**Second Ministerial Meeting of the Group of 77, Lima, 25 October – 7 November 1971, in preparation for UNCTAD III, Santiago, 13 April – 21 May 1972**

**The Declaration and Principles of the Action Programme of Lima**

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**PART ONE**

# **Joint statement of the Second Ministerial**

# **Meeting of the Group of 77**

We, the representatives of the 96 developing countries, comprising the vast majority of the human race, assembled at the Second Ministerial Meeting of the Group of 77, in the City of Lima in Peru, from 25 October to 7 November 1971, to harmonize our positions with a view to the third session of the United Nations Conference on Trade and Development to be held in Santiago, Chile, in April – May 1972, thank the Government and people of Peru for their warm hospitality and the efficient arrangements which have made this Meeting a success.

We have considered the Bangkok Declaration of the Ministerial Meeting of the Asian Group,1 the Addis Ababa Declaration of the Ministerial Meeting of the African Group2 and the Lima Consensus of the Ministerial Meeting of the Latin American Group.3 And as the result of our consideration of these important documents, and of our substantive agreement concerning the trade and development problems of the world today,

We invite the attention of the international community and of the peoples and governments of the developed countries of the world to:

1. The *Declaration*4 containing our assessment of the present world situation, our approach to international endeavours for accelerating the development process in the developing countries, and the basic principles designed to establish a new structure of international economic relations based on a more just and dynamic international division of labour between developing and developed countries; and

2. The *Programme of Action*5 in which we have outlined concrete and specific proposals aimed at solving, through international co-operation, the urgent problems of trade and development so that our countries can achieve self-sustaining growth and attain true economic independence, thereby contributing to the balanced growth of the world economy.

We firmly believe that these objectives cannot be achieved without the full and effective participation of our peoples in the process and benefits of development.

We are conscious that we are witnessing a profoundly revolutionary movement in the history of the world. The significance of this moment is made more profound by the fact that we have met on one of the continents which is in a state of ferment in its search for social and economic justice.

During the years which have elapsed since the First Meeting of the Group of 77 in Algiers, the process of social, economic, technological and political transformation has been further accelerated, thereby imparting a new and challenging dimension to the problems confronting this world; it has provided unprecedented opportunities for man as a result of his increasing domination of nature and space.

In world which has achieved such prodigious advances in so short a span of time, the persistence and aggravation of the under-development afflicting our countries constitute a growing challenge to the international community. Such a situation, anguishing as it is in itself, has been further aggravated by the gap resulting from, on the one hand, the increasing awareness and aspirations of our peoples for the benefits of modern civilization, and, on the other, the means and possibilities for satisfying them.

This state of affairs–so acute a contrast between two worlds that are geographically so close and yet so far apart in their standard of life-fills us with concern and dismay, and obliges us to act without delay to carry our peoples forward to higher levels of social justice and human dignity. We have been disappointed by the shortcomings of international cooperation. It has shown a progressive deterioration during the past years and has now in our opinion, reached a state of extreme gravity, the most eloquent manifestations of which are the breakdown of the international monetary system and also the resurgence of protectionist policies which are closing markets, at the very moment when we have the right to expect wider access to them.

The hopes which we had entertained when the Charter of Algiers6 was adopted in 1967 have been frustrated. Once again, therefore, we confront the conscience of world opinion with facts, figures, arguments and programmes. We trust that the understanding of the statement of the developed world will become more responsive and will generate the necessary political will to lend vigour to international cooperation. On such cooperation will depend not only the success of the efforts to raise the standards of living of a vast majority of humanity, but also the progress and prosperity of all peoples. In definite coexistence between poverty and affluence is no longer possible in the world of today.

We have, by meeting for the second time, strengthened the unity and solidarity of the Group of 77 as an instrument for achieving a more rational and equitable pattern of international economic relations, and for increasing the self-reliance of developing countries in organizing their own economic and social progress.

We, however, notwithstanding our adversities reaffirm our collective faith in international cooperation for development as enshrined in the Charter of the United Nations, the practical expression of which is UNCTAD, the main forum of the United Nations system for trade and development. We express our conviction that the forthcoming third session of the United Nations Conference on Trade and Development to be held in Santiago, Chile, in April – May 1972, will provide a fresh opportunity for the developing as well as the developed countries of the world to make a collective and determined endeavour to correct effectively the adverse situation confronting the developing countries. We therefore believe that the unified expression of the shared hopes and aspirations of mankind, as expressed by the representatives of the vast majority of mankind, would go a long way in evoking favourable response from the international community and, in particular, from the peoples and Governments of the developed world.

