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Held at Headquarters, New York,
on Monday, 20 July 1998, at 10 a.m.

President:

Mr. SOMAVIA

(Chile)

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REGIONAL COOPERATION

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The meeting was called to order at 10.20 a.m.

REGIONAL COOPERATION (E/1998/11, E/1998/12, E/1998/13, E/1998/14, E/1998/15 and E/1998/65 and Add.1, 2 and 3)

The PRESIDENT invited the Council to begin its consideration of the agenda item with a panel discussion with the Executive Secretaries of the regional commissions.

Mr. BERTHELOT (Executive Secretary, Economic Commission for Europe (ECE)) said that the worsening crisis in Asia was contributing to economic uncertainty throughout Europe. Growth in Western Europe was expected to continue at a steady but moderate pace, with increases in domestic trade within the European union offsetting the negative effects of the Asian crisis, although net exports would fall as the Asian crisis worsened and the slowdown in the United States continued.

Growth in the countries of Central Europe and in the Baltic States had been uneven but generally sustained; they all had been affected by instability in the financial markets as a result of the Asian crisis, but healthy macro-economic policies, rapid and firm reactions by Governments and relatively high holdings of long-term capital had offset current-account deficits and staved off any local crises. Those relatively favourable conditions could be jeopardized by slowing growth in the West and the uncertain situation in Russia, however.

Developments in the countries of the Commonwealth of Independent States had also been mixed, with dropping raw-materials prices and the financial disarray in Russia calling into question the tentative recoveries observed in 1996 and 1997. The recent agreement between Russia and the International Monetary Fund had momentarily reassured the markets, but fiscal reform remained the only lasting solution.

In the area of institutional reform, he said that the Commission was concentrating its technical-assistance efforts on the implementation of the conventions and norms it had developed and on countries that had yet to begin the process of joining the European Union. A conference of environment ministers in June 1998 had produced a convention on information access, public

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participation in the decision-making process and environmental law signed by more than 30 countries, as well as two protocols on heavy metals and persistent organic pollutants. In its relations with regional organizations, outside the United Nations system, the Commission had made important contributions to the Economic Forum of the Organization for Security and Cooperation in Europe and would intensify its cooperation with the Organisation for Economic Cooperation and Development in the coming year.

Mr. MOOY (Executive Secretary, Economic and Social Commission for Asia and the Pacific (ESCAP)) said that as a result of an intensive review of the Commission's conference structure, the Commission would be reorganized into seven sub-programmes during the biennium 2000-2001, and its secretariat in two phases during the current biennium. The Commission's reform effort needed to be pursued in the broader context of economic and social developments in the region and its ability adequately to respond to emerging problems. In response to suggestions made at its fifty-fourth session, the results of questionnaires on priorities and resource allocation would be reflected in the Commission's programme planning and budgeting process for the current and subsequent bienniums, and new policy guidelines would be established to review and monitor its publications in order to enhance cost efficiency.

The continuing Asian financial crisis was having a profound impact on economic policies in the ESCAP region, and as part of its contribution to the collective response of United Nations system organizations, the Commission intended to strengthen its Regional Inter-Agency Committee for Asia and the Pacific through joint project formulation and implementation, as well as to explore, with its development partners, ways to deal with the crisis and its impact on the social sector.

Mr. OCAMPO (Executive Secretary, Economic Commission for Latin America and the Caribbean (ECLAC)) said that, while the economy of the Latin American and Caribbean region had enjoyed one of its best years in 1997, with strong growth and low inflation, unemployment and poverty indicators had remained high and would require more attention in the future. The Asian financial crisis had also affected the region to varying degrees in 1997 and 1998, with some economies suffering major repercussions. Bolstered by practical fiscal and monetary policies, the economies of the region continued to strengthen overall and to resist speculative assaults on their currencies. The most important

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trade phenomenon affecting the region had been the decline in raw-materials prices, which was oftly indirectly linked to the Asian crisis, but the region nevertheless appeared set for continued moderate growth.

