

Third Session of the Intergovernmental Follow-up and Coordination Committee on Economic Cooperation among Developing Countries (IFCC-III), Cartagena de Indias, Colombia, 3 – 8 September 1984

Final Report

I. Introduction and Organizational Matters

A. Introduction

1. Pursuant to the Caracas Programme of Action (CPA) and at the invitation of the Government of Colombia, the Third Meeting of the Intergovernmental Follow-up and Coordination Committee (IFCC-III) was held in Cartagena de Indias, Colombia from 3 to 8 September 1984.

2. The meeting was attended by 55 delegations from the following Member States of the Group of 77:

Algeria, Argentina, Bangladesh, Burkina Faso, Brazil, Cameroon, Cape Verde, Chad, Chile, Colombia, Costa Rica, Cuba, Democratic People's Republic of Korea, Democratic Republic of Yemen, Dominican Republic, Ecuador, Egypt, Ethiopia, Guatemala, Guinea, Guyana, Haiti, India, Indonesia, Islamic Republic of Iran, Iraq, Ivory Coast, Jamaica, Kuwait, Laos, Lesotho, Libyan Arab Jamahiriya, Malaysia, Mexico, Nepal, Nicaragua, Nigeria, Pakistan, Paraguay, Peru, Philippines, Republic of Korea, Sao Tome and Principe, Saudi Arabia, Sierra Leone, Somalia, Sri Lanka, Sudan, Thailand, Tunisia, United Republic of Tanzania, Uruguay, Venezuela, Yugoslavia, Zaire.

3. Representatives from the following organizations and research institutes of the developing countries also attended the Meeting:

International Centre for Public Enterprises in Developing Countries, (ICPE) Yugoslavia, Research Centre for Cooperation among Developing Countries (RCCDC), Yugoslavia, Sistema Economico Latinoamericano (SELA), Andean Pact, and Centre for International and Diplomatic Studies, (C.E.I.D) Colombia.

4. Representatives from the following offices and organizations of the United Nations System participated as observers:

DIEC, UNCTAD, UNESCO, UNIDO, UNDP, ILO, FAO, ECA, ECLA, WFC, IFAD, UNFSSTD, WFP.

B. Election of Officers

5. At its opening session, the Committee elected by acclamation Dr. Jorge Luis Ordonez, Under Secretary of Economic Affairs of the Ministry of Foreign Affairs of Colombia as Chairman. The Committee also elected by acclamation H.E. Ambassador Peter A. Afolabi of Nigeria and Mr. Anwarul Karim Chowdhury of Bangladesh as Vice-Chairmen.

C. Adoption of the Agenda and Organization of Work

6. The Intergovernmental Committee adopted the draft agenda.
7. The Intergovernmental Committee also decided to establish two sessional Committees and to allocate item 5 to Committee I and items 4, 6, 7 and 9 to Committee II. The two Vice-Chairmen, Mr. Anwarul Karim Chowdhury and H.E. Ambassador Afolabi, served as Chairmen on Committee I and II respectively.
8. The Bureau of the Intergovernmental Committee was assisted by the Core of Assistants to the Chairman of G-77 in New York, members of which also served as Secretaries of the two Sessional Committees.

D. Documentation

9. The Intergovernmental Committee had before it the Reports of ten (10) Technical Meetings held in pursuance of the implementation of the CPA since IFCC-II, as well as, other documentation prepared by the Office of the Chairman of the G-77 in New York.

E. Opening Statements

10. The President of the Republic of Colombia, His Excellency Dr. Belisario Betancur, delivered the keynote address to the Conference. On welcoming delegates from Africa, Asia and Latin America, he referred to Cartagena's traditional strong regard for freedom and expressed his hopes that this Conference would mark an advance so that equitable development and social justice will one day reign throughout the world. In order to achieve this, it would be necessary to determine the kind of conditions needed by the ill-named "Third World" to become the most dynamic force in the world economy in the next 20 years.
11. To this end, the President pointed out that researchers and scientists have to be encouraged to analyze the development experiences of these countries; one of the most important elements in this cooperative effort is the exchange of these experiences.
12. Although the current stagnation of the development process have internal causes, external causes were of greater significance. All priority programmes had been set aside, since the servicing of an immense foreign debt and the need to pay unnecessarily high rates of interest not only made some countries net exporters of capital, but also substantially reduced the growth of their per capita incomes.
13. President Betancur said that given the diversity of their situations, it was natural that there be some points of conflict among developing countries. He stated it was necessary, therefore, to examine their individual realities to discover which elements in them could bring harmony with others. The President cited as forces of unity, first, the need to respond to outside forces; second, the need to find the road to regional and "Third World" identity; and third, the discovery of economic and social development models and efficient and creative policies that incorporated the realities of all developing countries, avoid waste, arms build-ups, and the mindless destruction of their natural resources.
14. As causes of divisiveness, the President mentioned the expectations, sometimes unjustified, which each country had of its own potential, and the political or ideological nature of antagonisms, long standing border tensions or the results of rapid change. To reconcile such conflicting positions, the President said that policies underlying the specific programmes had to be flexible to make it possible to satisfy the needs of the largest possible number of countries.

These principles could be drawn from relevant studies on the New International Economic Order (NIEO) whose pivotal point was the redistribution of incomes and the benefits of growth in an equitable manner, contrary to policies existing since the days of the great mercantilist systems. He stated that there was a long and arduous path to travel, and it would be inappropriate to discuss it in technical terms; justice and equity had never been proper material for cost/benefit analysis. It was a matter of political and ethical commitment, which could not be measured, but which was no less real or necessary.