Finally, we must express our gratitude to the President of the Second Ministerial Meeting, General Edgardo Mercado Jarrín for the impartiality and efficiency with which he has guided the deliberations of this historic meeting.

**PART TWO**

# **Declaration**

The Ministers of the Group of 77, assembled at their Second Meeting in Lima from 25 October to 7 November 1971,

*Inspired by their common desire to:*

Harmonize positions of the developing countries on the course of action to be undertaken by the international community in assisting the promotion of economic and social progress of developing countries, particularly at the forthcoming third session of the United Nations Conference on Trade and Development,

Devise ways and means for reviewing the implementation of the policy measures already agreed upon and for seeking new areas of agreement in the dynamic context of the International Development Strategy and evolve new concepts, principles and additional measures for furthering international cooperation for development,

Enable the least developed among the developing countries and the land-locked developing countries to benefits fully and equitably from international economic measures,

Invite the international community to take urgent action commensurate with the development requirements of the developing countries to assist them in accelerating the pace of their economic development and significantly improving the standard of living of their peoples,

Strengthen the unity and solidarity of the Group of 77 as the main instrument for achieving a more rational and equitable pattern of international economic relations and for increasing the self-reliance of developing countries in organizing their own economic and social progress, thus securing the full economic independence of these countries;

**A**

Reaffirm the principles and objectives contained in the Charter of Algiers, which retains its full relevance and must continue to serve on an enduring basis as a guide for seeking positive international cooperation;

Recognize the basic identity of interests and problems of the developing countries of various regions and the paramount importance of maintaining and cementing their unity and solidarity for defending their common interests and for securing early and just solutions to their problems;

Affirm that the unity must be based on an equitable sharing of rights and obligations, and benefits from measures of international cooperation for economic and social development, by all regions and all countries members of the Group of 77.

**B**

Having reviewed the world trade and economic situation and in particular the situation of the developing countries, and having assessed and critically examined policies pursued since their First Meeting in Algiers in October 1967, bearing in mind that the objectives set forth in the Charter of Algiers have not been achieved except to minimal extent, and having determined their requirements in relation to the goals and objectives and policy measures of the International Development Strategy for the Second United Nations Development Decade.

*Deem it their duty:*

To invite the attention of the international community and the peoples and the Governments of the developed countries to the following:

(a) The standard of living of the hundreds of millions of peoples of the developing countries is extremely low and the raising of their standard of living to a level consistent with human dignity constitutes a real challenge for international cooperation and contributes to the creation of conditions of stability and well-being for all humanity.

(b) In spite of an over-all improvement in international trade and the world economy, as a whole, the relative position of the developing countries continues to deteriorate:

(i) While during the 1960s the per capita income in developed countries increased by over $650, that in developing countries increased only by about $40;

(ii) Their share of world trade in exports declined from 21.3 per cent in 1960 to 17.6 percent in 1970;

(iii) Their external debt burden is growing at such an alarming rate that it stood at about $60 billion at the end of 1969;

(iv) The financial flows from developed to developing countries are declining in terms of the percentage of the gross national product of the former long with their component of official development assistance;

(v) The technological gap between the developed and developing countries is steadily widening.

(c) The present international monetary crisis and the intensification of protectionism by developed countries jeopardize vital trade development interests of the developing countries and threaten the very basis of international economic cooperation at the very outset of the Second United Nations Development Decade.

(d) The gap in the standard of living between the developed and the developing countries has widened as a result of all these unfavourable trends; since their meeting in Algiers in 1967, the poor countries have become relatively poorer and the rich countries richer.

**C**

*Convinced that:*

The fundamental causes of the low rate of the economic growth of the developing countries are:

The contradictions inherent in the present structure of international economic relations based on an anachronistic and irrational international division of labour, which does not respond to the needs of present world economic conditions nor contribute to accelerating the development processes in developing countries;

The failure of developed countries to adopt trade and monetary policies fully responsive to the development needs and interests of the developing countries and the lack of political will on the part of the Governments of developed countries even to fulfil obligations and commitments assumed by them so far in UNCTAD and other international forums;

The maintenance of certain undesirable trends and policies such as the armaments race, colonialism, racial discrimination, apartheid, occupation of the territories of any State, and in a generally way any dependence whatever in a form that would contribute to the aggravation of social and economic underdevelopment.