An ad hoc working group, set up to define the Commission's working priorities and future strategic directions, had become one of the most important contributors to the Commission's reform efforts. The Commission also intended to implement new systems to monitor the quality and cost-effectiveness of its projects and services, as well as a major outreach programme to publicize the results of the Commission's research and other activities.

The Commission placed great importance on expanding the scope of its work in the environmental area, and drew particular attention to its continuing cooperation with the United Nations Environmental Programme and the United Nations Development Programme (UNDP) in that regard. It also continued to seek avenues of cooperation with non-United Nations system organizations in the region.

Mr. EL-BEBLAWI (Executive Secretary, Economic and Social Commission for Western Asia (ESCWA)) said that the Secretary-General's proposals for the reform of the United Nations had provided additional impetus to effective implementation of ESCWA's own reforms and to the forging of new partnerships with other organizations and bodies. In March 1998, ESCWA member States had held a special meeting to review reform of ESCWA in the light of the Secretary-General's proposals and of actions taken by the General Assembly. That meeting had provided ESCWA with further guidance on reform.

In 1997, thanks to the generosity of the Government of Lebanon and all member States, ESCWA successfully relocated its permanent headquarters to Beirut, in a move that signalled a new beginning for that body. Despite the complexity of the operation, ESCWA's performance record for the year indicated the best results in 25 years, testifying to the effectiveness of the reform process in creating a new organizational culture.

Gross domestic product in the region, excluding Iraq, had risen by 3.4 per cent in 1997, as compared with 5.5 per cent for the previous year. Declining oil prices were expected to depress growth rates in 1998, while economic reforms, the stalling of the peace process and the continuation of economic sanctions against Iraq continued to affect overall economic performance.

Unemployment, which had reached alarming levels in the occupied Palestinian

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territories, posed a formidable threat to economic development and social progress. Environmental issues, particularly water resource management, required urgent attention, while regional trade and transport infrastructure needed to be strengthened. The reform of ESCWA was being shaped to take account of those issues.

At the institutional level, ESCWA had successfully established closer relations and cooperation with regional bodies and United Nations agencies, particularly the Regional Inter-Agency Coordination Group. Periodic meetings with United Nations regional agencies were continuing.

ESCWA had submitted to UNDP a joint regional project on an integrated approach to follow-up to global conferences at the regional level and was holding discussions to include other United Nations agencies in the project. The Regional Gender Task Force had worked with ESCWA to support the League of Arab States meeting on follow-up to the Beijing Conference, and memoranda of understanding had been signed with a number of organizations on areas of common interest, such as agriculture, trade, the environment and desertification.

ESCWA had continued its cooperation with relevant agencies and institutions on human development, gender mainstreaming, population, eradication of poverty and human settlements. It had also worked closely with the United Nations Conference on Trade and Development regarding World Trade Organization issues of concern to its member States, helping the Arab States to prepare for an upcoming ministerial meeting on the subject. ESCWA had developed close links with institutions representing civil society in the fields of commerce, research and higher education, drawing more fully on the region's resources. In those ways, ESCWA sought to establish a more effective framework for regional cooperation.

Mr. AMOAKO (Executive Secretary, Economic Commission for Africa ECA) said that while overall growth rates in Africa in 1997 had been slightly lower than in 1996, there was still evidence of economic recovery, thanks to better macroeconomic management, macroeconomic stabilization, structural change, more pragmatic leadership and better economic and general governance. Africa had been spared the adverse effects of the Asian crisis, largely because it was the least integrated of all the regions in the global economy. Integration, regional cooperation and institutional capacity-building were vital to Africa's development, as was the need to temper the pace of economic liberalization to match that of regulatory and institutional development.