15. He warned that great care had to be taken to avoid the erection of new systems of privilege within South-South cooperation programmes, as these would confuse and divide the common effort.

16. Solidarity among developing countries had to be strengthened in the most critical areas, such as finance and trade, which lend support to the establishment of the South Bank. Financial resources in the developing world are not scarce; they are found as reserves, profits and royalties that flow to the existing regional and private international banks. The President underscored the fact that it would be appropriate to channel those resources through the South Bank, to finance priority programmes in developing countries, especially in regional trade, inter-regional trade, and multinational development projects, as a true means of unity and cooperation in the South. The Global System of Trade Preference (GSTP) should also be supported to increase the flow of trade so that the market would be re-directed towards suppliers from the South. Policies must also be designed and established to protect the standard of living among these peoples and guarantee them sufficient food -an essential factor in political sovereignty. As a whole, the Third World was self-sufficient in food, but proper channels of finance, distribution and marketing were required apart from an awareness of the problem. It was possible, the President added, that to free food trade from the rigidity of the dollar, it might be necessary to return to former forms of commerce, such as barter.

17. The President proposed a Summit of Heads of State of developing countries representing Asia, Africa and Latin America to examine the current critical situation, that should propose a set of specific urgent measures to the Heads of State of the principal industrialized countries, whose practice of having regular summit meetings should be followed.

18. He further stated that for growth of the world economy to take place in an orderly way, the strategies of North and South had to be coordinated. Therefore, it would be desirable for a North-South Summit to be held after the South-South Summit.

19. In closing, President Betancur shared with the Conference the joy felt by the people of Colombia at having found formulas for an understanding to end long years of civil strife. The formulas were reached through a process of dialogue based on respect for the dignity of man. He offered the world Colombia's experience which he termed "Peace through dialogue".

20. In his Report to the Committee, Ambassador Porfirio Munoz Ledo, Permanent Representative of Mexico to the United Nations, Chairman of the Group of 77 in New York, stressed that the devastating effects of the crisis resulting from the increasing concentration of resources and decisions in a few centres of power have paralyzed most of the mechanisms of multilateral action. Under such conditions, excessive bilateralization of international relations could lead to a process of neo-colonialism which must be avoided.

21. He stated that awareness of South-South cooperation, as an answer to the crisis and as an affirmation of a deep-seated desire for independence, was increasing. The Group of 77 was

responsible for the promotion and management of cooperation projects between developing countries and, therefore required support and firm political determination from governments, now that the first cycle of work, whose purpose was precisely the definition of objectives and areas of action, had been completed.

22. He suggested that a second meeting of Finance Ministers of Member States be held. He stated that this would be not only convenient but indeed essential.

23. He then made a report on the most significant results and principal recommendations coming from the technical meetings during his tenure. He mentioned the most important aspects of this work the establishment of the Action Committee on Fossil Fuels, the urgent need to establish the Multi-Sectoral Information Network, (MSIN) and the desirability of establishing National Commissions for the promotion of ECDC. He reported on the recommendations made in relation to the South Bank, or the Bank of the Developing Countries which he believed have reached an important stage for action and decision. He also dwelt on the actions taken to guarantee technical support for the ongoing negotiations on the Global System of Trade Preferences (GSTP).

24. He suggested that to enable the United Nations System to make an effective contribution to ECDC within the priorities set by developing countries, a mechanism for coordination had to be created within the UN to help avoid duplication, to make individual efforts compatible, and to act as a permanent link with the Group of 77.

25. He emphasized the desirability of coordinating the work carried out by the Group in all other United Nations centres and agencies, with a view to increasing a systematic flow of information. He recommended the establishment of Technical Support Cores in each center. He also suggested that the U.N Regional Commissions should consider as one of their prime function to be the identification and promotion of cooperative programmes among developing countries.

26. He recommended that stronger support should be given to the Office of the Chairman in New York to ensure its more effective functioning, as had been decided in Caracas, Buenos Aires, Manila and Tunis, so that it could serve as a central mechanism for promotion, management and liaison with governments of member states, regional, sub-regional, specialized and research organizations in the developing countries, and with offices and agencies of the United Nations system.

27. He further stated that the actions of the Group of 77 and those of the Movement of Non-Aligned Countries are complementary and should together contribute to the mutual reinforcement of the work of both groups in the pursuit of economic cooperation.

28. He expressed the need for decisive stimulus to be given to the initiatives of interested countries prepared to take advantage of new cooperative endeavours.

29. In his address to the Committee, Ambassador I. S. Chadha, as the representative of the Chairman of the Non-aligned Movement, emphasized that the Group of 77 and the Nonaligned Movement have the same principles and objectives in promoting economic cooperation among developing countries, which is the cornerstone of both Groups.

30. He stressed the need to intensify cooperation among the developing countries at a time when the need for increased cooperation was felt greater than ever before. He recalled the constructive proposals made by the Seventh Nonaligned Summit 1983 for dealing with the crisis

which were later welcomed by the Ministerial Meeting of the Group of 77 in Buenos Aires. The response from the North has been very disappointing despite the fact that the crisis continued to worsen.

31. In this context, South-South cooperation would not only bring greater benefits to developing countries but also greatly improve the prospects for cooperation with the developed countries. The vast potential for South-South cooperation was only beginning to be tapped.

32. He welcomed the fact that cooperation among developing countries, initiated by the Non-aligned Movement, had acquired considerable momentum. The Seventh Nonaligned Summit had devoted particular attention to harmonization of the two programmes for economic cooperation among developing countries. He stressed the catalytic role of the Non-aligned Movement for initiatives in ECDC and noted that these could be given operational shape by the Group of 77. He also emphasized the need to avoid duplication in view of the need to conserve scarce resources. He concluded by offering the Group of 77 the sincere cooperation and support of the Non-aligned Movement in their common endeavours.