**D**

*Notwithstanding the foregoing:*

Reaffirm their faith in international co-operation for development and express their belief that the forthcoming third session of the United Nations Conference on Trade and Development to be held in Santiago, Chile, in April-May 1972, provides a fresh opportunity to make a collective and determined endeavour to correct effectively the adverse situation confronting the developing countries;

Recall that the Governments of developed and developing countries have reaffirmed, when adopting the International Development Strategy for the Second United Nations Development Decade, their common and unswerving resolution to seek a better and more just and rational world economic and social order whereby the prevailing disparities in the world may be banished and prosperity secured for all;

Believe that the unified expression of shared hopes and aspirations by Ministers representing the overwhelming majority of mankind should result in more positive and long overdue responses from the international community and in particular from the peoples and the Government of the developed countries.

**E**

*Stress:*

That the primary responsibility for the economic development of the developing countries rests upon themselves and to that end they are determined to make all efforts to solve their problems, to carry out the necessary reforms in their economic and social structures, to mobilize fully their basic resources and ensure participation of their peoples in the process and the benefits of development;

The need to foster mutual co-operation among developing countries so as to contribute to each other’s economic and social progress by an effective utilization of the complementarities between their respective resources and requirements;

The imperative necessity for the international community to fulfil its obligation to build a more just international social and economic order within a time-bound action programme through the adoption by the developed countries of such favourable economic and commercial policies, and through increased financial support so as to attain the goals and objectives set forth in the International Development Strategy.

**F**

*Reaffirm:*

The fundamental role of UNCTAD in matters relating to trade and development, to review and appraise the progress achieved in the implementation of the International Development Strategy, within its field of competence, and to seek new areas of agreement and the widening of existing ones as well as to evolve new concepts and seek agreement on additional measures as envisaged in the International Development Strategy.

**G**

*Urge the international community:*

To use international machinery to bring about a rapid transformation of the world economic order, particularly in the fields of trade, finance, shipping, invisibles and technology through:

(a) The achievement of a more rational international division of labour carried out through necessary structural readjustments in the economies of developed countries in order to enable developing countries to diversify their economies, to increase the access of their products to the markets of developed countries and thus accelerate the rate of growth of the developing countries. For this purpose, developed countries should adopt and implement specific programmes of adjustment, including anticipatory adjustment in their production structures.

(b) The adherence by the developed countries to certain basic principles in the field of international trade and development, such as:

Observing strictly the standstill in regard to tariff and non-tariff matters; according to trade concessions to all developing countries on a strictly non-reciprocal basis; and extending to developing countries preferential treatment in all trade and development matters;

The recognition that every country has the sovereign right freely to dispose of its natural resources in the interests of the economic development and well-being of its own people; any external, political or economic measures or pressures brought to bear on the exercise of this right is a flagrant violation of the principles of self-determination of peoples and of non-intervention, as set forth in the Charter of the United Nations and, if pursued, could constitute a threat to international peace and security;

The implementation by the international community of the programme of special measures in favour of the least developed among the developing countries as well as the land-locked developing countries with a view to enabling them to benefit fully and equitably from the Second United Nations Development Decade;

The responsibility of the international community to eliminate any impediments to the growth and development of the developing countries and thus contribute to the creation of a world economic environment conducive to progress, prosperity and the attainment of collective economic security;

The full participation of developing countries on the basis of equality with other members of the international community in any prior consultations and decision-making in the reform of the world trade and monetary system, developed countries not taking unilaterally any decisions which directly or indirectly affect the social and economic development of developing countries;

The promotion of a massive transfer of operative technology to developing countries on favourable terms and conditions in order to contribute to their rapid industrialization; making available to developing countries freely and on a non-discriminatory basis among them all scientific and technological information relating to their development requirements;

The reservation by the developing countries of an increasing and substantial share in all invisible operations relating to their foreign trade, including shipping and insurance;

The assurance that the developed countries, in dealing with the balance-of-payments problems, observe the principles of international economic cooperation and fulfil the commitments undertaken by them to that end;

The recognition by the developed countries of the right of the developing countries to dispose of marine resources within the limits of their national jurisdiction, the establishment of which must take duly into account the development and welfare needs of their peoples, and ensure their participation in the substantive benefit that may derive from the international management of the sea-bed, the ocean floor and the subsoil thereof beyond the limits of national jurisdiction, giving particular consideration to the needs of the land-locked States;

The recognition of the relationship between environmental problems and development, and of the need for the developed countries in adopting any environmental policies and pollution control measures, to take into account the development needs of the developing countries and to ensure that their economies are not adversely affected;

The utilization for the promotion of the economic and social progress of developing countries of a substantial proportion of the savings from the progressive measures towards general and complete disarmament.