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ECA took the reform process very seriously, seeking to restructure its intergovernmental machinery and enhance cooperation with regional bodies through, inter alia, decentralization of resources and functions. ECA had held a series of consultations and in-depth reviews in 1997 on enhanced cooperation with the Organization of African Unity (OAU) and the African Development Bank (ADB) as well as subregional institutions such as the Economic Community of West African States, the Economic Community of Central African States, the Common Market of Eastern and Southern African States (COMESA) and the Southern African Development Community (SADC). In collaboration with OAU and ADB, ECA would jointly play a greater advocacy role with regard to social and economic development issues in Africa and elsewhere. The Commission was currently preparing a memorandum of understanding with SADC and COMESA for the provision of technical cooperation.

With the support of the German Government, the Commission had established a resource centre for civil society in Africa within ECA, as a forum for joint discussion of workable solutions for development and of the sensitive relationship between non-governmental organizations and African Governments. The Commission was forming links with the African Economic Research Consortium, representing the best economists in the continent and in the diaspora, in order to enhance research into Africa's economic development.

The plethora of United Nations agencies in Africa necessitated greater rationalization of activities and forms of cooperation. A number of issues in particular should be addressed, namely, the overlap between coordinating structures within the United Nations and other bodies; the multiplicity of discrete secretariat functions; the need for greater linkages between work on peace, development and humanitarian affairs; and the need for greater coordination at the regional level.

Mr. GLANZER (Observer for Austria), speaking on behalf of the European Union, emphasized the distinctive nature of the regional commissions and the need for each to set priorities accordingly. The panel discussions organized by the Council were a valuable feature, and it was very much hoped that they would be held regularly. He asked what the commissions were doing in terms of programme monitoring and evaluation, in the light of efforts to streamline intergovernmental coordination and to implement organizational reform, and he requested more details on the sharing of experiences and successes, for example

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in the adoption of norms and standards. He wanted to know how the executive secretaries viewed the proposal contained in the Secretary-General's report (E/1995/65, par. 17) for the convening of yearly meetings, in each region, between regional commissions and United Nations funds and programmes, agencies and departments engaged in regional and intercountry activities to help reinforce synergies and avoid duplication of effort. He would also be interested in hearing what were the current shortcomings in the coordination mechanism; why it had become necessary to reactivate the activities of the task force which the regional commissions and UNDP had created in 1994 to explore areas of common interest; how the regional commissions viewed their involvement in the preparation of the United Nations development assistance framework (UNDAF); and what role they thought they should play in supporting trade facilitation and market access.

Ms. DJATMIKO-SINGGIH (Observer for Indonesia) said that her delegation had been given the impression that one of the major problems faced by ESCAP was the growing encroachment of United Nations funds and programmes on its area of activities. The regional commissions appeared to lack the necessary funding for normative and operational activities and were not sufficiently well represented at the global level to be able to participate effectively in Conference follow-up. Her delegation felt that there was a need for greater clarity and balance in the allocation of roles and responsibilities between the regional commissions and the United Nations funds and programmes, coupled with an enhanced role for the commissions in coordination. There was also a need for a coherent response, at the regional level, to the effects of Asian crisis.

Mr. GOODHERAM (United Kingdom) said that his delegation had been surprised that the panellists had failed to mention efforts at Headquarters to reform the regional commissions. In particular, the Secretary-General had made clear in his report (E/1998/65, para. 16) that the regional commissions had not entirely succeeded in their team leadership role. His delegation wanted to know the reasons for the lack of success and whether the executive secretaries felt that such a role was realistic in the context of globalization and the expansion of other United Nations activities.

He asked whether the panellists felt that yearly coordination meetings under the aegis of the Secretary-General would be effective, how such meetings would differ from meetings of the Advisory Committee on Coordination and whether

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they would make a real difference to coordination at the regional level. He would welcome the panellists' views on whether they were sufficiently involved in the work of the Executive Committee for Economic and Social Affairs and the United Nations Development Group (UNDG) to be able to play an effective role in the elaboration of UNDAFs, and whether there was scope for the regional commissions to work more effectively and dynamically with the functional commissions.

Mr. ISAAKOV (Russian Federation) said that the Executive Secretary for ESCAP had rightly underlined the need for regional involvement in management and regulation of the globalization process to complement efforts at the multilateral level. His delegation wished to know what specific contribution the regional commissions could make in that regard, given their mandate and the division of labour with other international agencies and bodies.

