic institutions.

32. Lastly, noting the need to readopt medium- and long-term approaches, he drew attention to the need for the IMF and the World Bank to take the objectives of the new IDS into account and for the countries to co-ordinate their efforts with them, in order not to jeopardize the attainment of the goals of the new IDS.

33. The representative of Colombia drew attention to some elements which would necessarily differentiate the new Strategy from previous ones. He noted that the world was undergoing profound changes, the most outstanding of which were those in the relative role of the State and the private sector, the consolidation of global markets which weakened the impact of governments' actions on their own economies, and the unstable and changing conditions of the international economy which reduced the reliability of quantitative goals such as those projected in previous exercises. He also noted that the preparation of the new Strategy presented a good opportunity for renewing medium- and long-term development objectives, which had been obscured in recent years by the pressure of short-term problems generated by adjustment processes as a result of the recent crisis of the 1980s.

34. He said that the eradication of extreme poverty, which was a source of social and political unrest that threatened the peace and stability of developing countries, held special meaning for Latin America. The experience of the post-war period showed that even in situations of rapid, sustained growth of economic activity, the so-called "trickle-down effect" was not enough to ensure that poor population sectors also benefited from such growth. Isolated national efforts were insufficient to eradicate poverty, for growing interdependence made local objectives also dependent on international factors.

35. The representative of Trinidad and Tobago said that the second International Development Strategy had not performed the functions assigned to it, that its objectives and goals had not been attained and that the 1980s

had in fact evolved in a direction opposite to the one proposed. There were useful lessons to be learned from the experience of the second IDS, however.

36. It was important that the formulation of a new strategy should be undertaken within the United Nations, as part of a multilateral task involving the developed and developing countries in which specific objectives were set out and specific time-frames established for their completion. The latter could serve as a yardstick for measuring how much or how little progress was being made, so that corrective measures might be taken. Some institutional mechanism was needed to support an ongoing evaluation of the Strategy, and that should involve the United Nations and a co-ordinated effort of its principal organs.

37. The new Strategy must also be selective rather than all-embracing. It would be best to select a limited number of issues of key strategic importance; those should include agriculture, food production, external debt, trade and development financing.

38. The representative of Cuba noted the profound uncertainty that currently existed about the future evolution of the international economy, and the need for the new IDS to include concrete, viable and quantifiable commitments which could be subject to periodic assessment and would be able to ensure the global stability essential for overcoming the crisis.

39. He then recalled that there was consensus on the need to reverse the transfer of financial resources for the benefit of the developing countries. In 1988, the impossibility of paying or collecting the debt, combined with the ineffectiveness of the measures adopted, had once again been evident. In that regard, the Brady Plan did not answer to the problems because it did not deal with their underlying causes, and it would only prolong the distressing situation that already existed.

40. Lastly, he expressed support for the ECLAC Secretariat's proposals concerning the real transfer of resources to the region, the elimination of situations of poverty, and the establishment of a development fund which could be supported by resources released in the process of détente: elements which were already goals of the New International Economic Order and which the new IDS should reaffirm.

41. The representative of Mexico said that, despite differences of degree and nuance between countries, there were certain aspects common to all: the huge transfer of resources abroad and the slump in economic growth and the standard of living. After eight years of crisis and enormous efforts to overcome it, the persistence of those conditions showed that the region's forms of incorporation into the international economy and financial and trade system were blocking its development and sustained growth. The variables reflected and transmitted by that situation were basically interest rates and financial flows on the one hand, and trade and scientific and technological transfers on the other. He noted that the region was in a completely disadvantageous position with respect to those factors.

42. In the present international situation, reactivation of growth, expansion of trade and greater access to markets for the developing countries

could be key elements for the international economy as a whole. Transformation of the international economy and the world financial and trading system so as to make room for the active participation of developing countries would be a practical step towards an improvement in international relations and a more stable and equitable world economy.

