

**Seventh Session of the Intergovernmental Follow-up and Coordination Committee on Economic Cooperation among Developing Countries (IFCC-VII), Kuala Lumpur, Malaysia, 31 July – 5 August 1989**

**Final Report**

**I. Introduction and organizational matters**

**A. Introduction**

1. The Caracas Programme of Action provides for a review and follow-up mechanism of the activities envisaged under it. At the invitation of the Government of Malaysia, the seventh meeting of the Intergovernmental Follow-up and Coordination Committee on Economic Cooperation among Developing Countries (IFCC-VII) was held in Kuala Lumpur from 31 July to 5 August 1989.

2. The meeting was attended by 63 delegations from the following member states of the Group of 77:

Afghanistan, Algeria, Angola, Argentina, Bangladesh, Brazil, Burkina Faso, Burundi, Chad, Chile, Colombia, Comoros, Cuba, Democratic People's Republic of Korea, Egypt, Equatorial Guinea, Ethiopia, Fiji, Gabon, Ghana, India, Indonesia, Iraq, Kenya, Kuwait, Lesotho, Libyan Arab Jamahiriya, Madagascar, Malawi, Malaysia, Mexico, Morocco, Myanmar, Nepal, Nicaragua, Niger, Nigeria, Oman, Pakistan, Palestine, Philippines, Republic of Korea, Romania, Rwanda, St. Lucia, Saudi Arabia, Senegal, Sierra Leone, Singapore, Somalia, Sri Lanka, Sudan, Thailand, Togo, Tunisia, Uganda, United Republic of Tanzania, Venezuela, Vietnam, Yemen Arab Republic, Yugoslavia, Zaire, and Zimbabwe.

3. The representatives from the following organizations of the United Nations system were also present at the meeting:

United Nations Development Programme, United Nations Conference on Trade and Development, Food and Agriculture Organization of the United Nations, United Nations Industrial Development Organization, United Nations Economic and Social Commission for Asia and the Pacific, and the International Labour Organization.

4. The meeting was also attended by the Chairmen of the Group of 77 in New York, Geneva and Vienna, as well as a representative of the Group of 24 in Washington, D.C.

5. The representative of the South Commission also attended the meeting.

**B. Election of Officers**

6. At its opening session, the Committee elected by acclamation His Excellency Ambassador Dali Mahmud Hashim, leader of the Malaysian delegation to the IFCC-VII, as Chairman. The Committee also elected by acclamation His Excellency Ambassador A.E.H. Emeny of Nigeria and His Excellency Ambassador Charles Stephen Flemming of St. Lucia as Vice-Chairmen.

### **C. Adoption of the Agenda and Organization of Work**

7. At its first meeting, the Committee adopted the agenda as well as its organization of work. The Committee decided also to establish a Committee of the Whole for the consideration of the items as its agenda.

8. The Bureau of the Committee was assisted by the Core of Assistants to the Chairman of the Group of 77 in New York as well as by representatives of the host country.

### **D. Documentation**

9. The Committee had before it the working documents prepared by the Office of the Chairman of the Group of 77 in New York in accordance with the mandate entrusted to it, reports of technical meetings held in pursuance of the Caracas Programme of Action, the Report of the Third Meeting of the Committee of Experts of the Perez-Guerrero Trust Fund for ECDC/TCDC, a series of information documents as well as the documents transmitted by the United Nations system.

### **E. Opening statements**

10. In his inaugural address, Dato' Haji Abu Hassan bin Haji Omar, Minister of Foreign Affairs of Malaysia, said that the concept of economic and technical cooperation among developing countries had become an enduring part of the political consciousness of all developing countries. As the IFCC was the principal mechanism under the CPA to review and evaluate progress on ECDC, he called for a candid and critical assessment of the programme's achievements and failures. He pointed out that the current transformation of the global economy represented both opportunities and challenges for developing countries and emphasized that the Group of 77 must rise to the challenges or risk getting marginalized.

11. The Foreign Minister noted that trade among developing countries accounted for a mere 4.8 **per cent** of world merchandise trade in 1987. While market penetration of developed countries was important, he stressed that the untapped potential for expansion of trade among developing countries should not be ignored. The GSTP could provide the stimulus for this, he said. He called for maintaining the momentum of the first round of the GSTP negotiations, and for strengthening the GSTP mechanism to make it a truly effective vehicle for trade expansion among developing countries. In the face of the increasingly protectionist trends in the world, this was a matter of priority for the developing countries.

12. The Foreign Minister called for introspection and soul searching on the part of the Group of 77. He remarked that of the 128 member states of the Group of 77, delegations from only 63 member states were present at this IFCC meeting. We would have to ask ourselves, he said, why this was so. He wondered whether developing countries were losing interest in ECDC or, more specifically, in IFCC itself.