**H**

*Adopt the following programme of action:*

**PART THREE**

# **Programme of action**

1. **General policy issues**

**I. Impact of the present international monetary situation on world trade development, especially of the developing countries**

**The present situation and its effects on developing countries**

1. The current international monetary crisis is the result of an imbalance among developed market-economy countries and has severely undermined the international monetary system, adversely affecting the international environment and prospects for trade and development of developing countries. The developing countries have fully cooperated in efforts to preserve the stability of the international monetary system. They are in no way responsible for the balance-of-payments imbalances among developed market-economy countries. On the contrary, they have deliberately refrained from aggravating the situation by moving their currency reserves. However, they are now being made to carry a heavier burden in the adjustment process than the developed market-economy countries, as a result of the larger proportion of foreign currencies in their reserves.

2. The restrictions imposed by the developed market economy countries on international trade, as a result of payment imbalance, particularly the 10 per cent surcharge imposed by the United States, are prejudicial to the economies of the developing countries in view of the great importance of their exports as a source of income and foreign exchange. The crisis in the international monetary system also threatens to have serious effects on the flow of external assistance to developing countries, as already shown by the recent decision of the United States to cut its foreign assistance programme by 10 per cent.

3. The present situation could lead to a “trade war” among the developed market-economy countries, which will have disastrous effects on all countries and particularly on developing countries.

4. As a general principle, balance-of-payments difficulties among the developed market-economy countries should not be used as a justification for the adoption of any measures which restrict the trade of developing countries, delay the liberalization of trade by developed countries in favour of developing countries, or result in a reduction in the flow of development assistance to these countries.

5. The uncertainty surrounding the international monetary situation warrants immediate and urgent action in order to eliminate the adverse consequences it has already created for the whole world, especially for the developing countries.

6. It is entirely unacceptable that vital decisions about the future of the international monetary system which are of concern to the entire world community are sought to be taken by a limited group of countries outside the framework of the International Monetary Fund.

7. The Board of Governors of the International Monetary Fund at its meeting in Washington in September 1971 urged member countries to collaborate with the Fund and with each other for the purpose of establishing, as soon as possible, satisfactory structure of exchange rates maintained within appropriate margins for the currencies of members, together with a reduction of restrictive trade and exchange practices, and facilitate resumption of the orderly conduct of the operations of the Fund and requested the Executive Directors of the Fund to consider, prepare reports on and propose any amendments necessary to resolve existing international monetary problems, including all aspects of the international monetary system. This decision, though it recommends a reform of the international monetary system, does not refer to special problems faced by developing countries.

8. Any reform of the international monetary system must be geared to a more dynamic concept of world trade based on recognition of the emerging trade requirements of the developing countries. Accordingly, the objectives of any future reform of the international monetary system should be adapted to the needs of the international community as a whole. The new system must create conditions appropriate for a continuing expansion of world trade taking into account especially the needs of the developing countries and facilitate, *inter alia*, the transfer of additional development financing to developing countries, in line with the objectives and commitments of the International Development Strategy.

9. The member countries of the Group of 77 endorse the declaration of the Group of 31 developing countries at the eleventh session of the Trade and Development Board on the international monetary situation (document TD/B/L.281)7 as well as resolution 84 (XI) of the Board on international problems.

**Programme of action**

10. As a preliminary step, all the restrictive measures affecting developing countries adopted in the context of the international monetary crisis should be eliminated. Specifically, the Government of the United States of America is urged to exempt imports from all developing countries from the 10 per cent surcharge and to eliminate all other measures adversely affecting the trade of developing countries. The other developed market-economy countries are also urged to refrain from taking any measures to restrict trade of developing countries. Developing countries strongly demand that all developed countries implement the generalized system of preferences in favour of developing countries in 1971. The Government of the United States of America is also urged to reconsider its decisions to cut its foreign aid programme by 10 per cent so as to exempt there from all the member countries of the Group of 77.

