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Joint ECLA and FAO

work Programme

Progress Report

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A. New Agreement between the Director General of FAO
and the Executive Secretary of ECLA

Since the beginning of ECLA'S work, FAO and the Commission have closely cooperated in the agricultural field in the region. In September 1949 a memorandum of understanding was signed between the Director General of the FAO and the Executive Secretary of the Commission as a result of which an "FAO/ECLA Cooperative Unit" was set up to undertake projects of common concern to ECLA and FAO.

During 1950 it was realized that the cooperation between ECLA and FAO that so far had consisted in carrying out individual projects could be extended with mutual benefit and a new memorandum was signed in October of the same year (see Annex 1). The main points of the Memorandum of understanding are as follows:

(1) Work in regard to economic problems of food and agriculture is a responsibility of both ECLA and FAO. ECLA has to study these matters in relation to all other economic matters of Latin America and in relation to other areas of the world which affect the Latin American economies. FAO is to study them in relation to the agricultural economic problems of other regions and of the world and in connexion with its responsibility for all technical agricultural questions in Latin America.

(2) In order to avoid duplication or competition, it is agreed that a programme of work in this field should be carried out jointly by the two secretariats.

(3) An Agricultural Section will be established by the Executive Secretary of ECLA.

(4) The Chief of this Section will be a senior FAO agricultural economist and will be the personal representative of the Director-General of FAO and be nominated by him in consultation with the Executive Secretary of ECLA; in addition to his responsibility toward the Director-General of FAO, he will also be responsible to ECLA's Executive Secretary.

B. Agricultural Credit

The FAO/ECLA Cooperative Agricultural Unit, assisted by an expert of the Inter-American Economic and Social Council prepared a study of agricultural credit in Central American countries, that was presented to the Third Session of ECLA. The Commission took note with satisfaction of the report and requested the Executive-Secretary in consultation with the Director General of FAO, to continue the studies on Agricultural Credit in other Latin American countries. (Document E/CN.12/196).

In an other resolution (Document E/CN.12/195) The Commission recommended:

(a) That the Executive Secretary of ECLA, in consultation with the Director General of FAO, should urgently request from the Latin American countries information relating to the structure and methods of operation of their agricultural credit institutions and of their training centers and that the results of this enquiry be assembled in such a way that they reveal the needs of technical assistance and also the facilities which the Latin American countries may be able to offer in order to collaborate in a co-operative programme of technical assistance.

(b) that the ECLA/FAO Cooperative Unit submit the results of this enquiry to the pre-conference regional meeting of FAO to be held in Montevideo in December 1950, without this preventing its subsequent analysis and consideration by ECLA, in order that it may serve as a basis for the elaboration of a plan for immediate action in the field of agricultural credit and within the limits of the financial resources which will be used for this purpose by the competent organizations of the United Nations and the Organization of the American States.

(c) that, as soon as the ECLA/FAO Cooperative Unit is in possession of the results of the enquiry mentioned above, the Executive Secretary of ECLA shall send copies to the member Governments of ECLA in order that they be able to study the said document.

/(d) that ECLA and FAO

(d) that ECLA and FAO take steps in order that, in the programme of technical assistance offered by the United Nations through its specialized agencies, due attention be given to scholarships for professional training in activities connected with agricultural credit;

(e) that the Executive Secretary of ECLA and the Director General of FAO convene, as soon as possible and with the co-operation of the Governments of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama, a meeting of agricultural credit experts in one of the Central American countries; in addition to those mentioned above, any country interested may attend the meeting, the provisional agenda to be prepared by FAO and ECLA in consultation with the Governments concerned.

In compliance with this resolution, the Executive Secretary in agreement with the Director General of FAO sent to all Latin American Governments a questionnaire (see Annex II) enquiring information about agricultural credit in each country.

Up to date ten Governments have answered the questionnaire. It is expected that the rest of the Governments will soon send their answers thus enabling the Executive Secretary and FAO to implement the other recommendations approved by the Commission.