13. Dato Haji Abu Hassan also emphasized the importance of regional, sub-regional and bilateral trade cooperation. In this context, he referred to some successful regional efforts to coordinate trade and economic policies among countries for their common benefit.

14. The Foreign Minister stressed the increasing importance of the private sector as a vehicle of growth in the developing countries. He highlighted the important role of the chambers of commerce and industry in consolidating ECDC.

15. In his statement at the inaugural session of the Committee, the Chairman of the Group of 77 in New York, Ambassador Razali Ismail, mentioned that though the Caracas Programme of Action was a major step in ECDC, cooperation among developing countries remained somewhat neglected. Despite recognizing the potential benefits from such cooperation, very little had actually been done to actively promote it, he pointed out.

16. The Chairman of the Group noted that so far the principal actors in the field of development, namely commercial and business enterprises, had largely been excluded. IFCC-VII needed to address this question, he said.

17. On the other tasks before the Committee, he mentioned that an assessment of the effectiveness of the revised frequency of IFCC meetings needed to be made, ways for greater harmonization of the CPA of the Group of 77 and the APEC programme of Non-Aligned countries found, and means for improved utilization of the Perez-Guerrero Trust Fund considered.

18. Ambassador Kamalesh Sharma, Chairman of the Group of 77 in Geneva, in his statement to the Committee outlined the activities of G-77 in Geneva. He pointed out that the Group of 77 regarded sub-regional, regional and interregional cooperation among developing countries as the backbone of collective self-reliance and, in this regard, stressed that growth and strengthening of different economic integration groupings were a primary concern.

19. Ambassador Sharma informed the meeting that at the sixth session of the Committee on ECDC of UNCTAD, on the basis of a proposal put forward by the Group of 77, agreement was reached that UNCTAD would undertake a study on the creation of a commercially viable trade financing facility.

20. The Chairman of the Geneva Chapter pointed to the successful conclusion of the first round of negotiations on GSTP at the Belgrade Ministerial Meeting as a historic landmark in South-South cooperation. It was the first time that developing countries translated word into contractual commitment and invested South-South cooperation with a new a concrete dimension. He underscored the fact that GSTP now needed the collective support of the Group of 77 through securing finance for its operation.

21. The representative of the Chairman of the Coordinating Bureau of the Non-Aligned Movement, Mr. C.J. Tsokodayi, in his statement to the meeting said that the objectives of the Movement of Non-Aligned countries and of the Group of 77 in the economic field were the same, namely, to foster economic and technical cooperation and self-reliance among developing countries for the mutual benefit of all our people. In this regard, he said that IFCC-VII provided an opportunity to harmonize the economic activities of the Non-Aligned Movement through its Action Programme for Economic Cooperation (APEC) with those of the Group of 77 carried out under the Caracas Programme of Action.

22. The Chairperson of the Group of 77 in Vienna, Ambassador Mervat Tallawy, briefed the meeting on the activities of the Group in that Chapter. In view of the presence of UNIDO, IAEA, and the UN Center for Social Development and Humanitarian Affairs in Vienna, the Chapter was mainly concerned, inter alia, with issues relating to industrial development, nuclear energy and social development.

23. Ambassador Tallawy mentioned that the Vienna Chapter worked in close cooperation with UNIDO to organize an expert group meeting on the perspectives of industrialization policies

in developing countries taking into account the impact of development in new and high technologies, as recommended by IFCC-VII. The objectives of the seminar were to analyze the changing international patterns of industrialization, outline specific strategy options and design an integrated approach towards industrial policy. The recommendations of the experts group meeting are of particular importance and need to be implemented. They were included in the report distributed at the meeting.

24. The Chairperson of the Group of 77 in Vienna suggested that IFCC-VII could consider the constitution of an Action Committee on Industrialization. Joint investment and trade promotion policies would also have to be developed in order to facilitate industrial cooperation, she added.

25. The delegate of Gabon, Mr. Jean-Paul Leyimangoye, in his capacity as the representative of the Chairman of the Group of the Intergovernmental Group of Twenty-four in Washington, D.C. briefed the Committee on the activities of the Group. He stated that the Ministers of Finance of the Group at their meeting held in April 1989 had stressed the importance of the initiatives taken by the international financial community to reduce debt and debt service, and of the role of the IMF and the World Bank in mobilizing financial support for a debt strategy based on growth and development.

26. Mr. Leyimangoye added that the Ministers called on the international financial community to intensify their efforts to find a solution to the debt problem in favour of the developing countries in order to facilitate their return to sustained growth and to pave the way for their long-term development.

## **II. Review of the implementation of the Caracas Programme of Action with a view to identifying new ways and means for its effective implementation**

27. The Caracas Special Ministerial Meeting of the Group of 77 emphasized the need to give the necessary priority to intensifying cooperation in the sector of science and technology which they characterized as one of the most promising areas where economic cooperation among developing countries should be strengthened. The Ministers also emphasized the necessity to give high priority to the sectors of the Trade and Technical Cooperation among Developing Countries in order to promote a much more effective utilization of the technical capacities of the developing countries.