11. Any contemplated changes in the international monetary system must take into consideration particularly the interests of the developing countries. In searching for a solution to the international monetary crisis, the whole international community should fully participate in the process of decision-making, so as to ensure the steady and continuous growth of trade and financial flows, particularly of the developing countries. In this regard, the role and the authority of the International Monetary Fund should be re-established and strengthened in all matters that concern the whole international community, as an effective means of safeguarding the interests of all countries, especially of the developing countries.

12. The following considerations and guidelines, among others, should be taken into account in the exploration of solutions to the crisis:

(a) It is indispensable to the restoration of stability and confidence in the world monetary system that a satisfactory structure of exchange rates maintained within narrow margins should be established;

(b) The new system must provide a mechanism for creating additional international liquidity, through truly collective international action, in line with the requirements of an expanding world economy and the special needs of developing countries, and with such safeguards as will ensure that the total supply of international liquidity is not unduly influenced by the balance-of-payments position of any single country or group of countries;

(c) The creation of a link between SDRs and additional resources for financing development should be made an integral part of the new international monetary system;

(d) The adherence of the developing countries to a new international monetary system necessarily presupposes the existence of a permanent system of guarantees against exchange losses affecting the reserves of these countries. In any case a mechanism should be worked out to compensate developing countries against involuntary losses they have suffered because of currency speculations in certain currencies of developed countries;

(e) The voting power of the developing countries in IMF should be increased by introducing provisions in the Articles of Agreement of IMF in order to increase the number of votes allocated to these countries.

13. The members of the Group of 77, with a view to ensuring full participation of the developing countries in searching for a solution to the present international monetary crises and to safeguard the interests of the developing countries, invite the President of the Second Ministerial Meeting of the Group of 77 to consult with the Governments of the Group of 77 to consider the establishment of an intergovernmental group as suggested below.

14. It is also suggested that the intergovernmental group shall*, inter alia,* perform the following functions:

(a) Keep under review the course of the international monetary situation, take due cognizance of the studies entrusted to the Executive Directors of IMF at the recent meeting of the Board of Governors, and keep the countries members of the Group of 77 informed;

(b) Evaluate events in the monetary field, as well as any decisions, which might be taken by a single country or group of countries within the framework of IMF, relating to the interests of the developing countries;

(c) Recommend within the field of its competence to the Governments of the Group of 77 coordinated positions in the third session of the United Nations Conference on Trade and Development, as well as in other forums, and consider any other action as might be necessary, including the convening of a world monetary conference within the framework of the United Nations.

15. In the implementation of the aforesaid provisions, the President of the Second Ministerial Meeting of the Group of 77 is also asked to inform the member Governments whether a consensus has been reached. If so decided, the President of the Second Ministerial Meeting shall invite the member Governments to have the intergovernmental group meet as soon as possible.

**Composition and membership of the intergovernmental group**

(a) The proposed intergovernmental group would consist of 15 members of ministerial rank or senior monetary or financial authorities, 5 each from the African, Asian and Latin American groups.

(b) One nominee, each representing the 15 members of the intergovernmental group and the Executive Directors of IMF representing exclusively the developing countries, would act as Deputies to the group.

(c) Any member country of the Group of 77, if it so decided, could have the right to participate fully in all meetings and deliberations of the intergovernmental group, or of its subsidiary organs provided, however, that at least equivalent levels of representation were made.

**II. Implementation of the policy measures within the competence of UNCTAD**

1. The Ministerial Meeting stressed that:

1. UNCTAD should be action-oriented and its negotiating role strengthened.
2. UNCTAD should be oriented towards the implementation of the provisions of the International Development Strategy so as to enable it to lay down the necessary guidelines for future action and for the formulation of principles and policies on international trade and related problems of economic development.
3. The review and appraisal functions entrusted by the International Development Strategy should continue to be vested in the Trade and Development Board which may discharge this responsibility through the main Committees in order to promote negotiations connected with the search for new areas of agreement and the extension of existing ones within the framework of the International Development Strategy.
4. Such negotiations should first and foremost be directed towards enabling governments to withdraw the reservations or restrictive interpretations which are still being applied to many of the most important provisions of the Strategy and to implement these provisions fully and effectively within the time-limits specifies in the Strategy.
5. The system of the review of the implementation of the recommendations of the Conference should be broadened so as to take within its stride the review and appraisal of the objectives and policies of the Second Development Decade, which fall within the competence of UNCTAD.

