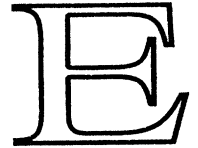




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SECOND REVISION

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PROGRAMME 34. REGIONAL COOPERATION FOR DEVELOPMENT IN WESTERN ASIA

A. Programme

1. General orientation

34.1 The general mandate for the programme emanates from Economic and Social Council resolutions 1818 (LV) of 9 August 1973 and 1985/69 of 26 July 1985, which established and amended the terms of reference of ESCWA.

34.2 The priorities and activities of the United Nations have been undergoing extensive restructuring since early 1992, with the aim of enhancing the Organization's effectiveness and efficiency in providing needed services to its Member States. The regional commissions of the United Nations are currently involved in that exercise to enhance their role as centres for social and economic development and regional cooperation. With respect to the Economic and Social Commission for Western Asia (ESCWA), the reformulation of its work programmes was also necessitated by the rapidly changing socio-economic conditions which the region has been experiencing.

34.3 The ESCWA secretariat has thus initiated the process for restructuring its programmes through consultations between ESCWA staff and experts from the region and outside, from different fields and with a wide variety of experience. These experts engaged with ESCWA staff in an open interdisciplinary dialogue on priorities for the region during the Consultations on the Restructuring of ESCWA Programmes, held at Amman from 31 January to 3 February 1994, which focused on development issues and challenges that will be of major concern to the region during the coming two decades.

34.4 The conclusions drawn from that dialogue were used by the secretariat to identify its long-term strategic objectives and revise accordingly its medium-term plan (1992-1997) and 1994-1995 programme of work, and formulate the outline for its 1996-1997 programme of work. These documents are being submitted for the consideration of member States at the seventeenth session of ESCWA.

34.5 In reformulating objectives, priorities and programmes, emphasis has been placed on a multidisciplinary thematic approach which will necessitate, during implementation, the formation of task forces, led in each case by the major contributing organizational unit.

34.6 The point of departure of the developmental role of the Commission is the improvement of the quality of life in all its aspects and its widest meaning. Improvements in the quality of life, in turn, enhance the capability of people to contribute further to overall economic and social development and to bring about a healthy human environment. Economic development cannot be divorced from the social and ecological, nor from the cultural and political dimensions. ESCWA, therefore, should direct its efforts to raising awareness of the importance of an integrated holistic systemic approach to development without losing sight of the specificities at the national and regional levels. Stressing the interconnection of cultural, social, political, ecological and economic dimensions of development and change would provide the necessary components for sustainable development.

34.7 The general objectives of the programme on regional cooperation for development in Western Asia are the following:

(a) Enhancing sustainable development through the promotion of regional and subregional cooperation, with special emphasis on strengthening the coordination of policies and programmes leading to closer regional cooperation among ESCWA countries;

(b) Addressing the social, cultural, ecological and technological dimensions of economic development and the interrelationships between social and economic factors in the development process;

(c) Providing opportunities for the acceleration of the process of sustainable development in each of the ESCWA member countries, with special emphasis on social and economic development of countries facing special conditions.

34.8 Most States members of the Commission depend, in varying degrees, on the production and export of crude oil for financing development. The sharp decline in oil prices throughout most of the 1980s, coupled with the war between Iraq and the Islamic Republic of Iran, which lasted for most of that decade, has led to a decline in the financial resources available for development purposes, and had a negative spillover effect on other countries in the region in terms of reduced direct financial assistance flows and workers' remittances.

34.9 At the onset of the 1990s, the political instability in the ESCWA region was heightened by the incidence of crises and military conflict in the Gulf, with massive destruction of economic and social infrastructure; suspension of oil production and exports from two member countries; great losses in human life and suffering; disruption of trade channels and flows; non-voluntary waves of return-migration; and substantial reduction in the flow of capital for investment within the region. All these point to the necessity to focus on social and economic rebuilding and rehabilitation, the ultimate objective being the reintegration of the population into peaceful and gainful ways of living.

34.10 The social cost of the above-mentioned developments has been enormous, as reflected in deteriorating standards of living, unemployment, poverty, social disintegration, refugees, returnees, marginalization of large segments of the population, and higher disability rates, thus compounding the problems associated with social adjustment to changes in traditional norms and codes in the region. This high social cost of events has left a clear impact on the lives of the people in the region, on the communities at large and on institutions.

34.11 As the ESCWA region approaches the twenty-first century, it is faced with several complex challenges that require both creative and effective ways of dealing with them. One of the major challenges facing the region is in the area of natural resources, the main problem being inadequacy of planning and management of its water, energy and mineral resources. The tasks confronting member States in addressing this situation are complicated by a shortage of water resources, uneven distribution of energy sources and a lack of articulated national and regional strategies for balancing environmental concerns and natural resources development and exploitation.

34.12 Similarly, the food security situation in the region is vulnerable owing to a weak agricultural sector. To a considerable extent, this is due to water scarcity, degradation of the natural resources base, inadequate physical and social infrastructure, low technological levels and a largely unfavourable socio-economic environment under which agricultural activity is carried out. Given the aridity of the region, conservation and rational use of water becomes an issue of extreme importance.

34.13 Notwithstanding the above events and their negative consequences on the quality of life of the population of the region, the production sector in the more diversified economies has languished over the years in comparison with a growing services sector. Thus, the share of domestic output in meeting local demand for manufactured goods has decreased over the last decade.

34.14 The economies of the countries of the region are also characterized by a high degree of dependence on, and sensitivity to, changes in the global economy. The emergence and/or consolidation and enlargement of regional and economic blocs, such as the European Union and the North American Free Trade Agreement (NAFTA), coupled with the further liberalization of international trade in goods and services under the recently concluded Uruguay Round of multilateral trade negotiations (GATT), will further affect development prospects in virtually all sectors and would leave lasting negative effects on socio-economic conditions in the region.