28. The Caracas Special Ministerial Meeting had requested IFCC-VII to submit a report to the Thirteenth Annual Meeting of the Ministers of Foreign Affairs on the steps needed to be taken to enhance the implementation of the CPA. The Committee discussed in detail the achievements of the Programme and the means to overcome its existing weaknesses.

### **A. Sectoral review**

29. The Committee adopted a number of recommendations on the different sectors of the Caracas Programme of Action.

### **Trade**

30. The Committee expressed its satisfaction that the Agreement on a Global System of Trade Preferences among Developing Countries had come into force on 19 April 1989. It appealed to those signatories of the Agreement that had not yet ratified it to do so at the earliest

opportunity. The Committee stressed the need to maintain the momentum of the GSTP process by starting the second round of negotiations as soon as possible. These negotiations should encompass all the areas envisaged for trade promotion under GSTP and could consider the question of providing some financial underpinning for trade conducted under the Global System.

31. The Committee urged member countries as well as international institutions in particular UNDP and UNCTAD to extend their support to the GSTP process. This would involve the provision of technical and financial assistance for the implementation of the Agreement as well as for the preparatory work and the conduct of a new round of GSTP negotiations, especially keeping in view the needs of the LDCs for such assistance.

32. The meeting noted that a subcommittee had been established by the First Meeting of the Committee of Participants of the GSTP held in Geneva on 25 July 1989 to consider all aspects related to the financial and budgetary matters concerning the operation of the GSTP Agreement. The Committee requested the subcommittee to submit its report as soon as possible. Until funding for the GSTP was available on a self-sustaining basis, the Committee stressed the need for an interim financial arrangement. In this regard, the Committee requested the Chairmen of the Group of 77 in New York and Geneva to submit a project proposal to UNDP for financing by the latter.

33. The Committee strongly supported the establishment of interregional trade financing facilities as being crucial for the promotion of trade among developing countries. It welcomed the decision of the UNCTAD Committee on ECDC to request UNCTAD to undertake an extensive and comprehensive feasibility study in this regard.

34. The Committee was of the view that the meeting of representatives of central banks and finance ministries of the developing countries, as recommended by the Cairo High-level Meeting on ECDC, could be convened after the feasibility study on the interregional trade financing facility was completed and reviewed by governments of member states. This would allow the examination of the findings of the study, which would be an input in the discussions of the representatives of the central banks and finance ministries.

35. The Committee expressed its satisfaction at the results of the first and second meetings of the representatives of chambers of commerce and industry of developing countries members of the Group of 77 held respectively in Brazil in 1987 and India in 1988 as well as with the conclusions of the three regional meetings held in 1989 in Cameroon, Pakistan and Colombia. The Committee stressed the need for the early establishment of a trade information network among the chambers of commerce and industry. To this end, it urged the International Trade Centre (ITC) to submit as soon as possible a project proposal for funding by UNDP as recommended by the Fourth Meeting of the Steering Committee of the Chambers of Commerce and Industry.

36. The Committee welcomed the offer of the Government of Zimbabwe to host the Third Meeting of the Representatives of Chambers of Commerce and Industry of Developing Countries Members of the Group of 77 to be held in Harare from 15 to 17 November 1989.

37. The Committee was of the view that steps needed to be taken to expand cooperation between the business communities of developing countries. In this regard, it recommended that the Third Meeting of the Representatives of Chambers of Commerce and Industry should consider setting up a mechanism for greater interaction between the business communities of the member countries of the Group of 77.

38. The Committee welcomed the valuable work carried out by the International Center for Public Enterprises of Developing Countries (ICPE) and the Association of State Trading Organizations of Developing Countries (ASTRO) in support of the promotion of trade among developing countries.

### **Technology**

39. The Committee noted that the Caracas Declaration of the Ministers of Foreign Affairs of the Group of 77 on the occasion of the twenty-fifth anniversary of the Group had accorded priority to intensifying cooperation in the sector of Science and Technology. It stressed that Science and Technology had an important bearing on the other sectors and that it was one of the most promising areas for economic cooperation among developing countries.

40. The Committee underscored the importance of new and high technologies and, in that context, recalled the Meeting of Experts in New and High Technologies held in New Delhi in 1988 which had identified concrete cooperative arrangements in the areas of new materials technology, microelectronics and communications, informatics and computer software, new sources of energy, and biotechnology. The Committee also recalled the Expert Group Meeting for Industrialization Policies in Developing Countries taking into account the Impact of Developments in the Field of New and High Technologies, held in Vienna, Austria, from 4 to 7 April 1989 under the auspices of UNIDO.