**Review, appraisal implementation procedure**

2. Greater attention should be given in future reviews of implementation of the recommendations of the Conference to individual country performance, both developed and developing, in order to assess the progress achieved and to highlight the obstacles encountered in the implementation of individual measures for this purpose, a review, appraisal and implementation procedure related to the fulfillment of the policy measures of the International Development Strategy should be established with the following terms of reference:

1. To carry out an analysis of the measures taken by developed countries of the

progress made or the difficulties encountered in the carrying out of the policy measures designed to assist the developing countries, especially the least developed among them, taking into account of the reports and studies made by other intergovernmental organs;

1. To make suggestions for adequate means of overcoming those difficulties or

accelerating progress;

1. The United Nations Conference on Trade and Development at its third session

should instruct the Trade and Development Board to define and keep under constant review the indicators for assessing progress in the implementation of policy measures relating to the matters within its sphere of competence.

3. The process of review and appraisal implies continuing efforts within UNCTAD for securing implementation of the measures agreed upon within the context of the Strategy reaching agreement in more specific terms on issues which have not been fully resolved in the Strategy, seeking new and broadening existing areas of agreement in the dynamic context of the Strategy.

4. The Board should meet in a special session once in two years, at an appropriately high-level, to consider the detailed reports to be prepared by the Secretary-General of UNCTAD on the progress made on the application of these recommendations.

5. A sessional committee of the Board could be established to formulate appropriate recommendations for the consideration of the Board.

**Third session of the United Nations Conference on Trade and Development**

6. In accordance with the aims set forth in General Assembly resolution 2725 (XXV), the attention of the United Nations Conference on the Trade and Development should be drawn at its third session, in pursuing the functions falling within its competence and its role in the implementation of the International Development Strategy for the Second United Nations Development Decade in a dynamic concept, to the importance of:

(a) Reviewing the progress made in and seeking further implementation of the policy measures as agreed upon within the context of the International Development Strategy;

(b) Reaching agreement in more specific terms on issues which have not been fully resolved in the International Development Strategy and which have an important bearing on its

implementation;

(c) Seeking new areas of agreement and widening existing ones;

(d) Evolving new concepts and seeking agreement on additional measures.

# **III. Review of the institutional arrangements of UNCTAD**

1. UNCTAD should be action-oriented and its negotiating role should be strengthened, including technical assistance activities.

2. The review of institutional arrangements of UNCTAD would be most appropriate at the third Conference.

3. In order to strengthen the negotiating role of UNCTAD and give a more operational character to its recommendations, special efforts should be made:

(a) By the Conference to avail itself of this prerogative set forth in paragraph 3(e) of General Assembly resolution 1995 (XIX) which authorizes the Conference “to initiate action, where appropriate, in cooperation with the competent organs of the United Nations for the negotiation and adoption of multilateral legal instruments in the field of trade, with due regard to the adequacy of existing organs of negotiation and without duplication of their activities”, and to that end, prepare and submit draft conventions and related multilateral legal instruments, within its field of competence, for the consideration of member Governments;

(b) To utilize the procedures provided for in paragraph 25 of resolution 1995 (XIX) in cases where such procedures are likely to facilitate agreement on substantive matters concerning which it seems advisable to make additional efforts at negotiation in order to avoid a vote.

**Board and main Committees**

4. The permanent machinery of UNCTAD should be made more representative of and responsive to the membership of the Conference.

5. The membership of the Board should be suitably enlarged to reflect the increased membership of the Conference.

6. The membership of the main Committees and other subsidiary organs of the Boards should likewise be suitably increased and their size be made uniform.

7. The Board, the main Committees and all other subsidiary organs of the Board should be open-ended. Non-members should have all the rights and privileges of members except the right to vote. In the case of the main Committees or the subsidiary organs, the possibility of their being converted into committees or subsidiary organs of the whole should also be considered.

1. The Board should, whenever considered desirable:
   1. Hold meetings at the Ministerial level;
   2. Convene in special session, as provided for in the rules of procedure and in Board decision 45 (VII), to consider emergency situations adversely affecting the substantial interests of developing countries in international trade and related problems of economic development.

8. The terms of reference of the main Committees and the subsidiary organs should be reviewed with a view to strengthening their competence and effectiveness.