34.15 The development of both the industrial and agricultural sectors is closely linked with international trade through the heavy dependence of these sectors on the outside world for virtually all their needs for machinery and equipment and a large component of intermediate goods. The interdependence and horizontal linkage between agricultural development and external trade is also evident in the region's critical dependence on food imports, the dominance of agricultural raw materials in the export trade of the non-oil economies of the region and the fact that trade provides an outlet for surplus agricultural products. However, the region's susceptibility to exogenous developments is nowhere more evident than in the oil sector—the mainstay of development in many countries.

34.16 Furthermore, rapid technological achievements at the global level have led to a further widening of the technological gap between the ESCWA region and the more advanced regions/blocs. The process of economic reform in member countries themselves, and exogenous developments, in particular the General Agreement on Tariffs and Trade (GATT) agreement, could have a limiting impact on national scientific and technological institutions and on the transfer of technology to the region.

34.17 Environmental concerns are expected to acquire an increasing importance in the efforts of the region geared towards sustainable development. Issues such as desertification, industrial waste management, surface- and ground-water pollution, urban environmental deterioration, the social setting, and the aftermath of the recent Gulf war, will have to be addressed. Environment is to be viewed in the wide sense of Agenda 21 and in its physical aspect, with emphasis on sustainability.

34.18 A major challenge confronting the countries of the region is the transformation of their economies to meet the challenges of the coming century. This would require not only securing huge sums for investment, but also reconsidering or redefining their economic philosophies and pattern of development, especially the balance between economic management and market forces. The policy mix pursued in the past has generally not been conducive to rapid and equitable growth and development. In effect, it has resulted in the emergence or accentuation of internal and external imbalances and constraints, as reflected mainly in high and persistent budget and balance of payments deficits, heavy indebtedness and reduced financial resources for development. As a consequence, most countries in the region have been implementing economic reform, including structural adjustment programmes and policies, on their own initiative or in cooperation with the International Monetary Fund and the World Bank, with the overall objective of achieving a more sustainable pattern of development in the long term.

34.19 As this decade unfolds, the countries of the ESCWA region, like other developing countries, will probably encounter increasingly difficult obstacles in their efforts to achieve sustainable

development. Current economic trends indicate that the economic globalization will continue. Yet many ESCWA countries lack the human resources needed to participate in the process and transform their economies so as to become internationally competitive.

34.20 Furthermore, basic weaknesses and deficiencies in the area of statistics and information remain a major impediment to Governments' efforts to formulate effective development policies, in an age where possession of information and the ability to store and transmit it have come to assume a crucial role in determining the competitiveness of nations.

34.21 Finally, the launching of the peace process, and in particular the recently concluded declaration of principles for a peace accord between Israel and the Palestine Liberation Organization (PLO), will undoubtedly have a major economic and social impact on the region. The resulting new climate would require constant monitoring by the ESCWA secretariat in order to adapt its activities to address the various issues raised above, taking into consideration changing realities, particularly in resource reallocation and regional cooperation.

34.22 Thus, a new impetus to foster regional cooperation is needed in order to address adequately the economic, social, cultural and ecological dimensions for a sustainable and systemic development of the ESCWA region. It is of utmost importance at this juncture to place human development, in its broad definition, at the centre of developmental concerns.

34.23 The overall responsibility for the elaboration and implementation of this programme is entrusted to the secretariat of ESCWA.

2. Overall strategy

34.24 In accordance with the terms of reference stipulated in various General Assembly resolutions and the objectives enunciated above, ESCWA, as a multidisciplinary body, attempts to identify and formulate a coordinated approach to regional cooperation, within the context of the economic and social plans and programmes of its member States, and its perception of relevant regional and global developments. Hence, most of the activities under this programme are of a regional or subregional character, with country-specific activities having a regional extension.

34.25 Taking into consideration the terms of reference of ESCWA as a centre for social and economic development at the regional level, its role can be defined as follows:

- (a) To enhance the policy-making and institutional capacity of member countries and non-governmental bodies to achieve sustainable development;
- (b) To facilitate joint endeavours, exchange of experience and information among member States, taking advantage of regional complementarities and cooperation possibilities;
- (c) To provide a forum for regional debate on emerging issues;
- (d) To raise awareness of critical issues of relevance to the sustainable development of the region, and propose alternatives and/or options for meeting existing and emerging challenges;
- (e) To serve as a major source of economic and social statistics and information on the ESCWA region within the United Nations system;

- (f) To serve as an early warning system.

34.26 In order to meet the objectives of the programme, as enumerated above, and in fulfilment of its role, the ESCWA secretariat will carry out the following functions:

- (a) Provide substantive secretariat services and documentation for the Commission and its subsidiary bodies;

- (b) Assist the United Nations Economic and Social Council, upon request, in discharging its mandate as it relates to the region;

- (c) Carry out research and surveys to monitor developments and propose action for the sustainable socio-economic development of the region;

- (d) Establish and develop statistical databases and information pertinent to the work of ESCWA in collection, compilation, standardization, evaluation, processing and dissemination to end-users and assist member countries in improving their data services;

- (e) Organize intergovernmental meetings, expert group meetings, conferences, symposia, seminars and training workshops;

- (f) Provide technical assistance and advisory services, upon request, to States members of the Commission;

- (g) Contribute to the formulation, execution, monitoring and evaluation of technical assistance programmes in a variety of substantive areas with the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA), the United Nations Development Fund for Women (UNIFEM), the Arab Gulf Programme for the United Nations Development Organizations (AGFUND) and other funding entities;