41. The Committee welcomed the fact that the Centre for Science and Technology of the Non-Aligned and other Developing Countries (New Delhi, India) would become operational shortly. They believed that the Centre would become an important and dynamic instrument for promoting the scientific and technological development of developing countries. The Committee was of the view that the Center could play a coordinating role in cooperation in this sector, and urged all member countries to participate in its programmes so that a core of activities in the field of science and Technology can be taken up.

42. The Committee recommended that the Chairman of the Group of 77 in New York in collaboration with the Chairmen of the other Chapters, request the appropriate and relevant agencies of the U.N. system to prepare an inventory of specific areas in which technologies were available in developing countries, the areas in which developing countries were interested in engaging in joint research, areas in which developing countries were interested in transferring technology, and sources of funding for the above study should be submitted through the Chairman of the Group of 77 to the next IFCC meeting.

### **Food and Agriculture**

43. The Committee expressed its deep concern at the continuing and persistent food shortages in many of the developing countries.

44. The Committee stressed the need for the developing countries to increase mutual cooperation in this sector with a view to achieving individual and collective self-reliance. The Committee was of the view that additional efforts should be made, individually and collectively, to ensure the implementation of the Caracas Programme of Action as well as the recommendations adopted by subsequent meetings of IFCC in the field of food and agriculture. In this regard the Committee emphasized the need to identify and promote joint ventures among the developing countries in this sector.

45. The Committee reaffirmed the mandate of the Group of 77 in Rome regarding the implementation of the relevant recommendations adopted by the Global Meeting on ECDC in the Food and Agriculture Sector, held in Bucharest in 1984.

46. The Committee took note of the Report of the Ministerial Conference on Fisheries Cooperation among African States Bordering the Atlantic Ocean held in Rabat, Morocco, from 30 March to 1 April 1989.

### **Raw Materials**

47. The Committee noted with concern the steady decline in world prices of commodities. Against this background, it welcomed the entry into force of the Agreement establishing the Common Fund for Commodities on 19 June 1989 and hoped that it would help to improve the current situation in commodity trade.

48. The Committee stressed that positive support from the developing countries was vital to ensure the effective operation of the Common Fund as well as for attending to the needs of the commodity producing countries.

49. While recognizing that access to markets are often hindered by high tariff, tariff escalation and non-tariff measures, the Committee called for undertaking joint efforts to liberalize the world trading regime for semi-processed and processed products of the developing countries and creation of a more conducive environment for the viability and development of the commodity sector in these countries.

50. The Committee emphasized the need for continued support and greater participation and cooperation among the developing countries to enable the International Commodity Agreements and Arrangements (ICAs) to function effectively in order to stabilize commodity prices.

51. In the case of commodities not covered under the ICAs the Committee recognized the necessity for further dialogue and exchange of information among producer and consumer countries.

52. The Committee recognized the importance of the ongoing Uruguay Round of Negotiations in the efforts towards liberalization and expansion of world trade. In this regard, the Committee stressed that within a balanced outcome of the negotiations which result in an improved access of exports of developing countries and serve their wider development objectives these negotiations should also benefit commodity producing countries.

53. As synthetic and substitute products had affected the competitiveness of natural products, the Committee believed that increased South-South cooperation in R & D activities, particularly in the identification of new end-uses, product quality improvement as well as market adaptation for commodity-based products, was needed.

54. The Committee noted that since IFCC-VI was held, some positive developments had been achieved in this sector. In this regards, the Committee recalled the Report of the Expert Group Meeting on the Processing of Raw Materials held in Vienna, Austria, from 22 to 26 August 1988, and took note with appreciation of the Report of the First Meeting of the Action Committee on Raw Materials held in Abuja, Nigeria, from 3 to 7 April 1989. The Committee

expressed appreciation to UNIDO and UNDP for the support they extended in regard to the convening of the First Meeting of the Action Committee on Raw Materials.

55. The Committee stressed the importance of the follow-up of the recommendations of the Report by member countries of the Group of 77 and welcomed the location of the Secretariat of the Action Committee on Raw Materials in the Raw Material Research and Development Council in Nigeria.

56. The Committee took note that five member countries of the Group, namely Zaire, Togo, Algeria, Morocco and Nigeria, had expressed their intention to join the Action Committee and stressed the need to enlarge the membership of the ACRM as well as to widen the geographical scope of its composition.

57. Given the importance of this sector for member countries, the Committee recommended that future meetings of the ACRM be attended by more representatives of the institutions dealing directly with the raw materials sector.

### **Finance**

58. The Committee was of the view that the critical economic and financial situation facing the developing countries, in particular those burdened by external debt, remained a serious impediment to the effective implementation of the recommendations contained in the Caracas Programme of Action in the sector of Finance. The Committee noted with deep concern that this had led to the net transfer of resources from developing countries to the developed countries and multilateral financial institutions, depriving the developing countries of the much needed scarce financial resources.