ECE had produced a very valuable report on the economic situation in Europe, which described the serious financial and economic difficulties facing countries in Eastern Europe, particularly the Russian Federation. Apart from documents, he wondered what additional input ECE could provide to remedy the situation, focusing on areas where it had a comparative advantage over United Nations funds and programmes and using extrabudgetary resources. While progress undoubtedly had been achieved in reforming the regional commissions, the litmus test was whether the reforms would generate increased outputs for the benefit of member States. It would be of interest to learn the specific areas in which value had been added as a result of those reforms.

Ms. SINHA (Observer for Australia) said that she was encouraged by the progress made by the regional commissions in implementing the recommendations contained in the Secretary-General's report. She welcomed the commitment of ESCAP to reform in key areas and suggested that it should report periodically to its Advisory Committee of Permanent Representatives and Other Representatives Designated by Members of the Commission on the steps it had taken in that connection. The Commission should also prioritize its activities, placing greater emphasis on areas in which it had demonstrated its expertise, such as its Committee on Statistics and its Pacific Operations Centre. In order to assist ESCAP in that task, all member States of the Commission should complete the questionnaire sent to them in February 1997. In the meantime, ESCAP should compile and publish the responses received thus far.

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Ms. LINDE (United States of America) said that the regional commissions' coordinating role was important in connection with the implementation of General Assembly resolutions. She asked the Executive Secretary of ESCAP to comment on a report that a team from ESCAP had gone to Myanmar in connection with a road rehabilitation project, considering that the provision of such technical assistance was inconsistent with a number of General Assembly resolutions.

Mr. ITO (Japan) said that his country and the other States members of ESCAP felt strongly that the team leadership role of the regional commissions should be respected. He asked the Executive Secretaries to state their views on that subject, based on their experiences and bearing in mind the new arrangements proposed by the Secretary-General, including the convening of yearly meetings chaired by the Deputy Secretary-General.

Mr. KABIR (Bangladesh) asked, with respect to the Executive Secretaries' participation in the Executive Committee for Economic and Social Affairs and in UNDG, how useful that participation had been for the regional commissions and what inputs the Executive Secretaries had provided in that context. It had been reported that ESCAP had had to reduce or abandon some of its programmes for deserving countries because of the high vacancy rate it maintained in certain subprogrammes, and that the situation might not improve in the next biennium. He asked how ESCAP saw the current situation, in view of the ongoing Asian economic crisis, and how it intended to address emerging economic and social problems with a reduced number of staff.

Mr. FATTAH (Observer for Egypt) asked what impact the reduction of regular-budget resources had had on the full implementation of the mandated programmes and activities of ECA and ESCWA, and whether those two Commissions received sufficient extrabudgetary resources. Although he agreed that the aim of the reform process was to increase the organization's outputs for the benefit of Member States, that effort could not succeed unless each organization of the system was placed on a sound financial footing.

Mr. HUGHES (New Zealand) asked what contribution the regional commissions would make to the UNDAF process under the leadership of UNDG. He noted that ESCAP, in particular, attached great importance to the need to set clearer objectives and time-frames for its activities and to strengthen its monitoring and impact assessment capabilities. He wondered how the process of

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setting time-bound objectives was interlinked with the allocation of the Commission's resources. He also wondered how closely the assessment of staff performance in ESCAP was linked to the staff's contributions to the advancement of those objectives.

Mr. AL-HASSAN (Oman) asked, with particular reference to ESCWA, what obstacles stood in the way of ensuring the continuity and even the expansion of the flow of resources to the regional commissions, and what impact the shortage of resources had had on programme delivery. As a member of ESCWA, his country welcomed the Commission's inputs with respect to the concerns expressed and the recommendations and decisions adopted at the global level. However, he wondered how regional concerns were transmitted back to international bodies and how ESCWA and the other regional commissions saw their role in that context.