- (h) Coordinate ESCWA activities with those of the United Nations specialized agencies and the three major departments of the Secretariat at Headquarters, namely, the Department for Policy Coordination and Sustainable Development, the Department of Economic and Social Information and Policy Analysis, and the Department of Development Support and Management Services, and with the United Nations Centre for Social Development and Humanitarian Affairs and UNDP, with a view to avoiding duplication and ensuring complementarity and exchange of information;

- (i) Coordinate and cooperate with other units and bodies of the United Nations system, including the Food and Agriculture Organization of the United Nations (FAO), the United Nations Centre for Human Settlements (Habitat), the International Labour Organization (ILO), the United Nations Conference on Trade and Development (UNCTAD), the United Nations Environment Programme (UNEP), the United Nations Educational, Scientific and Cultural Organization (UNESCO), UNFPA, the United Nations Children's Fund (UNICEF), the United Nations Industrial Development Organization (UNIDO) and other international bodies;

- (j) Coordinate with regional organizations, in particular the Organization of the Islamic Conference, the League of Arab States and its specialized agencies, the Gulf Cooperation Council (GCC) and other regional groupings.

3. Structure and priorities of the subprogrammes

34.27 Regional cooperation, the main mandate of ESCWA, aims at promoting sustainable development in its multiple dimensions (economic, social, ecological, cultural, etc.). Within this broader perspective, social development would encompass more than welfare and economic development, more than growth and efficiency. The main challenge confronting the ESCWA region is the interrelation among the three main dimensions of sustainable development, namely, management of natural resources and environment, improvement of the quality of life and economic development. Each of these components is a prerequisite for and a result of the other two.

34.28 New realities in the world and the globalization of economic, social and political events have a direct impact on the above-mentioned three dimensions of sustainable development in the region. Part of the mandate of ESCWA is to act as a warning system to its member States regarding the impact of global political, economic, cultural, and technological changes at the national and regional levels.

34.29 The ESCWA region is characterized by rapidly changing circumstances resulting from political instability, internal strife and military conflicts. This feature requires giving special emphasis to issues that are regional in scope, in addition to individual country-specific situations.

34.30 In translating the challenges facing the ESCWA region into programme activities, five subprogrammes are adopted, which represent core themes that may cut across several organizational units. In implementing such activities through the biennial work programmes, the different organizational units (divisions, sections and units) concerned will come together through task forces representing the relevant specializations.

34.31 The programme on regional cooperation for development in Western Asia will consist of the following thematic subprogrammes:

Subprogramme 1. Management of natural resources and environment.

Subprogramme 2. Improvement of the quality of life.

Subprogramme 3. Economic development and cooperation.

Subprogramme 4. Regional development and global changes.

Subprogramme 5. Special issues.

34.32 It is to be noted that the ESCWA secretariat considers statistical data a prerequisite for all its analytical and policy-oriented activities. The secretariat will, therefore, work to develop timely, reliable and relevant internationally comparable statistics in the ESCWA region, in cooperation with national, regional and international bodies concerned, and to develop reliable regional databases on specific sectoral or multisectoral areas needed for the assessment and monitoring of economic and social development in the region, and for the implementation of its work programme.

34.33 This will involve, in a gradual manner, the collection, compilation and dissemination of comparable statistics on national accounts, prices, finance, industry, energy, external trade and other economic series; environment and social statistics, including those pertaining to the situation of

women, the disabled, youth, infants and other special population groups; population statistics, including population and housing censuses, civil registration systems and demographic and health surveys; the promotion of unified international concepts, definitions and classifications, especially those related to national accounts, international trade, industry, migration, the environment and employment; and assistance in the development of the census and survey capabilities of ESCWA member States and in the collection and analysis of socio-economic data obtained from household surveys and censuses. The secretariat will also endeavour to improve the statistical information base to make the survey and monitoring aspects of its activities forward-looking, and to develop indicators of development relevant to the situation of the region.

B. Subprogrammes

**SUBPROGRAMME 1. MANAGEMENT OF NATURAL RESOURCES
AND ENVIRONMENT**

(a) Objectives

34.34 The legislative authority for the subprogramme derives from General Assembly resolutions 32/158; 36/193; 38/151; 39/173; 39/176; 40/208; 41/65; 41/170; 42/184, paragraphs 14 and 15; 42/186; 42/187, paragraphs 8 and 15; 43/193; 45/181; 45/199; 45/209; S-18/3; and 47/191; Economic and Social Council resolutions 1983/52; 1983/54; 1985/49; 1985/52, paragraph 1; 1985/167; 1987/7, paragraph 3; 1987/9; 1987/10, paragraph 4; 1989/6; 1989/7, paragraph 3; 1989/8, paragraph 6; 1991/84, paragraph 7; 1991/85, paragraphs 3, 5, 6 and 9; 1991/89, paragraphs 2, 3 and 4; 1991/90, paragraphs 2 and 4; decisions of the United Nations Conference on Environment and Development and the Commission on Sustainable Development; and ESCWA resolutions 81 (VII); 165 (XV); and 180 (XVI).

34.35 The ESCWA countries are predominantly arid and semi-arid. Owing to the fragile ecological conditions prevailing in the region, any ecological damage is extremely difficult to repair or reverse. Rapid population growth and poverty have led to excessive exploitation of the scarce land and water resources of the region. Inadequate strategies and policies for the sound management of these resources, and insufficient appreciation of the relation between resource management and sustainable development, have accelerated the rate of soil erosion, depletion of underground aquifers, salinity, desertification and other forms of resource degradation.