59. The Committee took note with interest of the recommendation adopted under the framework of the Action Programme for Economic Cooperation of the Non-Aligned Movement in the field of money and finance during the meeting of the Ministerial Coordinating Bureau of the Non-Aligned Movement held in Harare in May 1989.

### **Industrialization**

60. The Committee requested the Group of 77 in Vienna to prepare, with the assistance of UNIDO, concrete proposals for the intensification of cooperation among its members, and to identify priority areas and submit its report to IFCC-VIII.

61. The Committee took note with appreciation of the report of its activities presented by the Action Committee for Collaboration on Consultancy, Construction and Engineering (CCC) based in Havana. It called on member countries of the Group of 77 to join it and to support its programs aimed at increasing the self-reliance of developing countries in the concerned areas. In this context, the Committee called on member countries of the Group of 77 to give appropriate attention to the requests for information made by the CCC.

62. The Committee welcomed the report of the Expert Group Meeting on Prospects for Industrialization Policies in Developing Countries Taking into Account the Impact of Developments in the Field of New and High Technologies, held in Vienna, Austria, 4 – 7 April 1989 under the auspices of UNIDO. The Committee requested the Group of 77 in Vienna to take appropriate follow-up actions with respect to the recommendations adopted by the Expert Group Meeting.



63. The Committee welcomed the presentation made by the delegation of Argentina on the Centro de Estudios Tecnológicos para la Obra Pública and requested the Chairman of the Group of 77 to circulate to the members additional information on the Center to encourage them to participate in its activities.

64. The Committee reiterated that the Vienna Chapter of the Group of 77 should play a coordinating role in implementing the recommendations pertaining to industrialization in close cooperation with the Chairman of the Group of 77 in New York.

### **Technical Cooperation among Developing Countries (TCDC)**

65. The Committee welcomed the activities undertaken by a number of developing countries to share their expertise with other developing countries in the fields of agriculture, health, energy, trade, industry, education, fisheries, etc.

66. The Committee recalled that technical cooperation among developing countries was identified by the Ministers of Foreign Affairs of the Group of 77 in the Caracas Declaration issued on the occasion of the twenty-fifth anniversary of the Group as deserving high priority for promotion of technological capacities of developing countries. The Committee noted that TCDC covered a wide spectrum of activities such as cooperation in manpower training, in particular improvement of technical and managerial capacities, dissemination of industrial, technological, scientific and commercial information, strengthening of the maintenance capabilities of developing countries, etc.

67. The Committee observed that technical cooperation among developing countries had remained inadequate in relation to the enormous potential for such cooperation, despite the general recognition that developing countries had built up expertise in a wide range of fields.

68. The Committee noted the initiative taken by some developing countries in the field of aquaculture, including the development of material and manpower resources, improvement of fishing techniques, establishment of research institutes and exchange of information. In this context, it welcomed the cooperative activities undertaken in the Maghreb Region. It also took note of the Report of the Meeting of the Group of 77 on Coastal Fisheries, Small Fishing Craft and Aquaculture Development and Management in Developing Countries held in Trogir, Yugoslavia, in September 1988.

69. The Committee underscored the need to strengthen the TCDC focal points as a link in the technological development of member countries. It observed that often ministries and enterprises in developing countries which should be directly involved in such cooperation were not aware of the technical expertise available in other developing countries. This gap in information, *inter alia*, was responsible for member countries of the Group of 77 turning to the developed countries for technical assistance even when such expertise was available in developing countries at a lower cost. To this end, the Committee stressed the need:

- to enhance developing countries' utilization of their own consultancy capabilities, making maximum use of consultants from the developing nations, who are in the best position to apply appropriate solutions, in line with their national development plans and priorities, avoiding or eliminating as far as possible the transfer of financial resources for consultancy services from the developing to the developed countries;

- to expand the use and recruitment of experts and consultants from developing countries by international agencies and organizations, particularly those in the United Nations system.

70. To bridge this information gap, the Committee requested the Office of the Chairman of the Group of 77, with the assistance of the Special Unit for TCDC of UNDP, to prepare and circulate to member countries, twice yearly, a list of TCDC offerings and requests from developing countries. The Committee also called for a study to prepare a global matrix of technical capabilities available in developing countries.

71. The Committee recommended that efforts of the Group of 77 should concentrate on areas which have a relatively low funding requirement. Given the predominance of agriculture and small scale industries in most developing countries, there should be a greater attention to providing technical assistance in areas pertaining to the production of food-grains, fisheries and animal husbandry and on import substituting light industry.

72. The Committee took note of the Report of the Third Biennial Meeting of the Heads of National Agencies for Technical Cooperation held in Panama City in November-December 1988, and its recommendations on the Multisectoral Information Network (MSIN), on the Model Contract for Recruitment of Experts, on the Action Committee on Inter-enterprise Cooperation and on strengthening of the National Focal Points for TCDC.