F. Adoption of the Report

33. At its closing session, the Third Meeting of the Intergovernmental Follow-up and Coordination Committee adopted the Report, as contained hereafter.

G. Acknowledgment

34. The Meeting expressed deep appreciation to the President, the Government and the people of Colombia for their hospitality and excellent arrangements made for the meeting. A resolution to this effect was adopted.

H. Closure of the Meeting

35. The Minister of Foreign Affairs of the Republic of Colombia, Dr. Augusto Ramirez Ocampo, closed the Meeting with an address, where he expressed deep satisfaction on the results of the meeting and thanked all the delegates and staff for their valued cooperation.

II. Economic Cooperation and Collective Self-Reliance

36. The Third Meeting of the Intergovernmental Follow-up and Coordination Committee (IFCC-III) was held in Cartagena de Indias, Colombia, from 3-8 September 1984 to review the progress in the implementation of the Caracas Programme of Action aimed at strengthening economic cooperation among developing countries.

37. The Committee noted with satisfaction that a number of economic cooperation programmes have already been launched and assessed the requirements for the launching of other such programmes.

38. The Committee expressed grave concern at the adverse impact of the international economic crisis on developing countries and reiterated the need for greater cooperation among them. In this context the Committee stressed that the existing state in the negotiations between the developed and developing countries makes all the more imperative for developing countries to strengthen their mutual cooperation and solidarity.

39. The Committee emphasized the importance of reactivating the process of growth and development of developing countries without which it would not be possible to sustain the recovery in the world economy. It stressed that cooperation among developing countries would contribute to the establishment of the New International Economic Order (NIEO).

40. The Committee reiterated that economic cooperation among developing countries would reduce the vulnerability of the economies of the developing countries and raise the level of well-being of their peoples.

41. The conclusions reached at the Cartagena Meeting represent the determination of the developing countries to consolidate their unity and strengthen their solidarity through concerted actions designed to benefit all developing countries.

III. Consideration of the Reports of the Technical Meetings held during the period 1983-1984

A. Trade

A.1. Services Related to Trade

42. The Committee considered the Report of the Meeting on Services Related to Trade held in Guatemala City from 23 to 27 January 1984. The report was introduced by the delegation of Guatemala and was welcomed by the Committee.

43. The Committee was of the view that the establishment and promotion of communication networks among developing countries and transport infrastructure is critical to making ECDC operational. In this connection, the need to establish a data-base in services at national, sub-regional and inter-regional levels was emphasized. The Committee, however, felt that it was not necessary to create new institutional mechanisms for this purpose at this time. In this context, it was stressed that existing mechanisms should be used more effectively.

44. The Committee recommended:

- a. Establishment of a data-base on services relating to trade, banking, insurance, re-insurance, transport and trans-border data flows and elaboration of studies on a systematic basis related to the exchange of information on these services. This data-base should be integrated into the MSIN when established. In the preparation of the studies, preference should be given to experts from the developing countries.
- b. Establishment of an inventory of skills and experts with competence in this field to be updated on a regular basis. In implementing this task, the experience of the sub-regional and regional economic groupings should be utilized.
- c. Elaboration of a programme of priority action in the field of services in trade, banking and insurance for the short, medium and long term implementation with the assistance of the United Nations system.
- d. Improvement of the quantity and quality of technical assistance to the least developed countries in the field of services relating to the area of training.
- e. Compilation and use of updated statistics in the field of services at the national level.
- f. Preparation of the feasibility study on the establishment of regional and inter-regional mechanisms for insurance, in consultation with those sub-regional and regional organizations which already have expertise and experience in this field.

- g. That the Group of 77 should ensure that UNCTAD continues to be the forum for negotiations relating to trade and services.
- h. The continuation by the UNCTAD/UNDP of the work on transport/transit problems on land-locked countries.

A.2. Global System of Trade Preferences (GSTP)

45. The Committee took note with appreciation of the report introduced by Ambassador O. Lopez NOGUEROL, Permanent Representative of Argentina and Chairman of the Group of 77 in Geneva, on the Status of the Negotiations on the Global System of Trade Preferences.

46. The Committee reaffirmed the importance of GSTP as an instrument for the promotion of economic cooperation among developing countries, and stressed the need for rapid progress in the negotiations on GSTP and for further political impetus to this end.

47. The Committee noted that useful discussions had taken place during the UNCTAD meeting on GSTP in Geneva, from 14 to 25 May 1984 and expressed the hope that the forthcoming meeting on the GSTP in Geneva scheduled in October 1984 would be able to conclude discussion on the rules, procedures and mechanisms for the launching of negotiations, safeguards, special treatment of the least developed countries, extension of concessions and rules of origin.

48. The Committee agreed that after the completion of the preparatory phase of the GSTP negotiations, it would be necessary to fix as soon as possible the dates for the meetings and draw up a work programme. It was also agreed that sub-regional and regional organizations and economic groupings of developing countries be invited to attend the preparatory stages of the negotiations in order to enlarge the technical input bases for the final phase.

49. The Committee renewed its appeal to all member countries of the Group of 77 who have not yet done so to signify to the UNCTAD Secretariat their intention to participate in GSTP negotiations and to furnish as early as possible the needed information on their trade regimes.

50. The Committee heard with appreciation the report made by the delegation of Colombia on the coordination among developing countries exporters of textiles and clothing and welcomed the recent creation of the "International Bureau of Textiles and Clothing".