34.36 The shortage of water resources is a serious constraint on social and economic development in the ESCWA region. Water security is further aggravated by the fact that the major water sources originate mostly in neighbouring countries. The water sector in the region is facing chronic problems emanating from: inefficient management and inadequate national water planning and policies; inadequacy of hydrological, hydrogeological and hydrometeorological data and thus the lack of a thorough assessment of conventional and non-conventional water resources required for establishing priorities, proper distribution and allocation among the end-users; shortage of skilled manpower and expertise, particularly in areas requiring the use of advanced technologies; shortage of financial resources in many countries of the region to implement large-scale water development projects; inadequate water supply and sanitation, especially in rural and remote areas; and water pollution and contamination caused by the absence of adequate policies required for environmentally sound development.

34.37 The most salient problems and obstacles hindering overall development of mineral resources are: the lack of a comprehensive assessment of available mineral resources; lack of effective regional cooperation and coordination of mining activities; a shortage of the financial resources needed in several countries of the region to obtain the sophisticated technologies for undertaking mineral development projects; and a shortage of skilled manpower.

34.38 Petroleum constitutes the major source of material wealth in the region, which is also a major supplier of oil to the world. However, a number of ESCWA countries are deprived of or lack completely oil or natural gas resources. The importance of natural gas is growing rapidly in terms of discoveries, utilization and export potential. Moreover, given the potential of renewable energy resources, it could play an important role among energy sources in the future.

34.39 Energy policies and planning at the national level need to be improved, especially energy planning methodologies and techniques that constitute important obstacles to the preparation and implementation of country energy plans. The energy balances drawn up by a number of ESCWA countries are not sufficiently accurate or comprehensive to serve as a basis for a reliable assessment of their energy situations. The excessive use of depletable energy resources and the lack of appropriate policies and measures for more efficient use of energy require that the issue of energy consumption be analysed and measures taken to increase efficiency in energy utilization.

34.40 Activities undertaken in the ESCWA region for the development of renewable sources of energy are largely limited to pilot projects. Other than in a few cases, such activities have not yet led to a tangible commercialization of renewable energy technologies.

34.41 Environmental degradation in the ESCWA region results from inadequate management of land, water and energy resources, lack of public awareness, and inappropriate regulations and policies. Population growth, poverty and migration are additional factors contributing to environmental degradation.

34.42 Economic and social issues confronting ESCWA countries are often perceived as separate from the environment; consequently, environmental issues are not given the priority they deserve by decision makers. Environmentally sound management of natural resources is to be reflected in planning activities under this subprogramme.

34.43 The objectives of the subprogramme are the following:

(a) To assist in the introduction of appropriate techniques and technologies for assessing natural resources in the region and in the development of national plans for their exploitation, in the context of regional and international efforts to highlight the environmental dimensions of sustainable development;

(b) To assist in ensuring proper management of water resources, including quality control, establishment of guidelines and principles for the optimum utilization of available water resources, particularly in the case of shared-water basins, and increasing awareness of the relationship between water scarcity and the process of sustainable development;

(c) To assist in developing a long-term perspective for energy options in the region as well as strategies and policies for environmentally sound management of energy resources and energy waste and the development of renewable energy resources, particularly in the rural and remote areas;

(d) To promote cooperation among ESCWA member States in the fields of natural resources and environment in the context of existing and planned regional arrangements, institutions, and projects.

(b) Course of action of the secretariat

34.44 The means of action envisaged by the secretariat under this subprogramme are as follows:

(a) Conducting studies on planning and management of land use, water and energy resources with special emphasis on desertification control, water budget evaluation, and rural energy issues, including surveys and assessments related to these activities;

(b) Organizing meetings aimed at developing natural resources strategies and policies and at promoting regional cooperation and coordination of activities and exchange of information on various issues of natural resources development; and promoting the utilization of appropriate technologies for non-conventional water and energy resources;

(c) Organizing training programmes, technical meetings and seminars at the national, subregional and regional levels, with a view to developing capacity for the improvement of water and energy resources management, environmental impact assessment, and issues related to the utilization of low-cost and appropriate technologies in the water and energy fields;

(d) Maintaining and establishing regular contacts with national, regional and international organizations for the coordination of natural resources and environment-related activities, and promoting cooperation in the development of natural resources and their efficient use, as well as taking regional and subregional initiatives to make sustainable development the guiding principle in the interrelated objectives of natural resources management within the region;

(e) Monitoring, analysing and reporting on emerging environmental issues, especially those relevant to the region, and on progress made in the implementation of Agenda 21, focusing on issues of primary concern to the region, in particular, land, air, water and noise pollution, and waste management and environmental impact assessment.

SUBPROGRAMME 2. IMPROVEMENT OF THE QUALITY OF LIFE

(a) Objectives

34.45 The legislative authority for the subprogramme derives from General Assembly resolutions 40/108, paragraph 10; 41/111, paragraph 2; 42/178, paragraphs 3 and 8; 43/99, paragraphs 5 to 8; 44/55; 44/56, paragraphs 8 and 12; 44/59, paragraphs 1, 4 and 8; 44/70, paragraphs 7, 9 and 13; 44/236, annex, paragraphs 5 and 8; 46/141, paragraphs 2, 5 and 6; 46/92, paragraphs 1, 2 and 7; 47/92; 47/176, paragraphs 2, 9 and 14; 47/180, paragraphs 5, 16 and 19; 47/197, paragraphs 8 to 10; 48/183, paragraphs 1, 2, 5 and 7; 48/184, paragraphs 5 and 6; Economic and Social Council resolutions 1991/230; 1987/40, paragraph 5; and 1988/47, paragraphs 2 to 4; and ESCWA resolutions 186 (XVI); 187 (XVI); and 188 (XVI).