73. The Committee requested the Chairman of the Group of 77 to continue his consultations with member countries to bring the number of countries of the first (pilot) phase of MSIN to the required number of fifteen so that it can be launched. The meeting of representatives of those countries that would have opted to participate in the MSIN pilot project within three months of the minimum number of fifteen being reached should be convened within six months from the day that fifteen members opt to join the MSIN.

74. At a time when it is generally recognized that inter-enterprise cooperation should play a key role in ECDC/TCDC, the Committee stressed the importance of the Action Committee on Inter-enterprise Cooperation and urged members to participate in its activities.

75. The Committee welcomed the existing cooperation between the U.N. system, including in particular the Special Unit for TCDC of UNDP, and the members of the Group of 77 and called for strengthening and enhancing such cooperation. The Committee called for active participation of member countries in the High-level Committee on the Review of TCDC which is scheduled for September 18 this year.

76. The Committee recommended that when there are no offers to host the biennial meetings of Heads of National Agencies for Technical Cooperation, they should be convened in New York on the eve of the biennial meetings of the High-level Committee on the Review of TCDC.

77. The Committee called on FAO, UNIDO and other relevant international organizations, in particular the regional economic commissions, to extend support to the institutions of developing countries that are of a regional and interregional character, in order to strengthen these organizations. On their part, the Committee stressed, such regional and interregional centers should actively engage in strengthening the bonds of technical cooperation among developing countries.

## General

78. The Committee expressed its appreciation to the organizations of the U.N. system for their support in the implementation of the Caracas Programme of Action.

### B. Supporting Mechanisms

79. The Committee undertook an overall analysis of the supporting mechanisms of the Caracas Programme of Action with a view to enhancing their efficiency. The Committee agreed on the following recommendations:

- 1) The Annual Meetings of the Ministers for Foreign Affairs of the Group of 77 held in New York should continue to undertake a thorough appraisal of ECDC activities in the years when IFCC meetings are not convened. The preparatory meetings of the Group of 77 at Ambassadorial level with the participation of Senior officials and Chairpersons of the different Chapters of the Group of 77 should be entrusted with the task of preparing, *inter alia*, recommendations on ECDC matters for the considerations of Ministers.
- 2) When there are no offers from member countries to host IFCC meetings, the Chairman of the Group of 77 should explore the possibility of convening them at the headquarters of the U.N., including regional economic commissions and the specialized agencies of the U.N. system. The date and venue of the IFCC meetings should be decided and conveyed well in advance to member governments.
- 3) The Committee invited the Chairpersons of the different Chapters of the Group of 77, in consultation with the Chairman of the Group of 77 in New York, to consider the possibility of convening sectoral meetings under their areas of competence, as far as possible in conjunction with the holding of the meetings of the governing bodies.
- 4) The Committee stressed the need for increased coordination between Chapters of the Group of 77 of the ECDC activities of the different Chapters of the Group of 77 through, *inter alia*, the convening of an annual meeting of the Chairmen/Coordinators of the Group of 77 in New York prior to the Annual Ministerial Meetings of the Group of 77.
- 5) The Committee stressed the need to enhance the activities of the National as well as the Sectoral Focal Points. In this regard, the Committee endorsed the recommendations adopted by the Second Meeting of the Heads of National Focal Points held on 2 August 1989 in Kuala Lumpur.
- 6) The Meeting was of the view that the network of National Research and Training Centers of Multinational Scope as envisaged in the Caracas Programme of Action had not functioned effectively. The Committee called upon the member states to urgently transmit to the Chairman of the Group of 77 in New York the list of their national research and training centers of multinational scope taking into account the guidelines adopted by the New Delhi meeting of Heads of Science and Technology Agencies in Developing Countries held in 1982.
- 7) Bearing in mind that four out of the five Assistants to the Chairman of the Group of 77 will be leaving the Office by the end of 1989, the Committee called upon the member countries to urgently designate, in accordance with the relevant provisions of the Caracas Programme of action, Assistants to the Chairman of the Group of 77, preferably on a full-

time basis, in order to ensure the necessary continuity of the activities of the Office of the Chairman of the Group of 77.

- 8) The Committee expressed its concern regarding the financial status of the ECDC Account and appealed to those member countries that had not contributed to the Account to do so urgently.
- 9) The Committee called upon member countries to provide pertinent information and materials related to ECDC issues to the Documentation Center of the Office of the Chairman of the Group of 77 in New York.

80. The Committee recognized the continued usefulness of action committees as a mechanism for implementing ECDC. In order to facilitate the establishment and launching of action committees the Committee recommended that:

- (a) Wherever possible, the scope of the action committee should be confined to a limited number of concrete issues rather than to an entire sector.
- (b) Financial support from the PGTF, under the procedure established by IFCC-VI, should be made available after the action committee members make a matching contribution of the amount requested.
- (c) To enhance the definition of activities of the action committee and for the promotion of the action committee a lead country or institution should be designated.