B. Food and Agriculture

B.1 ECDC in Food and Agriculture

51. The Committee considered the report of the Global Meeting on Economic Cooperation among Developing Countries in the Food and Agriculture Sector held in Bucharest from 26 to 30 March 1984. The report, which was introduced by Mr. Horacio CARANDANG, Alternate Permanent Representative of the Philippines to FAO and Chairman of the Group of 77 in Rome, was welcomed by the Committee.

52. The Committee noted that paragraph 50 of the Bucharest Report highlighted the following areas for follow-up action:

- a. The modalities of the financial arrangements underlying ECDC and TCDC projects should be studied to help solve the future problems of financing such projects.

- b. The highest priority in ECDC and TCDC in the areas of the food and agriculture should be accorded to MSAs and least developed countries particularly those in Africa.
- c. Regional groupings should start joint venture enterprises in the manufacture, import and marketing of agriculture inputs, fertilizers, pesticides, equipment, improved seeds, livestock-breeding drawing on the experience gained in these areas.
- d. An identification and inventory of institutes of excellence and activities on research and extension and training particularly with the regional and sub-regional groupings should be prepared.

53. The Committee also accorded priority for implementation to the recommendations contained in paragraph 24 of the Bucharest Report regarding, *inter-alia*, revitalization of the Group of 16 ECDC/TCDC Coordinating Committee in Rome for the elaboration and promotion of ECDC in food and agriculture sector.

54. In response to enquires regarding the proposal contained in paragraph 48 of the Bucharest Report to set up a focal point to coordinate economic and technical cooperation among developing countries in the food and agriculture sector and the decision that the proposal be studied by the Group of 77 in Rome, the Chairman of the Group of 77 in Rome informed the Committee that the Group considered the matter at its plenary meeting on 28 August 1984 but did not reach a decision. He also informed that the Group of 16 in Rome was requested to study the matter in detail and present its recommendations to the Group of 77 of the Whole. The Committee took note of the statement and requested the Group of 77/16 in Rome to consider the matter taking into account the views expressed in the Committee.

55. The Committee was informed about the serious problems faced by the IFAD regarding replenishment of its resources. It was noted that without assured, adequate and predictable financial resources, IFAD will not be able to carry out effectively its mandate to assist its target group: the small and landless farmers. The Committee expressed its concern at the situation due to the position taken by some industrialized countries and urged remedial action.

56. The Committee took note of the working paper presented by the Chairman of the Group of 77 in Rome on "Cooperation in Human Resources Development Towards Self Reliance in Food Production" and approved in principle the idea to have a project in human resources development to increase food production through enhanced cooperation among developing countries. The Group of 77 in Rome is requested to revise the project contained in the working paper in line with the suggestions and observations made by delegations and transmit the revised document to the governments for examination and comments. The Committee requested the governments to send their comments to the Group of 77 in Rome as soon as possible, preferably by middle November 1984. In accordance with the mandate of the Caracas Programme of Action, the Group of 77 in Rome should coordinate further action in the matter with the Chairman of the Group of 77 in New York.

57. The Committee also noted that the working paper on the establishment of the Action committee on cooperation in Food and Agriculture was under consideration by the members of the Group of 77 in Rome.

58. It requested member countries to transmit to the Chairman of the Group of 77 in Rome pertinent information in order to enable him to compile the catalogue of specific offers and requirements made, *inter-alia*, during the course of the meeting held in Bucharest.

59. The Committee took note of the offer of Cuba to host a Group of 77 Seminar on small boat building in Havana in 1985.

C. Energy

C.1. ECDC in Fossil Fuels

60. The Committee noted the report of the First Meeting of the Action Committee on Cooperation in Fossil Fuels held in Bangkok from 25 to 27 July 1984, which was introduced by the delegation of Thailand. The Meeting noted that the Action Committee, the first of its kind under the Caracas Programme of Action, was convened pursuant to the recommendation of the Meeting on Energy Development, Supplies and Rationalization of Energy Consumption held also in Bangkok in August 1983.

61. The Action Committee exchanged views and experiences among its energy producing and consuming members and adopted the Articles of Agreement establishing the Action Committee, the General Guidelines of the Rules of Procedure and the short-term work programme for 1984-1985 of the Action Committee, with emphasis on information exchange and technical cooperation.

62. The Committee expressed general support to the formation of the Action Committee on Cooperation in Fossil Fuels as a significant step towards the effective implementation of the Caracas Programme of Action in the energy sector. However, some delegations reiterated their position regarding the Action Committee as stated in the report of the IIFCC-II.

63. Some delegations suggested that information about activities of this Action Committee, including the questionnaire regarding training requirements and its availability should be transmitted to all members of the Group of 77 through the Office of the Chairman in New York. It was also proposed that the Action Committee may undertake compilation of information on the international market on Fossil Fuels and determine the specific areas of research.

64. Some delegations expressed the view that for a proposed Third World Petroleum International (TWPI) and/or Third World Petroleum Congress (TWPC) to be successful, it would be necessary to have the support of the major petroleum producers of the developing countries.

65. The Committee noted that the Agreement establishing the Action Committee provides that participating members assumed the responsibility for the financing of its operation and that donation and grants may be accepted from any member of the Group of 77.

66. The Committee:

- a. Took note of the report of the first meeting of the Action Committee on Cooperation in Fossil Fuels.
- b. Invited the other members of the Group of 77 to join the Action Committee to widen cooperation in this area and to enable it to achieve its task and objectives.
- c. Requested the Chairman of the Group of 77 in New York to undertake consultations with members of the Group on possible areas on cooperation in the other fields of energy under the Caracas Programme of Action.