34.46 Improvement of the quality of life in the ESCWA region, encompassing material and non-material aspects, is closely correlated with proper management of natural resources and economic development. It is further affected by political instability, inadequate performance of the developmental machinery and rapidly changing social values and structures.

34.47 Issues related to the improvement of the quality of life need to be dealt with through a multidisciplinary approach, reflecting the perception of sustainable development as "development of people, by people and for people".

34.48 A salient characteristic of the ESCWA region is its relatively high rate of population growth which, coupled with the unfavourable economic conditions in some countries of the region, exacerbates the problems of unemployment and underemployment in both the organized and the informal sectors. Unemployment of university graduates and widespread under-employment in the public sector are further reflections of the mismanagement of human resources.

34.49 Poverty is increasing in the ESCWA region. It is estimated that one third of the Arab world population in 1990 was living under the poverty line. These high levels of unemployment and poverty lead to a low level of social integration. In addition, social integration in the ESCWA region needs to be enhanced through greater attention to the needs of the disabled and other vulnerable groups, including poor and marginal urban and rural settlements and communities.

34.50 Women in the ESCWA region are still disadvantaged in terms of access to resources, level of education, participation in economic activity and participation in the development process and institutional support activities. Another important issue facing women in the region is the growing conflict between women's public and familial roles and the lack of an integrated approach to development that provides viable solutions to this conflict.

34.51 Social integration in the ESCWA region needs to be enhanced through greater attention to the needs of the disabled population and other vulnerable groups, including poor and marginal urban and rural settlements and communities.

34.52 Patterns of development in the region have led to rapid and unchecked urbanization, the explosive growth of some cities, expansion of poor and marginalized settlements, and further deprivation of rural communities.

34.53 Rural development and eradication of poverty are crucial development issues in most ESCWA countries. Despite the agrarian reform programmes undertaken in some countries, agriculture

is still dominated by small and fragmented holdings, and the problems of marginal and landless farmers remain serious in many of them. The region lacks viable and efficient rural institutions (extension, marketing, finance) to confront effectively the ever-increasing and complex task of development. Moreover, there is still a wide gap between urban and rural areas in the availability of basic services and employment opportunities.

34.54 Finally, an important issue to be addressed under this subprogramme is the availability and reliability of quantitative and qualitative information and indicators, which are essential for the formulation of sound social policies.

34.55 The primary objectives of the subprogramme, derived from the needs of ESCWA member countries, are: the elimination of poverty, the promotion of productive employment and the enhancement of social integration, with particular attention to the integration of women and disadvantaged groups and to integrating the cultural dimension in the development process.

34.56 The objectives of the subprogramme are the following:

(a) To draw attention to the impact of population on the quality of life through analysis of demographic data, including population projections, and to integrate population variables into development, formulating adequate population policies, and disseminating knowledge of population-related issues;

(b) To promote a comprehensive approach to human development as one of the key factors affecting quality of life, through in-depth evaluation of the development process at the national and regional levels. In addition, enhancement of social integration of youth, as the largest population segment, will be emphasized. Attention will also be given to the disabled and other vulnerable groups, who are direct results of the deteriorating economic conditions, and social and political structure in the region;

(c) To promote productive employment, through the continuous assessment of labour market developments, the strengthening of planning capabilities of labour ministries, and by promoting regional policies that would facilitate labour movement among Arab countries;

(d) To address critical issues hampering the integration and participation of Arab women, including young and rural women, in development, and to assist member States in responding effectively to women's imminent needs for empowerment, employment, and legal awareness, with particular attention to be given to assisting in institution-building and capacity-building of non-governmental organizations;

(e) To examine the impact of development trends and social change on human settlements and the quality of life of local communities, with a view to raising awareness of the problems and needs of human settlements in the region, and promoting integrated and appropriate policies and programmes aimed at sustainable development of human settlements, with particular emphasis on participatory and grass-roots approaches and programmes.

(f) To promote an integrated approach to community development based on growth, equity and participation of people;

(b) Course of action of the secretariat

34.57 Based on the above, the following are the courses of action of the subprogramme:

(a) Monitoring the population situation through the publication of demographic and related socio-economic indicators and population projections; undertaking studies on determinants and consequences of population growth; organizing meetings on integrating population variables into the development process; and disseminating population information through the publication of the Population and Social Development Bulletin;

(b) Monitoring the social situation through the regular publication of the social survey, undertaking in-depth analysis of the human development process at the national level; assessing the social impact of economic measures and reforms; formulating adequate social policies with particular attention to the disadvantaged groups; and monitoring labour market development to promote gainful employment;

(c) Collecting and disseminating data and information on Arab women through ESCWA studies on Arab women in development and an annual survey monitoring the situation of women in Western Asia; following up on the recommendations emanating from the July 1994 Expert Group Meeting on the Arab Family in a Changing Society, to be convened in observance of the 1994 International Year of the Family, from the Intergovernmental Regional Preparatory Meeting for the Fourth World Conference on Women, to be held in November 1994, and from the World Conference on Women, to be held at Beijing in 1995; examining through field research and comparative case-studies the changing role of the Arab family and assessing the institutions that provide services to support and/or replace family services.

(d) Monitoring changes and trends in the human settlements situation through analysis of human settlements data and indicators; undertaking studies, providing technical assistance and organizing meetings and workshops related to urbanization and urban development and management; identifying appropriate technologies and norms for improving living standards and conditions for marginal and poor settlements; mobilizing human, financial and natural resources for the provision of adequate and affordable shelter and the promotion of balanced and appropriate human settlements development; formulating policies and plans for sustainability of human settlements development, with particular attention to the needs of special groups in the urban environment; assisting in the formulation of policies and programmes aimed at improving living conditions and the quality of life of depressed and precarious rural and urban settlements, through community participation and mobilization for action.