### **III. Harmonization and integration of the Caracas Programme of Action on ECDC and the Action Programme for Economic Cooperation of the Non-Aligned Movement**

81. The Committee noted the progress in the efforts geared towards the harmonization and integration of the Caracas Programme of Action on ECDC and the Action Programme for Economic Cooperation of the Non-Aligned Movement and underlined the need to avoid duplication of activities and ensuring complementarity of the efforts aimed at enhancing ECDC. To this end, the Committee agreed on the following recommendations:

- 1) The two programmes should have a calendar of meetings prepared in a coordinated manner in the various areas of cooperation.
- 2) The Chairmen of the Group of 77 and the Coordinating Bureau of the Non-Aligned Movement should remain in close and regular contact in regard to the implementation of the above-mentioned programmes.
- 3) The Chairman of the Group of 77 should keep the member countries as well as the National Focal Points appropriately informed of the results of such contacts.
- 4) The Chairmen of the Group of 77 and the Non-Aligned Coordinating Bureau should continue to be invited to participate in each other's meetings.
- 5) Harmonization and integration wherever possible of the respective sectors of the CPA and the APEC should be pursued.

### **IV. Review of the utilization of the Perez-Guerrero Trust Fund and its Guidelines**

82. Pursuant to the request made by the Caracas Special Ministerial Meeting, the Committee reviewed the guidelines and criteria for utilizing the Perez-Guerrero Trust Fund.

83. The Committee reviewed the existing guidelines for the utilization of the PGTF, adopted at Cairo in 1986 and expanded in Havana in 1987. The following additions to the guidelines were adopted:

- (a) To adjust the appointment dates of the Committee so that only one half of them are replaced each year. Given that the experts are selected for a two-year term, three of them – one from each region – would be replaced every year. An interim arrangement is required to adjust the appointment dates accordingly. To this end, the mandate of three of the experts – one from each region as designated by the regional groups in New York – would be extended to 1991. Appointment of the other three experts will take place in 1990.
- (b) In order to ensure successful implementation of approved projects as lead country or organization, as appropriate, should be identified when necessary.
- (c) In order to identify a uniform project cycle and ensure full participation of its members, the regular meeting of the Committee of Experts should take place in the last week of June of each year, and if necessary the Chairman of the Group of 77, in consultation with the Chairman of the Committee of Experts of the PGTF, will convene an extraordinary meeting of the Committee.
- (d) The deadline for submission of project proposals should be the last day of March of each year, so that the necessary consultations between the experts, the Office of the Chairman, governments, organizations and institutions submitting proposals should take place, so as to improve and expedite the process of examination of projects as well as to avoid duplication with the existing activities.
- (e) In the year when no IFCC meetings are held, the report of the Committee would be considered by the Annual Meeting of the Group of 77 which is entrusted with the preparation of the Annual Meeting of the Ministers for Foreign Affairs held in New York. The report as amended by the Annual Meeting of the Group of 77 will be submitted for consideration and approval to the Ministerial Meeting.
- (f) Within the existing guidelines due regard should be given to equitable geographical distribution as far as possible.
- (g) In the future, in case a project has not been implemented within two years of its signing, the allocation would be reverted to the PGTF and the project re-submitted to the Expert Committee.
- (h) Before submitting project proposals to the PGTF, subregional and regional institutions of developing countries should obtain approval of their respective governing bodies and countries involved in the project.
- (i) The expenditures relating to the participation of the members at the meetings of the Committee of Experts, up to a maximum of two meetings per year, will be covered by the PGTF.

84. The Committee considered that, in order to increase the quality and number of project proposals submitted, appropriate institutions and organizations of developing countries should be provided with comprehensive information on the potentiality of the PGTF and on the procedures for the submission of proposals. These contacts should be carried out in consultation with national governments.

85. The Chairman of the Group of 77 could also seek the assistance of the Committee of Experts in identifying organizations and institutions of developing countries capable of preparing project proposals that could be submitted for funding by PGTF.

86. The Committee recommended that in order to increase awareness of the PGTF, an informative brochure should be prepared by the Office of the Chairman of the Group of 77 in New York with the assistance of the Special Unit for TCDC of UNDP. Additionally, in order to expedite examination and approval of project proposals and implementation of approved ones, a standard format should be prepared by the Office of the Chairman of the Group of 77 with the assistance of UNDP.

87. In accordance with the guidelines of the Perez-Guerrero Trust Fund for ECDC/TCDC adopted at the Cairo High-level Meeting on ECDC held in August 1986, the Committee also considered the Report of the Third Meeting of the Committee of Experts of the Perez-Guerrero Trust Fund for ECDC/TCDC, held in Kuala Lumpur from 27 to 29 July 1989.