The Director General of FAO and the Executive Secretary of ECLA, following the recommendation of the Commission have been cooperating for the convening of a meeting of agricultural experts in one of the Central American Countries. Due to certain administrative difficulties, the meeting of experts has not yet been held but steps have already been taken to convene the meeting of agricultural experts during the second half of the present year.

C. ECLA/ECE/FAO report on trade between Latin America and Europe

Because of its special interest in agricultural commodities entering into world trade and the contribution which it could make in this field the FAO agreed to collaborate with ECLA and the Economic Commission for Europe in the preparation of a study on trade between Latin America and Europe. A provisional draft of this report is being submitted to the Fourth Session (Document E/CN.12/225). It should be noted that this is the first time that two of the regional commissions /and a specialized agency

and a specialized agency have collaborated on a major and important study. This joint effort has gone forward smoothly and effectively.

D. Report on the importance of forest and forest production in the Economy of Latin America

The Latin American Office of Forest and Forest Products of the FAO has prepared for this session of the Commission a study on the importance of forests and forests production in the Economy of Latin America. This report has been presented to the Commission for its information in document E/CN.12/235.

E. Second Regional Meeting on Food and Agricultural Programmes and outlook on Latin America

The FAO held in December 1950 in Montevideo, Uruguay, its Second Regional Meeting on Food and Agricultural Programmes and outlook in Latin America. The Executive Secretary of ECLA sent a senior Staff member to attend this meeting and prepared a paper on "The flow of investments to economic development in Latin America" that was presented as a contribution from the Commission.

ANNEX I

MEMORANDUM OF UNDERSTANDING BETWEEN THE DIRECTOR-GENERAL OF FAO AND THE EXECUTIVE SECRETARY OF ECLA

In order to establish a firm basis for effective collaboration between their respective Organizations, the following Memorandum of Understanding has been drawn up by the Director-General of the Food and Agriculture Organization of the United Nations and the Executive Secretary of the Economic Commission for Latin America.

1. Areas of joint Interest

Work in regard to the economic problems of food and agriculture in Latin America is a responsibility of both ECLA and FAO. ECLA has to study these matters in relation to all other economic matters of Latin America and in relation to other areas of the world which affect the Latin American economy. FAO has to study them in relation to the agricultural economic problems of other regions and of the world and in connection with its responsibility for all technical agricultural questions in Latin America. The ECLA Secretariat has to service its Commission of Member Governments and, as far as possible, carry out the Commission's resolutions. The FAO secretariat has a similar relation to its Conference.

In order to avoid duplication of competition in areas of interest which overlap for the two Organizations, it is agreed that a programme of work should be carried out jointly by the two secretariats in this field. FAO undertakes to service ECLA in the agricultural field on the basis of mutually agreed projects. To reach an agreed programme will

/involve periodic consultation

involve periodic consultation between the two secretariats, which should normally take place at the time work programmes for the ensuing year are being formulated. Such consultation and agreement will be without prejudice to other work projects which are in the main the sole responsibility of one or the other agency but which contain an element or section where the responsibility belongs to the other agency; for example, the Annual Economic Survey of Latin America, in which the material on agriculture would be the responsibility of FAO.

The importance of harmonious working relationships is emphasized by the increasing volume of work which is emerging in the field of joint responsibility and which must be carried out in accordance with the priority requirements of each Organization. There are still some joint tasks outstanding from resolutions of the Second and Third Sessions of ECLA, particularly on farm credit and on distribution problems. Then there are the following fields in which joint work is essential - the ECLA/ECE Trade Study; the FAO work on Plans and Programmes in Food and Agriculture; the Annual Economic Survey of Latin America; the work on Migration, in which FAO and ECLA will be collaborating with ILO. No doubt other joint tasks will have to be assumed in due course.

2. Joint Staff Arrangements

In order to carry out this work to the satisfaction of both Organizations, the Executive Secretary will establish an ECLA Agricultural Section, to which he will assign all work in the field of agriculture required by the Regional Economic Commission and all the agricultural parts of wider studies. The work programme of the Section for the ensuing 12 months' period will be agreed between the Director-General and the Executive Secretary and any changes in the programme will also be mutually agreed before they are made.