43. His delegation agreed with many of the views expressed by the Secretariat in its note on the preparation of a new IDS. The objectives of the IDS should be viewed as qualitative in nature, while the goals should be more concrete and if possible quantifiable, and each objective should be accompanied by its respective goals and the actions necessary to achieve them. In that regard, there should be a clear division of responsibilities and commitments among the members of the international community. While stressing the flexibility which the Strategy should have in relation to the degree and scope of actions, he noted that, where possible, objectives should be maintained for the entire decade, since they represented a stage to be reached, without which the exercise would be meaningless.

44. As priority themes of the Strategy, he mentioned the solution of the external debt problem and the reversal of the net transfer of resources abroad; increased access to international markets and improvement of the terms of trade; and the development and transfer of science and advanced technology appropriate for the countries' production plants.

45. The representative of Argentina, who was also Secretary of Planning of his country, said that, broadly speaking, he agreed with what other representatives had said and would try to look at the issue from a new angle, avoiding a routine repetition of analyses and evaluations. There was much talk of terms of trade, real interest rates, the growth in the negative transfer of resources and other topics, but it was not accompanied by any solutions, and perfecting evaluation mechanisms might only serve to prove the obvious.

46. Concerning the new Strategy, he recalled that a system of international economic relations had been established at the end of the Second World War, and its structure had been preserved ever since, even though conditions had changed dramatically. The prevailing rules of the game no longer reflected an equitable economic and social order which permitted progress towards reducing the gap between the developed and the developing world.

47. As a result, in order to be able to determine the basic elements of the new IDS, the prevailing situation must be evaluated in order to change it in a manner consistent with the objectives of the Strategy.

48. Such an analysis would essentially cover the following aspects: the international monetary system; the international financial system (which included resource flows and ways of solving the developing countries' external debt problem); the international trading system, concerning which an exercise was already under way in the Uruguay Round of the General Agreement on Tariffs and Trade (GATT); and the system of international co-operation, which must serve the purposes of the Strategy and operate in a co-ordinated and coherent manner.

49. The representative of Jamaica said that the end of the Third Development Decade had witnessed many unfulfilled goals and objectives. Because of the interdependence of the world economy and the threat posed to its stability by the economic difficulties of many countries, there was a need to establish a framework of development in which economic and social growth became the centrepiece of economic activity. The framework should moreover be appropriate, practical, attainable and generally applicable.

50. Central to the achievement of socio-economic development was the capacity and adaptability of human beings, as the shortage of skills in developing countries adversely affected the development process. Another related issue was critical poverty, which had been aggravated by adjustment policies that had placed less importance on the social area. Eradication of critical poverty could only be brought about by economic and social development, through the expansion of the national economy. Since the problems of growth and development were rooted in external and internal factors, the International Development Strategy must reflect the interaction of national efforts to grow and develop and international efforts towards a better international economic environment.

51. National development policies needed an integrated approach that gave priority to concurrent development of the economic and social sectors. That integrated approach should be recognized and supported by the international community. The Strategy should give priority to the stability of the world economy, in which countries had access to markets and improved terms of trade. The problem of the net transfer of resources must also be addressed, as must the question of reduced resource flows and the debt burden faced by those countries which owed significant amounts to international financial institutions. Finally, another important issue of the IDS must be the environment.

52. The representative of Guyana said that the deliberations on a new IDS would take place in a situation of contrasting global economic performance manifested by positive growth in the developed countries and negative growth in many parts of the developing world. While there were many differences among developing countries, the issues of trade and debt affected all of them to varying degrees. Guyana's debt was small and its composition differed from that of other countries, yet the debt problem hung like a millstone around the neck of the economy. Meanwhile, countries such as Guyana that were dependent on primary commodities had seen commodity prices weaken, demand for those commodities decline due to scientific and technological changes, and barriers rise to deny their entry to the developed countries' markets. Finally, the new IDS should recognize the integral relationship between social objectives and those in the economic sphere. That must be done in a way that enabled developing countries to maintain acceptable levels of economic and social progress. Efforts should focus on all those issues, since they were relevant to any current and future action that the countries of the region might take with respect to promoting their own development.