Ms. KRISHNA (India) asked what measures could be taken to avoid duplication and to build on the synergy between the activities of the regional commissions and those of the funds and programmes working at the regional level. She also asked for clarification of the Secretary-General's suggestion concerning the regional commissions, enhanced role in the UNDAF and country strategy note (CGN) processes, since she had thought that those instruments were country-driven. What constraints had the regional commissions faced in playing the team leadership role envisaged in General Assembly resolution 32/197? Had the financial cutbacks been a significant constraint in that regard? With respect to the increased integration between the regional commissions and the rest of the United Nations system, she wondered whether the former planned to mainstream and integrate their inputs into the work of the functional commissions, the Economic and Social Council and the General Assembly, specifically in connection with the renewal of the dialogue on the process of financing for development. Lastly, she asked for more information on how the regional commissions, and particularly ESCAP, were implementing the Secretary-General's suggestion that they should enhance coordination with subregional bodies at the field level.

Mr. CASTILLO (Observer for the Dominican Republic) asked the Executive Secretary of ECLAC what measures could be taken to help diversify the targeting of foreign direct investment in Latin America and the Caribbean, considering that only four countries had received nearly 80 per cent of the region's greatly increased foreign direct investment flows in 1997. His country's strong

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economic growth over the past three years had been made possible by the appropriate fiscal and monetary policies it had adopted with the support of United Nations entities, including ECLAC. He asked what policies and mechanisms ECLAC would recommend for dealing with the poverty and unemployment that persisted in the region, and what measures could be taken to prevent the Asian economic crisis from affecting the small economies of the Caribbean and Central America.

Mr. ADAWA (Observer for Kenya) asked what role the regional commissions, and particularly ECA, had played and would play in supporting the efforts of member States to eradicate poverty at the regional and national levels, within their mandated programmes and activities at the regional level.

Mr. MATUTE (Observer for Peru) said that, since economic problems in any given region had a global impact, he wondered whether the regional commissions maintained an ongoing exchange of information and analyses on the situation in their respective regions, with a view to formulating appropriate recommendations.

Mr. AMOAKO (Executive Secretary, Economic Commission for Africa (ECA)) said that the definition of team leadership would vary by region and would reflect the manner in which each regional commission played its dual role of contributing to the Organization's global work programme while occupying a niche in the institutional landscape of its own geographical area. The role of ECA in providing team leadership and in rationalizing functions was particularly crucial in view of the number and variety of United Nations activities being carried out in Africa; nearly all the funds and programmes, as well as the specialized agencies, were setting up regional offices in Africa. Coordination through regional ACC meetings had not worked in the case of ECA; the first time it had called such a meeting, the other agencies had refused to attend. The proposed yearly meetings to be convened by the Deputy Secretary-General would represent a step forward in that regard.

The presence of so many agencies in Africa, many of which were doing normative or analytical work on the same issues, sometimes encroached on the Commission's sphere of activity. The problem was also one of resources: since the funds and programmes had the resources to call their own meetings and hire their own technical assistants, they tended to bypass the expertise available at the regional commissions. As noted in the Secretary-General's report, the funds

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and programmes sometimes took decisions that were not fully consistent with those of the Economic and Social Council. The issue of competencies and comparative advantages must also be addressed in that connection.

Although the UNDAF and CSN processes were country-based, ECA had a role to play in facilitating the exchange of experiences among countries and in helping them to apply best practices in respect of specific situations. He was pleased to be a member of UNDG and of the Executive Committee for Economic and Social Affairs, but, because the regional commissions were located far from Headquarters, mechanisms for improved communication were necessary. More dialogue with the functional commissions was also important; in particular, the regional commissions should have the opportunity to look at the work programmes of the functional commissions each year prior to their implementation, with a view to providing useful input.