The chief of this Section will be a senior agricultural economist and will be the personal representative of the Director-General of FAO, nominated by him in consultation with the Executive Secretary of ECLA. He will have a dual capacity, for, in addition to his responsibility to the Director-General of FAO, he will also be responsible to the Executive Secretary for the work of the Agricultural Section. It is understood that the personal representative of the Director-General

should have broad authority to make decisions on behalf of the Director-General on current matters, in order to facilitate the work of the Agricultural Section.

In addition to the Chief of the Section, FAO will provide another economist, while ECLA will provide two or more economists, as well as the necessary secretarial and translating assistance, office space and equipment. If additional professional personnel are needed, either of the two agencies may provide such personnel as shall be mutually agreed.

It is understood that the Director-General's representative will devote his full time as Chief of the Agricultural Section. Should the Director-General require another representative in Santiago for other assignments of a purely FAO character, ECLA undertakes to provide him with office space and secretarial assistance.

It is further understood that ECLA studies and other activities which have any agricultural bearing will be discussed with FAO before they are initiated. Likewise all FAO work which involves the economic affairs of Latin America will be discussed with ECLA before it is initiated.

FAO will provide the salaries of the FAO economists assigned to the Agricultural Section and any official travel between Santiago and FAO Headquarters for these officers. ECLA will provide the salaries of the ECLA economists and the secretaries, office expenses, including translating and processing of documents, postages, cables and telephones, and the travel and per diem expenses for journeys within the region in connection with the work of the Section for all members of the Section.

The principal items of joint work foreseen for the coming months are listed in an Annex to this Memorandum.

In signing this Memorandum the Director-General and the Executive Secretary believe that the above arrangements constitute a practical basis for accomplishing their joint tasks and maintaining good cooperation between their Organizations.

(Signed) N. E. Dodd
Director-General
Food and Agriculture Organization
of the United Nations

(signed) Raúl Prebisch
Executive Secretary
Economic Commission for Latin America

CUESTIONARIO SOBRE CREDITO AGRICOLA EN AMERICA LATINA

1. Estructura del sistema de crédito agrícola

Instituciones que componen el sistema de crédito agrícola en el país, especificando para cada una de ellas:

- a) Nombre
- b) Carácter (privado, estatal, cooperativo, etc.) y estructura jurídica, explicando en cada caso.
- c) Capital pagado.
- d) Reservas acumuladas.
- e) Préstamos agrícolas vigentes: número y monto; clasificados por tamaño y destino (vgr. cultivo)
- f) Préstamos no agrícolas vigentes: número y monto.
- g) Formas de préstamos más usuales y su definición, describiendo sus características (avío, refaccionario, etc.)
- h) Tipos de interés y redescuento y tasas y comisiones adicionales sobradas para cada una de las distintas clases de préstamos.
- i) Porcentajes de recuperación clasificados por tipos de préstamos.

Se ruega incluir todas las instituciones que operan en crédito agrícola, aún aquellas que no reconocen esta como su finalidad o función principal.

2. Problemas que afronta el sistema de crédito agrícola

Hágase una relación de los principales problemas confrontados por el actual sistema de crédito agrícola, como por ejemplo falta de capital, etc. Indíquese además qué clase de ayuda técnica se necesitaría para poder remediar algunas de las dificultades mencionadas.

3. Sistemas educativos en materia de crédito agrícola

Describanse las facilidades existentes en el país para la educación y entrenamiento del personal de las instituciones de crédito agrícola. Indíquese la existencia, el número y la capacidad de Escuelas de Contabilidad y Auditoria, Agronomía y Economía, y si en ellas se imparten cursos especiales para la preparación de futuros empleados de bancos agrícolas. Nótese, además, si existen cursos de capacitación del personal de las instituciones de crédito mismas. Indíquese si las instituciones de enseñanza podrían aceptar estudiantes de otros países latinoamericanos, que gozaran de becas concedidas por sus gobiernos, por el Programa de Asistencia Técnica de las Naciones Unidas o por cualquier otro organismo similar, y si éstos institutos de enseñanza podrían dar facilidades especiales para ello. De ser posible dése una apreciación del costo de vida para estudiantes de tipo post-graduado en la localidad.