53. The representative of Ecuador agreed with the main points of the Secretariat's initial presentations on the region's present economic situation and the objectives of the new Strategy. He agreed that there was a need to restore a medium-term perspective and promote the role of

multilateralism. There was a contradiction between the need to reactivate the economies of Latin America and the Caribbean and the servicing of an external debt which was not only a financial but also a political problem, linked to North-South relations, for which debtors and creditors should share responsibility. That situation had caused governments to postpone and delay social spending, creating a social debt which deserved priority attention.

54. He then provided data on the economic repercussions that would occur in the next four years if Ecuador paid its entire external debt service. In particular, he mentioned the adverse effects that such a policy would have on the country's growth rate, which would be strongly negative, and on unemployment, the social and political impact of which would have unforeseen consequences. He noted that his country was honouring its external debt, but was subordinating its servicing to the needs of national development.

55. Lastly, he said that a central objective was needed that would guide the Strategy, make objectives and sectoral goals consistent and make it possible to define the commitments to be assumed by developed countries in order to support a process of economic revitalization in the region.

56. After the general statements had been made, the member countries of CEGAN gave their views on a set of specific issues contained in the Secretariat document on the preparation of a new International Development Strategy. The Secretariat was requested to prepare, on the basis of the general statements and the comments on specific aspects, a document for consideration by the Committee at its next session.

57. The Secretariat then presented a preliminary summary of some key topics of the debate. In its view, governments had first emphasized the nature of the document which should be prepared for the initial stages of the formulation of the Strategy. Such a document should, above all, contain a Latin American and Caribbean position, although some representatives proposed that the viewpoints of the other developing regions should be borne in mind also and —in so far as they did not affect the priorities of the region— incorporated in the document. It was agreed that the focus of the Strategy would be to promote the development of the developing countries. Many representatives took the view that the interests of the developed countries would be adequately reflected if the issue of the growing economic interdependence of countries was included. Others said that the commitments that the developed countries would have to assume must be more clearly specified, so that the consequences for their interests of what was agreed could be visualized. The Secretariat was also asked to take special care in using concepts such as "international community", which could create confusion if it implied that a concordance or divergence of interests existed on a particular matter.

58. Furthermore, during this part of the debate the Secretariat was asked to be more explicit in its use of terms having to do with the adjustment of objectives to the availability of resources and the operational capacity of the system. In that connection, it was warned against using the term "realism" when that meant a forced adaptation to current circumstances and trends, since a strategy represented an intentional effort to move away from the events of the 1980s and the potentially adverse effects of the crisis.

59. The question of objectives was addressed in many statements, and there was agreement on the need for selectivity. However, many objectives in addition to those included by way of illustration in the Secretariat document were mentioned. For example, many delegations referred to the need for positive transfers in the field of science and technology, to human resources development, to finding a solution to the external debt problem and to the establishment of new conditions for international trade. As a way of maintaining the principle of selectivity while including other objectives, it was suggested that one objective that could be considered symbolic of the Strategy might be sought. The objective of reversing the negative transfer of resources was mentioned by way of example. Moreover, the importance of using the concept of integral development, which made it possible to link economic and social aspects, was emphasized.

60. The Secretariat was also requested to clarify certain concepts relating to objectives, such as the concept of diminishing the disparities between developed and developing countries, in order to avoid an interpretation that might be construed as a wish for an exact replication of the situation of the now developed countries. Many delegations suggested that mention should be made of a return to or reactivation of development.

61. There was agreement on the need to identify country commitments more clearly and to attach importance to the process of appraisal. That would involve establishing a mechanism that could absorb the effects of any unforeseen circumstances which might undermine the Strategy's effectiveness.

62. Many delegations emphasized the links that ought to exist between the Strategy and the activities of organizations within the United Nations system. Some believed that the Strategy should play a guiding and co-ordinating role in those activities. However, the Secretariat pointed out the importance of distinguishing between substantive and formal co-ordination.

63. The extent and scope of the first document to be prepared was also discussed. Many expressed the view that agreement should be reached at that stage on the main topics of the Strategy, leaving the preparation of quantifications and the specification of policy measures for later stages.

64. Lastly, the issue of diversity among regions and within the same region was discussed. Many delegations noted the existence of fundamental, common problems which overrode differences. On the other hand, other delegations stressed the different forms taken by common problems such as external indebtedness.