D. Raw Materials

D.1. Commodity Markets Surveillance

67. The Committee considered the Report of the Meeting on Surveillance of and Information on Commodity Prices and Raw Materials held in Addis Ababa, Ethiopia, from 3 to 6 October 1983. The delegation of Egypt introduced the report of this meeting which was hosted by the United Nations Economic Commission for Africa (ECA).

68. In the discussions, several delegations pointed out that the Report contained some recommendations that were too general.

69. The Committee reaffirmed the vital importance of raw materials in the economies of the developing countries; hence there is urgent need for solidarity and cooperation which, among other actions, include the exchange of information, market surveillance, joint marketing, and technical and scientific cooperation.

70. The Committee reiterated the recommendations on the Report of Addis Ababa meeting on the need to establish and strengthen the producers' associations, placing emphasis on their importance to defend the remunerative level of prices and facilitate the exchange of information

71. Some delegations pointed that the recommendations in paragraph 21 of the Report on the future coordination of the Integrated Programme for Commodities (IPC) is best done through the Committee on Commodities in UNCTAD.

72. The Committee reiterated the urgency of the coming into operation of the Common Fund for Commodities and urged members, who have not done so, to sign and ratify the Agreement on the Common Fund for Commodities. It was also recommended that efforts to bring it into operation should be intensified.

E. Finance

E.1. Development Projects and International Public Tenders

73. The Committee considered the Report of the Expert Group Meeting on Development Projects on International Public Tenders held in Rio de Janeiro, from 5 to 9 December 1983. The report which was introduced by the delegation of Brazil was welcomed as useful.

74. The Committee approved the recommendations of the Rio Meeting and decided that the report should be given wide circulation to all concerned by the Office of the Chairman of the Group of 77 in New York.

75. The Committee emphasized the need for increasing the efforts of the members of the Group of 77 to widen bilateral and multilateral exchange of information on development projects.

76. It was suggested that the studies proposed in the Rio de Janeiro Report should be undertaken by specialized institutes of the developing countries.

77. The Committee supported maximum use of national consultants and consultants from other developing countries in the study, formulation and implementation of development projects.

E.2. Financial Cooperation and Investment Opportunities

78. The Committee considered the Report of the Joint meeting of Experts on Financial Cooperation and Investment Opportunities, held in Havana from 29 November to 2 December 1983, which was introduced by the delegation of Cuba.

79. The Committee noted the urgent need to strengthen and expand existing regional payment arrangements as a major area for financial cooperation. It was noted that some of these arrangements are presently not operational in view of lack of resources and other reasons.

80. The Committee took note of the proposal for convening a second meeting of Ministers of Finance of the member countries of the Group of 77 and decided to refer it to the governments for their consideration. Further actions on this proposal will be taken after the Second Joint Meeting of Experts assesses the progress on the implementation of the results of the First Meeting of Finance Ministers and the First Joint Meeting of Experts.

81. Referring to paragraph 30 of the Report, some delegations noted that financial cooperation should encourage developing countries to direct available resources to other developing countries for which measures should be undertaken to guarantee mutual interest.

82. Some delegations pointed out that the definition of "capital surplus" countries should be clarified by making a clear distinction between those whose revenues are mainly derived from non-renewable resources and those countries deriving revenues from other activities. It was requested that such categorization should be avoided in future documents.

83. The Committee recommended close coordination of the efforts of the Group of 77 on financial cooperation such as those that pertain to the strengthening of existing regional payments and clearing arrangements as well as those relating to financing of trade.

84. The Committee emphasized the urgent need to coordinate the work of the Group of 77 and the Group of 24 in Washington D.C. in order to formulate and pursue common positions and invited the Chairman of the Group of 77 in New York to continue efforts towards closer coordination with the Group of 24 on matters involving financial cooperation among developing countries.

E.3. The South Bank

85. The Committee considered the Report of the High-Level Governmental Experts Meeting on the South Bank, held in Caracas from 29 to 31 August 1984 and noted the useful work done by participating experts in the preparation of the South Bank Scheme. The report was introduced by Ambassador Felipe Jaramillo of Colombia as Chairman of the meeting in Caracas.

86. The Committee reiterated that the Group of 77 should continue to pursue effectively and realistically the study of the proposal for the establishment of the South Bank, as well as consideration of feasibility studies presented: the proposal being for the benefit of all members of the Group, with particular attention to the special needs of the least developed countries. It was emphasized that the functions of the Bank should give priority attention, *inter alia*, to financing development projects and financing of trade among developing countries.

87. The recommendations of the Caracas Report including the South Bank Scheme were recognized as constituting important contributions to the consideration of this matter in the context of the Group's common aims and objectives. It was understood that future steps in this regard should be taken without undue haste and through full examination of all aspects.

88. Broad agreement was reiterated by the Committee on the necessity for the establishment of a Bank of Developing Countries (South Bank) as reflected in paragraph 57 of the report of the IFCC-II. However, some delegations pointed out that they continued to maintain the position that they could not associate themselves with the idea of the Bank and explained their reasons for taking this position.

89. The Committee:

- a. Decided that an Intergovernmental Initiative Group of countries wishing to participate, which may be represented by high-level representatives including officials from national financial institutions, should undertake further work required regarding the South Bank proposal and examine fully the comments presented by governments on the Report of the Caracas Meeting and all other relevant documents submitted to the Group of 77. The exercise should be completed by June 1985.
- b. Invited the Governments to convey their comments to the Chairman of the Group of 77 in New York as early as possible, but not later than the end of January 1985.

F. Technical Cooperation among Developing Countries (TCDC)

F.1 TCDC

90. The Committee considered the Report of the Second Meeting of Heads of National Agencies for Technical Cooperation among Developing Countries, held in Ljubljana from 30 July to 2 August 1984 which was introduced by the delegation of Yugoslavia.