(e) Assessing and evaluating community development (urban and rural) policies and programmes; strengthening the technical and institutional capacity for agricultural and rural development; strengthening governmental and non-governmental institutions in the areas of extension, credit, marketing and community development; and promoting the integration of rural women in the mainstream of agricultural and rural development.

SUBPROGRAMME 3. ECONOMIC DEVELOPMENT AND COOPERATION

(a) Objectives

34.58 The legislative authority for this subprogramme derives from General Assembly resolutions 41/171, annex, paragraphs 12, 13, 27 and 29; 41/182, paragraph 1(a) and (b); 41/202, paragraph 1 (b), (d) and (e); 42/184, paragraph 15; 42/192; 42/198, paragraphs 17 and 18; 43/178, paragraphs 5 and 16; 43/184; 44/14, section B, paragraphs 1 to 4; 44/205, paragraphs 5, 11, 12 and 13; 45/196; 45/199, annex, paragraphs 56 to 77 and 103 to 112; 46/144, paragraph 4; 47/152, paragraphs 2 and 3; 47/153; 47/171, paragraphs 1, 2 and 3; 47/178, paragraphs 1 and 2; 47/183, paragraphs 6 and 16; 47/184, paragraph 1; and 48/180, paragraphs 3 to 5; Economic and Social Council resolutions 1988/74, paragraph 2; 1991/75, paragraph 4; 1993/63, paragraph 3; 1990/71; and 1991/55; and ESCWA resolutions 92 (VIII), paragraph 3; 138 (XII), paragraph 3; 170 (XV), paragraph 3; and 191 (XVI), paragraphs 4, 5, 6 and 7.

34.59 The problems and challenges confronting the countries of the region in their efforts to promote growth and development reflect shortcomings in macroeconomic management policies at the national level, an inability to exploit the potential of regional cooperation, and a rapidly changing, and most unfavourable, international economic environment.

34.60 The importance of macroeconomic management and policies in the region derives from the direct and extensive involvement of the public sector in economic activity in several member countries, on the one hand, and from the influence that Governments exert in shaping the overall setting for the undertaking of economic activities in all countries through policy formulation, institution-building, economic negotiations, and regional and international agreements, on the other hand. The policy mix pursued in the past has not generally been conducive to rapid and equitable growth and development. In effect, it has resulted in the emergence or accentuation of internal and external imbalances and constraints. These policies have not been very successful in alleviating poverty and improving income distribution, or in changing perceptibly the situation of the least developed country in the region.

34.61 Regional cooperation, though largely spontaneous, increased significantly after the first adjustment of oil prices in the 1970s, mainly through trade, aid, workers' remittances and joint ventures, resulting in a positive impact on economic development throughout the region. The pressure on and subsequent fall in oil prices since the mid-1980s has reduced these flows considerably. The situation has been further aggravated by the Gulf crisis which has sharply reduced resources available for development in the traditionally surplus member countries themselves and for assistance to other countries in the region. These developments underline the significance of interdependence for development in the region as a whole and for the stability of member countries, and the need to forge closer links and reduce disparities in development levels within and among countries. The reduction in financial resources for development calls for the evaluation of national financial systems and the status of regional cooperation with regard to mobilization, management and allocation of financial resources and the formulation of appropriate policy measures, and for increasing awareness at the national policy-making level of the need to promote diversification of national income and domestic revenue sources. It also calls for greater attention to foreign direct investment, which is emerging as a major source of development finance.

34.62 In view of the high degree of openness and external dependence of ESCWA countries, the external economic environment and relations assume an important role as determinants of growth and development in the region. Foreign trade plays a crucial role through its contribution to income,

savings, government revenues and employment generation. The importance of foreign trade derives also from the heavy dependence of the region on the outside world for a significant portion of its food, intermediate products and capital equipment requirements; moreover, it is the main vehicle for acquiring modern technology and know-how and a major source of development finance. A number of problems hamper the contribution of foreign trade to growth and development. The trade of ESCWA countries remains highly concentrated in terms of commodity composition and direction, intra-regional trade being a modest fraction of the total. The protectionist policies applied by major trading partners to products in which countries in the region have a comparative advantage adversely affect exports. The conclusion of the Uruguay Round, the formation and/or enlargement of trading blocs, and developments in Eastern Europe and countries of the former Soviet Union pose additional challenges.

34.63 The pursuit of import-substitution policies has reduced the incentive to export, rendered competition a marginal concern and discouraged the search for new markets, while promoting the increased resort to non-competitive trade channels. As a result, insufficient attention has been paid to export determinants such as financing, exchange rate policies, trade régimes and product quality and cost. The trade of the region is also handicapped by inadequate information and high transaction costs. Trade in services, both in the traditional sense and in new forms based on information and communications, is still modest; the potential of regional cooperation has hardly been exploited.

34.64 The rich natural, cultural and historical potential of the ESCWA region has not yet been fully utilized in the development of the international and intraregional tourism. Tourism development policies based on integrated tourism planning and marketing, which also take into consideration the socio-economic, cultural, historical and environmental particularities of the ESCWA region, could contribute much to the development and prosperity of ESCWA member countries.

34.65 There is also a need for mechanisms to channel foreign direct investment into priority areas of national investment programmes; encourage indigenous enterprises; ensure introduction of environmental standards; protect against and compensate host countries for transfer pricing abuses; and ensure that the financial activities of transnational corporations are consistent with the country's balance-of-payments objectives. The introduction of such mechanisms requires a consistent policy environment that enhances the overall contribution of transnational corporations to development. Critical to such efforts is concern for the possible adverse social and cultural impact of the operations of transnational corporations in ESCWA member countries. Actions by ESCWA member countries would need to be complemented by policies and mechanisms aimed at improving the quality and quantity of investment flows, and foreign investment policies that balance between facilitation and regulation should be devised.