65. The Secretariat said that the present summary was preliminary and that a thorough review of statements would make it possible to incorporate other topics. The Secretariat would do its best to prepare a new version of its note, incorporating as much of the extensive debate as possible.

66. In conclusion, the participants agreed that the issue of the content and scope of a new IDS was a complex one and depended on agreements which were currently taking shape in the global forums of the United Nations. The present meeting of CEGAN had offered a first opportunity to harmonize views at the level of Latin America and the Caribbean, but it was essential to move

ahead rapidly on key aspects which had remained pending, the different statements on which must be compared in order to arrive at a regional position. In those circumstances and at the proposal of the Chairman, participants agreed to meet again in the near future to work out a common position. The Secretariat said that it would be able to organize another meeting of CEGAN in 1989. It also said that, although such a meeting was not envisaged in the calendar of meetings approved by ECLAC, it would have no financial implications for the regular budget of ECLAC since resources would be reallocated within the budget.

67. In his final comments, the Chairman of the meeting paid tribute to the high quality of the discussion and thanked the Secretariat for its summary of the debate. Noting that speakers had frequently used the words flexibility, realism and selectivity, he expressed the view that flexibility and realism should be applied at different moments and in different parts of the Strategy. The goals of the Strategy should be firm. It would be difficult for the developing countries to compromise on the question of making the Strategy's primary objective the reactivation of development as a whole. However, the means to achieve such goals should be flexible. Realism should be applied in assessing the existing world situation. He stressed that while the external debt was a major problem of the region, there were other problems as well. The question must be raised of how much influence the developing countries would be able to exert in that changing situation. In the past, they had operated within a framework that offered some degree of predictability, at least in so far as the rules governing the relationship among market forces were concerned. UNCTAD and the earlier strategies had then devised ways and means of giving the developing countries more favourable treatment under those rules. The world situation had changed, however. The earlier framework no longer existed and the developing countries were now receiving a treatment worse than that given to others; they were being discriminated against. That was why a realistic assessment of the present situation was so important. In examining one current problem, that of international trade, he drew attention to the fact that the recent proposals made by the developed countries were contrary to the objectives set for developing countries in previous strategies. Those proposals --particularly the new ones regarding services, intellectual property and investments-- would, if accepted, seriously weaken the developing countries' competitiveness. He then mentioned the recent changes in the world economy, which included the growing integration of centrally planned economies, especially those of the Soviet Union and the People's Republic of China. Those changes were not typically related to North-South problems but could lead the developing countries to further marginalization. He cautioned against using the language and analytical tools of the past, which were still being used although the situation had changed.

68. At the conclusion of the debate on items 3 and 4, the Committee moved on to item 5: other business, and the representative of Peru presented a draft resolution entitled "Damage caused by Hurricane Joan in Nicaragua". The corresponding resolution, which was adopted by consensus for presentation to the Committee of the Whole, is reproduced in section C of this report.

C. RESOLUTION

DAMAGE CAUSED BY HURRICANE JOAN IN NICARAGUA

The Committee of High-Level Government Experts,

Recalling, United Nations General Assembly resolutions 43/17 of 28 October 1988 and 43/202 and 43/204 of 20 December 1988,

Taking into account that, after Hurricane Joan struck in October 1988, the Government of Nicaragua requested ECLAC's co-operation in preparing a report identifying the damage caused by the hurricane, as well as its effects on the economic and social development of Nicaragua and the requirements for rehabilitation and reconstruction work in that country,

Having considered the content of the report of the Economic Commission for Latin America and the Caribbean (ECLAC) of 17 November 1988 on the damage caused by Hurricane Joan in Nicaragua,*/

1. Expresses its satisfaction to the Executive Secretariat of ECLAC for the preparation of the report and profound recognition for its efforts to provide appropriate support for the work of rehabilitation and reconstruction in Nicaragua;

2. Invites all member States, as well as the organs and specialized agencies of the United Nations system, to contribute to the best of their ability to the implementation of the programmes of rehabilitation and reconstruction described in that report.

*/ IC/G.1544 and Add.1.