1. *The main committees and subsidiary organs* of the Board should:
2. Meet normally only twice between Conference, unless the interests of the work of the Organization require more frequent meetings;
3. Meet at such appropriate level as would enable them to take substantive decisions;
4. Meet after intensive preparations including, wherever necessary, the setting up of expert and/or *ad hoc* working groups.
5. *Other subsidiary bodies of the continuing machinery:*
6. The conversion of the Intergovernmental Group on Transfer of Technology, after its second substantive session, into a permanent committee of the Board should be considered;
7. The Ministerial Meeting recommended that an intergovernmental group within UNCTAD be set up with a specified frame of reference. For details see part VII of section H on special measures for the least developed among the developing countries.

**Secretary-General**

9. The Secretary-General of UNCTAD should be given greater flexibility to initiate consultations between States members concerned, at their request, or to convene intergovernmental working groups and expert groups, whenever any policy of regional economic groupings threatens the interest of developing countries or when there are specific problems that may affect developing countries in matters of trade and development within the competence of UNCTAD.

10. The Secretary-General of UNCTAD, when preparing the documentary material for items on the provisional agenda for the third session of the Conference, should include a report on the institutional difficulties hitherto encountered by UNCTAD.

**Public information**

11. Appropriate arrangements should be made for promoting more effectively the objectives and activities of UNCTAD in the public opinion of its member States.

**Further evolution in the institutional arrangements of UNCTAD**

12. The Ministerial Meeting took note of the recommendations of CECLA resolution 12/XII8 and a memorandum9 circulated by the Brazilian delegation, both on the questions of future institutional arrangements in UNCTAD.

13. The Ministerial Meeting considers the subject matter of such great importance that particular attention is drawn to paragraphs 30, 31 and 32 of General Assembly resolution 1995 (XIX) on the matter of future institutional arrangements. Moreover, the Ministerial Meeting recalls that, after the first Conference held in Geneva in 1964, the developing countries then known as the Group of 75 jointly declared that:

“Furthermore, the developing countries would stress the need for continuing evolution in the institutional field, leading not merely to the progressive strengthening of the machinery that is now contemplated, but also to the ultimate emergence of a comprehensive international trade organization.”10

The Ministerial Meeting therefore decides:

(a) To instruct the Group of 77 in Geneva to consider the above-mentioned documentation;

(b) To submit a proposal on the point raised in the said documentation for circulation to and comments from member Governments of the Group of 77;

(c) To present to a pre-Conference meeting of the Group of 77 in Santiago, Chile, a proposal which could be submitted, upon approval by the Ministers of the Group of 77, to the third Conference.

**IV. Impact of regional economic groupings of the developed countries on International trade, including the trade of developing countries**

The regional groups of Africa, Asia and Latin America each expressed their views as follows:

**African Group**

Regional groupings of developed countries should define trade and industrial policies designed to operate in favour of trade with all the developing countries in conformity with the Charter of Algiers, part two, paragraph E.3.

In the implementation of such policies account should be taken of the other relevant provisions of the Charter, in particular part two, paragraph A.2(c), which stipulates that the abolition of preferences requires that the developed countries grant equivalent advantages to the countries which at present enjoy such preferences, and paragraph B.1 (g), which provides as follows:

“The new system of general preferences should ensure at least equivalent advantages to developing countries enjoying preferences in certain developed countries to enable them to suspend their existing preferences on manufactures and semi-manufactures. From the beginning, provisions should be incorporated in the system of general preferences for the developed countries to redress any adverse situation which may arise for these developing countries as a consequence of the institution of the general system of preferences.”

**Asian group**

*Recalling* General Principle Nine, which states that:

“Developed countries participating in regional economic groupings should do their utmost to ensure that their economic integration does not cause injury to, or otherwise adversely affect, the expansion of their imports from third countries, and, in particular, from developing countries, either individually or collectively” and which was adopted at the first Conference and unanimously supported by developing countries;

*Recalling* further that the Charter of Algiers declares that:

“(a) Regional economic groupings of developed countries should avoid discriminating against the exports of developing countries of manufactures, semi-manufactures and of primary products, particularly temperate and tropical agricultural commodities;

“(b) The expansion of these groupings should not increase the incidence of any discrimination;

“(c) Regional economic groupings of developed countries should take measures with a view to ensuring freer access of the exports of developing countries.”