34.66 Agricultural productivity has been increasing at low rates in most of the ESCWA member countries. Growth in food production is lower than in consumption, resulting in a widening food gap and an increasing dependence on external sources of supply that causes significant financial problems to the low income countries of the region.

34.67 In the absence of an effective framework for regional cooperation, the countries of the region mostly act individually in areas essential for agricultural development, disregarding the region-wide opportunities that would come from utilizing complementarity and specialization in production based on comparative advantages region-wide.

34.68 Policy interventions constitute another important factor affecting agricultural production. Policies in the region have generally been characterized by a strong urban bias. The economic

incentives provided to agricultural producers have generally been inadequate. Acreage and output-price controls, and overvalued currencies were among the main policy instruments that have negatively affected the performance of the agricultural sector in the region.

34.69 Another major obstacle to increasing agricultural production in the region is the deficiency of trained manpower, particularly in the field of agricultural planning, policy analysis and project formulation. No less important are the shortcomings in the training of personnel entrusted with the execution of agricultural development projects. The capacity to absorb the flow of investment funds depends to a great extent on the above-mentioned types of training.

34.70 Given the resource constraints, a weak level of technology has been a significant hindrance to increased agricultural productivity. Although some ESCWA countries have made efforts to benefit from the transfer of emerging new technologies, there is an urgent need to fill the wide "technology gap" in agriculture.

34.71 The agricultural sector of several countries in the region has suffered severe damage to its infrastructures and production capabilities as a result of military conflicts and civil strife which have also had a negative impact on intraregional trade in agricultural commodities and on the movement of labour.

34.72 The region has over the last two decades witnessed marked expansion in industrial production capacity, especially in resource-based industries, such as petrochemicals, fertilizers and cement, and in traditional industries such as textiles and food. The industrial sector, however, is still characterized by a narrow range of manufactured products, and low level of specialization, productivity and capacity utilization. There is little complementarity in the production system and coordination among the countries of the region is almost non-existent. Industrial infrastructure and supporting services remain inadequate, particularly regarding entrepreneurship, skills, transport facilities, financial services, research and development, engineering design, and consultancy and information support.

34.73 There is a crucial need for endogenous science and technology activities in the region. The issues addressed by the Vienna Conference on Science and Technology for Development more than a decade ago remain valid for the region. In addition, the region now faces the challenges and opportunities created by global technological achievements. Therefore, building and strengthening endogenous science and technology capabilities and infrastructure, together with improving the region's advantages in the technology transfer process, remain a priority concern. There is still considerable ambiguity with regard to policy measures and mechanisms to support research and development to adapt new technologies to local conditions. Therefore, the subprogramme will address issues related to technology assessment, linkages between research and development and the production and service sectors, challenges and opportunities created by global technological achievements and their impact on technology transfer.

34.74 The lack of coordination mechanisms and régimes, inadequate planning and the complicated border-crossing formalities among the member States and between them and neighbouring countries obstruct the smooth flow of passengers and goods, negating the economic viability of trade. The region also faces the challenge of completing the missing links in the network of land transport infrastructure between the neighbouring Arab countries and in maintaining and improving existing links. As most of the trade in the region is seaborne, the cost of carriage of goods by sea is of vital importance. Increased attention should, therefore, be given to multimodal, maritime transport and to ports, shipping services and the development of national merchant fleets to increase the share of national carriers in the external trade, particularly in solid and liquid bulk commodities. The sector

is also suffering from a shortage of skilled manpower for activities ranging from planning to operations and management, particularly middle and higher level management. These issues call for special attention.

34.75 In light of the above, the objectives of the subprogramme are the following:

(a) To promote economic and technical cooperation and integration among ESCWA member countries at the subregional and regional levels;

(b) To promote activities aimed at strengthening the capabilities of member countries in the formulation and implementation of comprehensive plans, strategies and policies in various sectors, taking advantage of regional complementarities and possibilities for cooperation in various sectors;

(c) To sustain the momentum of economic reform and structural transformation without aggravating social conditions;

(d) To reduce dependence on external financial resources by improving the mobilization and efficient use and management of domestic and external resources and developing an enabling savings and investment environment;

(e) To provide technical assistance for the assessment and development of local capabilities and governmental and non-governmental institutions involved in various sectors;

(f) To promote private sector activities particularly in small and medium-size enterprises in various sectors, and support the development of human resources entrepreneurship, management and technical skills;

(g) To assist the member States in coping with the challenges and opportunities created by technological achievements at the global level;

(h) To expand and diversify trade in goods and services, particularly intraregional trade, enhance trade efficiency and reduce transaction costs by introducing new technologies relating to customs data and clearance and transmission of trade-related information;

(i) To further understanding of the nature and the political, legal, economic and social effects of the activities of transnational corporations in host countries; enhance the contribution of transnational corporations to national development goals while controlling and reducing their negative effects, and strengthen the capacity of host developing countries in their dealings with transnational corporations.

(b) Course of action of the secretariat

34.76 The secretariat will pursue the objectives of the subprogramme mainly through studies (technical publications and reports), the organization of intergovernmental and expert group meetings and the provision of technical assistance and advisory services upon the request of member countries, as follows:

(a) Analysis of regional trends in development policies and plans; conceptualization of cooperation among ESCWA countries and identification of regional cooperation possibilities at the macro and micro levels and in various sectors and economic activities; economic and social implications of economic reform and transformation, including comparative experiences in privatization and their impact on regional economic cooperation; the role of financial markets in the mobilization and management of financial resources and in the privatization process; financial resources availability and management; the status and requirements of cooperation in the monetary and financial field and the financing of public sector investment and budget deficits; environmentally sound technology policies and acquisitions; standard and quality control; and multimodal, land, maritime, urban and air transport and border-crossing facilitation;

(b) Training courses for officials and personnel in the public and private sectors to develop national capabilities, national and regional institutions, and technical managerial skills, in various sectors and areas;

(c) Annual review and analysis of performance, policies and strategies in the various sectors through the annual Survey of Economic and Social Developments in the ESCWA Region, and in the more specialized annual analytical reviews of developments and trends in external trade and payments and in the monetary and financial sectors, respectively, and improvement of the development debate through the publication for the first time in 1996 of a regional development journal.