91. Many delegations welcomed the Report, in particular the recommendation to create an Action Committee on Inter-enterprise Cooperation which will be an operational mechanism for the intensification of cooperation among developing country enterprises.

92. The Committee reiterated the necessity to establish legal frameworks for the recruitment of experts, such as those proposed in the draft model contracts now under consideration by member governments of the Group of 77. However, some delegations expressed that they cannot associate themselves with this at this point.

93. A number of delegations referred to the recommendation regarding the Multi-Sectoral Information Network (MSIN) and mentioned that the pilot project was under consideration by their governments.

94. The Committee gave general support to the recommendations of the Ljubljana meeting, highlighting the following decisions:

- a. To convene a workshop for TCDC National Focal Points on a global basis in cooperation with the United Nations Development Programme (UNDP).
- b. To coordinate more effectively the consultations of the Group of 77 during the Fourth Session of the High-level Committee on TCDC in 1985 and to convene a meeting of the Group prior to the meeting for that purpose.
- c. To urge member countries to undertake active contacts among themselves with a view to identifying specific programmes and projects regarding inter-enterprise cooperation.

- d. To invite member countries to submit their comments as soon as possible on the report of the meeting of experts which took place in Caracas in August 1983 regarding the model contract for the recruitment of experts, as well as on the draft contract submitted by the Chairman of the Group of 77 at the Ljubljana meeting, and requests the Chairman of the Group of 77 to convene an intergovernmental meeting to analyze the comments conveyed and make appropriate recommendations to be presented to IFCC-IV.

95. The Committee reiterated its support for the early establishment of the Multi-Sectoral Information Network (MSIN) and affirmed the need for a global approach to the network concept while at the same time placing first priority on the TCDC component in the proposed pilot project and the complementarity with information systems in the United Nations such as INRES and TIPS. The Committee requested the Chairman of the Group of 77 to take immediate action to obtain comments from Member States regarding the proposed pilot project, to review the project in the light of their comments and to present a revised project at the Intergovernmental Meeting of Experts to be convened in 1985. The Committee noted the offer of Colombia to host this meeting.

IV. Follow-up Actions on Recommendations of Technical Meetings held in 1983 – 1984 as well as those from IFCC-I & II

96. The Committee stressed the importance of follow-up actions on recommendations of technical and expert meetings held under the Caracas Programme of Action (CPA). It noted with deep concern that a large number of recommendations had emerged out of IFCC-I and II with only a few having been implemented. The Committee therefore emphasized that this fact be given due recognition in future meetings of the Group of 77 under the CPA while adopting new recommendations.

97. While emphasizing the crucial importance of implementation of these recommendations, the Committee expressed concern that many of these are too general and do not specify responsibility and timeframe for implementation.

98. The Committee recalled the decision of the IFCC-I that the measures or actions taken by members of the Group of 77 for the implementation of the results of sectoral meetings be communicated to the Chairman of the Group of 77 in New York or through the appropriate Chapters and urged them to comply with that procedure.

99. The Committee further noted the poor attendance in terms of number and expertise of the technical meetings. Many of these meetings were scheduled too close to each other and without adequate preparation. It was also noted that it was not possible to make the documentation available on time due to resource limitations. It also recognized the constraints, economic or otherwise, which prevented many developing countries from appropriate attendance of these technical meetings.

100. The Committee:

- a. Decided that an inventory of all the recommendations adopted for the implementation of the CPA should be prepared sector-wise in tabular form by the Office of the Chairman of the Group of 77 in New York not later than the end of October 1984;

- b. Decided that based on the foregoing inventory a critical assessment of the extent of implementation of the CPA and the steps taken by governments for this purpose should be made and presented to IFCC-IV for consideration;
- c. Decided that utmost care should be taken in recommending any new technical or follow-up meeting.

101. Regarding the preparation of documents and its timely distribution, the Committee reiterated the need for compliance with the decisions on this matter in IFCC-I.

102. Regarding the follow-up actions on the recommendations regarding the proposed Project Development Mechanism (PDM) for Techno-economic Cooperation among developing countries, the Committee requested the Chairman of the Group of 77 in New York to take the necessary steps for the preparation of a detailed project for its establishment, in consultation with interested members.

103. The Committee requested member countries to extend all the support to the Group of 77 Electrical Industry Seminar organized by India in New Delhi from 10 to 15 September 1984 to ensure its success.

V. Review and assessment of ECDC implementation mechanisms and measures designed to give more impetus to the implementation of ECDC activities

A. Supporting Mechanisms

A.1. Core of Assistants

104. The Committee reiterated its appreciation for the valuable work on ECDC activities done by the Core of Assistants to the Chairman of the Group of 77 in New York, and expressed its appreciation to the Governments that have deputed assistants to the Core. In this context the Committee recommended that:

- a. Member States ensure that the members of the Core of Assistants be appointed to the Office of the Chairman at the earliest possible opportunity, not later than the end of 1984. To this end, the Chairman of the Group of 77 in New York should address the regional groups as well as other parties concerned in order to ensure that the number of six (6) Assistants on the Core is achieved;
- b. Whenever possible, Member States should consider appointing their official to the Core for two years in order to ensure continuity;
- c. That the Chairman should on the basis of the annual Programme of Work, approach Member States to provide experts at their own cost, for specific periods, to assist in the fulfillment of his mandate.

Special Voluntary Contributions

105. The Committee recommended:

That Member States could make special voluntary contributions to the Group of 77 Account for ECDC, to be utilized in consultation with the Group of 77 in New York, with a view to assist in the strengthening of the supporting mechanisms of the Office of the Group of 77.