Concerning problems that were specific to ECA, he noted that during the current period of financial constraints, the Commission had been forced to curtail programmes and had adopted a cross-cutting approach in order to increase the efficiency and cost-effectiveness of its activities. The resources from the regular budget must be increased, however, as certain mandated programmes could not be implemented in the current financial climate. Fortunately, the amount of extrabudgetary resources received had doubled in recent years, and the Commission enjoyed excellent relations with the World Bank. Its overriding objective was poverty alleviation, and every one of its activities was intended to have some impact in that area.

Mr. BERTHELOT (Executive Secretary, Economic Commission for Europe (ECE)) said that coordination took time and should be attempted only when better results could actually be achieved through joint action. It did not work by fiat but rather must be based on experience; it must also be based on mutual respect. The recommendations of the Secretary-General were thus very useful. In order to avoid duplication, the Commission had made efforts to reform its cooperation with organizations outside the United Nations system, for example the Commonwealth of Independent States, and had found exchanges of views with such organizations on trends and difficulties to be highly useful.

The priority of the Commission in the area of technical assistance was the implementation of United Nations conventions, norms and standards, and it provided neutral ground for dialogue with other organizations in those areas.

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In order to make the regional commissions more effective, budget and personnel management functions must be decentralized. The Commission was constantly evaluating its own performance, the quality of its output and its effectiveness and usefulness to its members.

Mr. MOOY (Executive Secretary, Economic and Social Commission for Asia and the Pacific (ESCAP)) said that, in the area of coordination, the Commission had already set up a committee for regional inter-agency coordination which consisted of 13 subcommittees, effectively resulting in shared leadership among all the agencies represented. By its nature, ESCAP had only a regional presence, since it did not have any offices at the global or country level, and, as it was not a funding agency, it had little flexibility in its resources. In his view, one of the key issues facing the Commission was the best possible management of its limited funds. The political will to cooperate existed at the regional level, as evidenced by joint projects with such agencies as the United Nations Children's Fund and the United Nations Population Fund, but that will was often subject to decisions made at the global level. He therefore favoured more involvement from Headquarters and supported the idea of an annual meeting, which should be attended by representatives of the funds and programmes as well.

With regard to the management of globalization, while countries were of course responsible for their own mistakes, it was difficult to predict the challenges they would face because the process moved so quickly. The World Trade Organization was one institution which tried to keep pace with globalization, and the United Nations could assist from the political end by overseeing financial flows. The regional commissions could be useful in surveillance and monitoring of those flows, serving as a type of early warning system.

In answer to the question on the Myanmar road project, he said that ESCAP must assist Myanmar to address its main problems, which were transportation and poverty alleviation. The road project, by supplying the missing link in the Asian highway system between Myanmar and Thailand, would promote trade, which in turn would help to alleviate poverty.

The vacancy rate, which had been high during the 1996-1997 hiring freeze, had dropped as posts were being filled. A redeployment exercise would be undertaken.

Mr. OCAMPO (Economic Commission for Latin America and the Caribbean

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(ECLAC)) said that, while ECLAC valued the idea of regional cooperation with other United Nations agencies, it was in fact more deeply involved in joint activities with agencies outside the system; it must therefore find ways of increasing its cooperation with United Nations entities. In the area of monitoring and evaluation, ECLAC would soon take a step forward by providing full-cost estimates of all its programmes. He agreed with the observer for Peru that more collaboration and exchange of information was needed among the regional commissions.

Mr. EL-BEBLAWI (Economic and Social Commission for Western Asia (ESCWA)) said that coordination was very difficult to implement, as it depended less on the content of resolutions and more on personalities and chemistry between individuals. He felt, however, that the regional commissions had not been given a clear mandate despite their role as team leaders. The increasing numbers of regional offices of the functional commissions and agencies also worked against coordination; such offices should be established only if they served a real purpose. The idea of a "United Nations house" made sense because simple proximity was helpful in working together.

Regarding resources, more funds would of course be helpful, but in his view, flexibility was more important than the amount. In an environment where the volume of extrabudgetary and outside resources was shrinking, some United Nations agencies were also shifting their roles from funding to executing, yet it was important that they should maintain their original funding roles to ensure greater objectivity.

The meeting rose at 1.15 p.m.