SUBPROGRAMME 4. REGIONAL DEVELOPMENT AND GLOBAL CHANGES

(a) Objectives

34.77 The legislative authority for this subprogramme derives from General Assembly resolutions S-18/3; 41/165; 44/205; 45/199; 45/234; 46/144; 46/145; 47/152; 47/171; 47/178; and 47/183; and ESCWA resolutions 177 (XV); 190 (XVI); and 191 (XVI).

34.78 This subprogramme is one of the two open-ended subprogrammes whose content depends on exogenous factors affecting the region, and under which fall global events that could have a critical and lasting impact on the ESCWA region. This subprogramme will provide the necessary programming flexibility to accommodate emerging global issues relevant to the region.

34.79 Global changes directly affect development prospects in the ESCWA region as well as in other regions in an increasingly interdependent world. Of significance to the region are the potential implications of the conclusion of the GATT Uruguay Round of multilateral trade negotiations, the formation of large economic blocs and, the economic transformation in Eastern Europe and the former Soviet Union. In addition, this subprogramme will deal with issues related to the impact of economic reform policies, including structural adjustment and privatization, on social and economic conditions in the region.

34.80 In the light of the above, the objectives of the subprogramme are:

(a) To alert ESCWA member States to the impact on different sectors of exogenous developments, in particular the Uruguay Round of multilateral trade negotiations, the establishment of the International Trade Organization (ITO), and the emerging economic blocs, notably the European market, with special emphasis on trade, banking, industry, agriculture, transfer of technology and human development in the region;

(b) To assist ESCWA members in assessing the economic and social impact of the economic reform policies and to propose modalities for dealing with resulting problems.

(b) Course of action of the secretariat

34.81 The course of action of the secretariat is as follows:

(a) Undertaking studies on the impact of global events on trade and finance, agriculture, industry, transfer of technology and human development;

(b) Studying the impact of economic reform policies on various sectors.

SUBPROGRAMME 5. SPECIAL ISSUES

(a) Objectives

34.82 The legislative authority for this subprogramme derives from General Assembly resolutions 40/169, paragraph 5; 41/165, paragraph 3; 43/186, paragraph 1; 44/155; 44/179, paragraphs 5 and 6; 44/180, paragraph 4; 44/236, annex, paragraphs 5 and 8; 45/193; 45/222; 45/234; 46/145; 46/156, paragraphs 7 to 11 and 14; 46/173; 46/174; 47/179; 48/171; and 48/213; and ESCWA resolutions 100 (VIII); 118 (X); 172 (XV); 176 (XV); 182 (XVI); 183 (XVI) and 184 (XVI).

34.83 The Republic of Yemen belongs to the special group of countries classified as least developed countries (LDCs) by the United Nations. Economic reforms in the Republic of Yemen have not gone far to accelerate growth and alleviate poverty. Action at the national level is not likely to achieve alone the development objectives of the country. Therefore, special consideration is to be given to development issues and problems confronting the Republic of Yemen.

34.84 In fulfilment of the relevant General Assembly and ESCWA resolutions on assistance to the Palestinian people in the occupied territories, the ESCWA secretariat has given special attention to the different needs of the Palestinian people. More recently, due emphasis has been given to the role of ESCWA in promoting and providing technical assistance and implementation of projects that are within the scope of Palestinian national development. Attention is also focused on the Arab population in the occupied Golan Heights.

34.85 The region has been suffering from the consequences of military conflicts for the last two decades, which have brought about huge destruction and drastic deterioration of the physical and institutional infrastructure of some ESCWA countries. Social and economic reconstruction and rehabilitation, to be effective, need to be addressed within a regional context and perspective.

34.86 A major development that could significantly influence the regional setting is the Middle East peace process which was set in motion in the Madrid Conference in 1991 and enhanced by the agreement of 13 September 1993 between Israel and the Palestine Liberation Organization. There is a need to examine the possible impact of this process on the social and economic conditions in the region and on regional cooperation.

34.87 This subprogramme aims:

(a) To cope with specific and emerging issues, notably those related to the least developed member country;

(b) To assist the Palestinian people in building their national economy and institutions;

(c) To assess the social and economic conditions of the Arab population in the occupied Golan Heights and in southern Lebanon;

(d) To support national and regional efforts for the social and economic rehabilitation and reconstruction of countries affected by wars and conflicts;

(e) To assess the implications of the Middle East peace process for regional development and cooperation.

(b) Course of action of the secretariat

34.88 The courses of action for the Palestinians in the occupied territories, for the Syrians in the Golan Heights, for the Republic of Yemen, and for other countries with special situations, are the following:

- (a) Monitoring the implementation of the Programme of Action for the Least Developed Countries for the 1990s in the Republic of Yemen;
- (b) Undertaking studies on issues related to the development of Palestinian national capabilities in selected sectors;
- (c) Assisting in, and implementing, different rehabilitation schemes;
- (d) Organizing expert group meetings and training workshops in selected sectors for developing human resources;
- (e) Formulating, promoting, and participating in implementing technical assistance projects;
- (f) Providing advisory services.