A. 2. ECDC Account

106. The Committee reviewed the status of the G-77 Account for ECDC and expressed its deep concern at the low level of contributions from Member States to it.

107. The Committee also expressed the urgent need for Member States which have not yet contributed to the Account to do so before the end of October 1984.

108. The Committee reiterated the provisions set forth in paragraph 89 Section IV 5 of the Caracas Programme of Action, and further reiterated the urgent need for all Member States to contribute to the Account with at least the minimum contribution of \$1,000.00. To this end, the Committee requested the Chairman of the G-77 in New York to send a note annually to the Foreign Ministers of Member States informing them about the status of the contributions to the Account since its establishment.

109. In this context, and recognizing the voluntary nature of contributions, the Committee requested the Chairman of the Group of 77 in New York to prepare, by January 1985, an annual estimate of expenses in accordance with the modalities of the Account which already exist. This annual estimate should be elaborated on the basis of an annual programme of work to be drawn up by the Chairman. The work programme will cover attachments including collection, collation, printing and distribution of documents and information regarding meetings of experts groups.

110. In this context, the Committee requested the Chairman of the Group of 77 in New York to provide Member States with an opportunity to announce their contributions.

111. The Committee decided that the ECDC Account would as hitherto be spent on activities that enjoy the approval of the G-77 members.

A. 3. Panel of Experts

112. The Committee, taking note of the technical nature of tasks that the Office of the Chairman is requested to perform, recommends that the Chairman in consultation with the G-77 establish Panels of Experts on an ad-hoc basis.

113. The Panels of experts would assist in the formulation of projects whenever called upon to do so by the Chairman of the Group of 77.

114. The Chairman of the G-77 will be responsible for coordinating the work of the panels of experts.

A. 4. Group of 77 Chapters

115. The Committee re-emphasized the need for closer coordination among all the Chapters of the Group of 77, including the Group of 24, as an essential step for the implementation and follow-up of the Caracas Programme of Action.

- a. To this end the Committee recommended that the 8th meeting of the Ministers of Foreign Affairs of the Group of 77 consider the possibilities and modalities for harmonizing the tenure, wherever feasible, of the Chairmen in Geneva, Nairobi, New York, Paris, Rome and Vienna.

- b. The Committee further recommended that the 8th Ministerial Meeting of the Ministers of Foreign Affairs of the G-77 request that a special representative for ECDC activities be appointed by each chapter in order to facilitate the harmonization of mandate and work programmes.

A. 5 G-77 Bulletin

116. The Committee stressed the continuing usefulness of the Group of 77 Bulletin as an effective vehicle for the dissemination of information and coordination of ECDC activities of the Group of 77. In this context, the Committee recommended:

- a) That Member States contribute to the G-77 Bulletin materials pertaining to their ECDC activities.
- b) That all Chapters of the Group of 77, which have not yet done so, designate at the earliest possible time, and not later than at the end of October 1984, their correspondents to the Bulletin.
- c) The Chairman of the Group of 77 to explore the possibility for the Bulletin of the Group of 77 to become self-sustaining.
- d) That the Chairman of the G-77 should ensure the role of the Bulletin of the G-77 as a mechanism to foster the views and interests of all Member States.

B. National Mechanisms for ECDC

B. 1. National Focal Points

117. The Committee stressed the need to strengthen National Focal Points. It also re-emphasized the catalytic role that the National Focal Points are playing in the promotion and strengthening of economic and technical cooperation among developing countries. To this end, the Committee recommended:

- a) That the Chairman of the Group compile a list of all recommendations made by technical meetings, and submit to Member States said recommendations together with a questionnaire regarding their implementation at the national level.
- b) Suggested that interested Member States establish National Commissions at an appropriate level to ensure coordination on ECDC/TCDC activities.

C. Institutional Resources: Action Committees, National Research and Training Centres of Multinational Scope (NRTCMS), International Organizations of Developing Countries, Economic Groupings, Research Institutes.

118. The Committee considered that it was necessary to ensure the implementation of the recommendations of IFCC-II and IFCC-III before IFCC-IV and invited the Chairman to take all appropriate actions required, including calling on the institutions, the competent international organizations and the NRTCMS.

119. The Committee, after having examined the proposal to request the Chairman of the G-77 in New York to consult member states on the possibility of establishing a Centre for the preparation of studies and elaboration of projects to contribute to the implementation of the CPA, asked the Chairman of the G-77 to submit this proposal for consideration of the 8th Meeting of the Ministers of Foreign Affairs of the Group of 77.

120. The Committee recommended:

- a. In this context, that the Chairman of the Group of 77 prepares and submits to the IFCC IV, a detailed report on the implementation of the recommendations in regard to the National Research and Training Centres of Multinational Scope (NRTCMS), Economic Groupings, and Research Institutes adopted at Tunis and Cartagena.
- b. That the Chairman of the Group of 77 submits a list to the IFCC-IV of research institutes approached by him, and to report on the responses received from those institutes.
- c. That the Group of 77 would facilitate the access of the Chairman to the research and other relevant organizations of developing countries in order to obtain on a regular basis their cooperation, studies and collection of data relevant to the Group of 77.
- d. That the Chairman, on the basis of the mandates given to him for the implementation of the CPA at the IFCC and the 8th Ministerial Meeting, prepares an annual programme of work with a view to facilitating their implementation.