88. The Committee expressed its deep sense of gratitude to the Government and people of Malaysia for having hosted the Third Meeting of the Committee of Experts of the Perez-Guerrero Trust Fund for ECDC/TCDC and for having provided the Committee of Experts with all the necessary facilities.

89. The Committee also expressed its appreciation to the Chairman and the members of the Committee of Experts for the excellent report they had submitted.

90. Regarding the projects included in the recommendations of the Report of the Committee of Experts the Committee decided as follows:

**1) Sustainable frontier settlement**

The Committee did not approve this project.

**2) Cooperation among Developing Countries' Consultancy and Engineering Organizations for Better Access and Position in International Consultancy/Engineering Services Market**

The Committee approved the project.

Disbursement of USD 90,000 from PGTF will be made after:

- (a) The final report on the study entitled "Development of Developing Countries' Consultancy and Engineering Capacities" is presented by ICPE;

- (b) An analysis is made by the PGTF Expert Committee on possible duplication with the tasks undertaken by other institutions, including a review of the report referred to in (a) above and consultations with the Action Committee for Collaboration on Consultancy, Construction and Engineering;
- (c) Endorsement by the governing body of the ICPE.

**3) Export promotion cooperation in favour of less developed countries in Latin America**

The Committee approved the allocation of USD 120,000 from the PGTF for the implementation of this project.

**4) Publication of the Special United Nations Service (SUNS)**

The Committee decided, in the light of questions raised during discussions concerning the qualifications of this project for funding and the objections raised in this respect, to send this project back to the Committee of Experts of the PGTF for reconsideration.

**5) Establishment of the Maghreb Unit in the National Center for Documentation and Information of Algeria**

The Committee approved the allocation of USD 65,000 from the PGTF for the implementation of this project with the following observations:

- a) Consultations among the relevant authorities of the members of the subregion is necessary to adapt this project to the objectives of the Arab Union of Maghreb;
- b) Local expenditure on the implementation of this project should be borne by the host country;
- c) The experience gained by this project should be made available to other interested regional/integration economic groupings of developing countries.

**6) Publication of the Journal of the Group of 77 (extension of the duration of the project)**

The Committee approved a one-year extension of this project beginning on 1 January 1991 and authorized the disbursement of USD 27,380, so as to allow IFCC-VIII to undertake a thorough examination of the project and decide on its future, under the following conditions:

- a) The Journal should maintain a high analytical content and continued efforts should be made towards attaining further improvement in this regard;
- b) The Journal, in accordance with its funding source, should include mostly ECDC/TCDC news;
- c) The Journal should strive to disseminate material of interest to G-77 that is not carried by most mainstream media. Reporting based on statements or specialized

publications should refrain from or minimize the use of direct and extensive quotations;

- d) Inputs for the Journal should be obtained not only from the bureau of G-77 in the various Chapters but also from delegations of member countries who are not represented in those U.N. centers. The editor of the Journal should maintain regular contact with the Core of Assistants of the Chairman of G-77 in New York so that he could be informed about the ongoing and future activities of the Office of the Chairman in the area of ECDC/TCDC. Moreover, news generated by economic groupings of developing countries in this area should be used, including the work carried out in this regard by United Nations organizations and research institutes in developing countries;
- e) The Journal should aim at informing about the capacities and needs of member countries in respect of ECDC/TCDC. The Journal should report regularly on developments regarding ECDC/TCDC projects sponsored by the Group of 77 under the CPA in the various Chapters as well as ECDC/TCDC activity of member countries at the bilateral, subregional, regional and interregional levels;
- f) News articles regarding the organizational activities, functioning, main concerns and institutional aspects as well as the issues, initiatives and positions pursued by the G-77 in each Chapter, should be published regularly in the Journal;
- g) Editorial articles on specific issues of concern to the G-77 should be a regular feature of the Journal;

91. The Committee endorsed the recommendations of the Committee of Experts on those project proposals that were not recommended for approval.

92. However, the Committee, bearing in mind paragraphs 30-32 above and the views of the Committee of Experts regarding the financing from the PGTF of the project proposal "Technical Assistance to Countries Participating or Seeking to Participate in the Global System of trade Preferences among Developing Countries (GSTP)", requested the Chairmen of the Group of 77 in New York and Geneva to submit a revised project proposal for joint financing by UNDP and PGTF.

#### **V. Venue and date of the next IFCC Meeting**

93. The Committee requested the Chairman of the Group of 77 in New York to conduct the necessary consultations with the member states for the convening of the next IFCC.

#### **VI. Closure of the Meeting**

94. At the closing session, the Seventh Meeting of the Intergovernmental Follow-up and Coordination Committee adopted its Report.

95. A resolution of thanks to the host Government was proposed by the delegation of Colombia and adopted by acclamation.



96. The Chairman of the meeting, His Excellency Ambassador Dali Mahmud Hashim, Deputy Secretary-General, Ministry of Foreign Affairs of the Government of Malaysia, closed the meeting.