D. Financial Resources

D.1. ECDC Trust Fund

121. The Committee considered agenda item on the ECDC Trust Fund. It discussed the modalities and guidelines for the use of the Fund and in this context made the following recommendations:

122. The Chairman, in consultation with the Group of 77 was requested to establish an open-ended working group in New York to formulate specific guidelines and modalities; the working group should take into consideration, *inter-alia*, the following:

- a) The execution of projects by Member Governments of the G-77.
- b) Development of projects by experts or relevant institutions of member countries.
- c) To focus on projects of an inter-regional nature which may have a multiplier effect.
- d) To achieve maximum economic advantage, consider the merits of safeguarding the principal and utilizing the interest for financing agreed projects.
- e) To take into account the experience of previous cooperation activities which utilize a similar mechanism.
- f) The report of the working group is to be approved by the G-77.

123. On the financing of the GSTP Project out of the ECDC Trust Fund the Committee recommended that expenditures under the project be reviewed periodically so as to ensure that it is implemented at the minimum possible cost.

124. The ECDC Trust Fund should not be used as a substitute for resources available to the UN Agencies for undertaking ECDC activities. The UN system should continue to use its own resources for funding such activities.

125. Further utilization of resources from the Trust Fund be postponed until the finalization of modalities and guidelines mentioned above when approved by the G-77.

VI. The UN System's contribution to the implementation of the CPA

126. The Committee considered the report on support from International Organizations to the implementation of the CPA, and heard statements from delegations of the Group of 77 and representatives of the United Nations.

127. Recognizing the importance of strengthening the role of the UN system in the promotion of ECDC, the Committee recommended that the Chairman of the Group of 77 in New York should:

- a) Ensure that the Cross-organizational Programme Analysis (COPA) on ECDC under preparation by the UN for presentation in 1985, should not merely be an inventory of projects but contain an assessment of the implementation by the UN system of its mandates and provide information on percentages of expenditures on ECDC so that the COPA could serve as a basis for evaluating UN system's efforts to promote the CPA.
- b) Address a formal communication by the middle of October, based on an annual programme of work, emanating from mandates given to him at IFCC-III and the 8th Ministerial Meeting conveying to the Director General for Development and International Economic Cooperation (DIEC) of the United Nations a checklist of projects and priorities for inclusion in the UN programme budget proposals for the biennium 1986-1987.
- c) The Secretary General of the United Nations should be requested to include a section on ECDC in his annual Project Performance Report, and the Director General of DIEC should also be requested to suggest ways and means of integrating ECDC into the operational activities of the UN system in his Policy Review Report during 1986.
- d) Take steps to ensure that the United Nations organs, in particular DIESA, and specialized agencies involved in policy research and analysis or operational activities treat ECDC as an integral part of international economic cooperation and development issues and incorporate it into their regular work programmes and surveys.
- e) Consult with the Administrative Committee in Coordination (ACC) to keep under regular review the ECDC activities of the UN system and ensure a better implementation of the existing mandates in this regard.
- f) Consult with UNDP and other organizations of the system involved in operational activities to evaluate ways and means of injecting a higher ECDC and TCDC content in their project designs, including, *inter-alia*, procurement of goods and services from the developing countries, increased allocation of country IPF's for TCDC activities, alteration of UNDP rules and procedures in this regard.
- g) Particularly in its ECDC/TCDC activities the UN system should made better use of developing countries' research, consultancy, training and other specialized institutions in order to facilitate their full involvement in these efforts. The Group of 77 should ensure in this regard that the UN, especially UNITAR, closely relate their work to the requirements of the CPA.
- h) Should make every effort to ensure that the UN system establishes, at an early date, the mechanism for monitoring and coordinating ECDC activities within the UN system and that these activities relate to the CPA.

VII. Harmonization between the Group of 77 and the Non-Aligned Countries ECDC Programmes

128. The Committee considered the report on Harmonization between the ECDC programmes of the Group of 77 and the Movement of Nonaligned Countries. It noted that progress had been made in the avoidance of duplication in the holding of meetings under their respective programmes for economic cooperation.

129. The Committee recommended the continuation of the process of harmonization in order to achieve greater complementarities. It called upon the Chairman of the G-77 in New York to hold consultations with the Chairman of the Coordination Bureau of the Non-Aligned Movement in New York in this regard.

VIII. ECDC as a response to the global economic crisis

Proposals on the Multi-Sectoral Information Network

130. The Committee took note with interest of the MSIN project document and requested governments to provide their comments on the said document submitted by the Chairman of the G-77 not later than the end of March 1985.

131. The Committee invited the Chairman of the Group of 77 in New York to convene in June 1985, a High Level Intergovernmental Meeting with the participation of Experts to consider the project document together with the comments made by governments and to formulate and adopt the pilot project of the MSIN Project. In this context, the Committee took note with appreciation of the generous offers made by the Government of Colombia to host the High-Level Intergovernmental Meeting, and to provide the headquarters for the MSIN.

132. The Chairman of the Group of 77, in consultation with governments, should initiate the appropriate procedure for the nomination of the project manager whenever deemed necessary.

133. The Committee commended the Research Centre for Cooperation among Developing Countries (RCCDC) in Ljubljana, the Government of Mexico and UNESCO for their assistance in preparing the project document on MSIN at no cost to the Group of 77 and expressed the hope that their valuable cooperation be continued.

Revision of the ECDC Calendar

134. The Committee:

- a. Recommended that the Chairman of the G-77 include in the annual programme of work for 1985 the convening of High-level Sectoral Review meetings in those areas where the implementation of the CPA has reached a point which would justify such meetings, bearing in mind the calendar of meetings approved at IFCC-II in Tunis.
- b. Decided that IFCC-IV should evaluate progress in the areas covered by the sectoral review meetings convened before IFCC-IV in order to launch or promote concrete cooperation in programmes or projects in those areas.