*Noting* that the African Ministers in their meeting at Addis Ababa on 8-14 October 1971 “Reaffirm the principles contained in the Charter of Algiers, which was intended as a frame of reference and a guide for very long-term action, and to propose the essential elements for real and sincere international cooperation.”11

Hereby declares:

1. Developed countries have, in the intensification of regional groupings, pursued certain policies, which have adversely affected the trade and development of developing countries. Developing countries have been urging developed countries to accord to them no less favourable treatment than that which developed countries accord to each other in their regional economic groupings. Developing countries believe that the regional groupings of developed countries should foster rational and outward looking industrial and trade policies and avoid injury to trading interests of third parties, including third developing countries. The interests of most Asian developing countries have not yet been taken care of in the recent trends leading to the enlargements of the European integration movement. Developed countries should undertake concomitant obligations in their regional groupings by adopting the following measures:

(a) A time-bound programme for providing adequate and improved access for the products of all developing countries;

(b) Mechanisms for protecting the interests of all developing countries in any process of the enlargement or intensification of their regional groupings;

(c) A non-discriminatory policy towards all developing countries in the field of trade and keeping in view the principle of non-reciprocity;

(d) In the case of new regional groupings and/or the strengthening or enlargement of existing ones, they should not create any adverse effects on the economies of the Asian developing countries in accordance with the principle of standstill accepted by the international community;

(e) In their policy of financial assistance, they should be governed by rational economic considerations in favour of all developing countries irrespective of the region to which they belong.

2. Whenever any policy of regional economic groupings of developed countries threatens the interests of developing countries, the Secretary-General of UNCTAD should convene consultations among interested countries.

**Some Latin American Countries**

Regional groupings of developed countries in the process of enlargement should adopt equitable and outward looking industrial and trade policies governed by the principles of preferential non-reciprocal and non-discriminatory treatment towards all developing countries with the purpose of safeguard in the interests of these countries.

In this respect, and bearing in mind the possible negative effects, which this process of enlargement could have on international commodity markets of vital interest for developing countries, developed countries should accede, in the cases in which they have not done so, to existing international commodity agreements.

**V. Trade expansion, economic cooperation and regional integration among developing countries**

**Action by developing countries**

1. Developing countries should:

(a) Intensify current efforts and initiate new efforts to negotiate and put into effect long-term and meaningful commitments among themselves within the sub-regional and other frameworks of their choice, in order to expand their mutual trade and to extend their economic cooperation in other fields;

(b) Within each subregion to which they belong, as an expression of political will, take further steps to overcome the difficulties that have so far stood in the way of trade expansion, economic cooperation and regional integration among them. Specifically, they should aim at bringing to fruition within the Second United Nations Development Decade the plans already agreed upon, namely to form, where needed, single multinational organizations in each subregion charged with the task of promoting trade expansion, economic cooperation and regional integration among component States as a preliminary and preparatory step towards the larger and final goal of trade expansion, economic cooperation, and regional integration among developing countries.

(c) Apply the principle of equivalent concessions in order to enable developing countries, including those who conduct a substantial part of their foreign trade through public and State-owned enterprises, to participate in regional groupings;

(d) Avail themselves of the facility offered by paragraph 6 of Trade and Development Board resolution 53 (VIII) to seek international support for their concrete schemes in the field of trade expansion, economic cooperation and regional integration;

(e) Make further efforts to intensify and widen economic cooperation among themselves. To that end, they should:

(i) Promote and encourage expansion of interregional trade and establishment of suitable payments arrangement among themselves;

(ii) Encourage and promote appropriate commodity action and particularly, the protection of the interests of primary producers of the region through intensive consultations among producer countries in order to encourage appropriate policies, leading to the establishment of producers associations and understandings;

(iii) Further establishment of mutually agreed regional, subregional and interregional preferential trade agreements;

(iv) Undertake steps further to liberalize their mutual trade, including the reduction or elimination of tariff and non-tariff barriers;

(v) Encourage regional and subregional groupings in which they are members to identify action to be taken in relation to the research, production, trade promotion and marketing of commodities;

(vi) Promote, where mutually agreed upon, the establishment of association and joint marketing arrangements among primary producing developing countries with a view to taking concerted action in third-country markets, particularly in developed country markets;

(vii) Render fullest support to industrial development in the countries of the region by optimal use of the resources, including technical skill and know- how, available within the region;

(viii) Stimulate export production and intensify measures for export promotion in countries of the region through mutual region and subregional cooperation;

(ix) Further plans for mutual monetary cooperation;

(x) Promote mutual consultations among countries in the region in order to find satisfactory solutions to common problems relating to shipping and ocean freight rates;

(xi) Encourage travel and tourism among their nationals by cooperating in schemes for the promotion of tourism on a joint basis;

(xii) Endeavour to widen the number of participating countries and the product coverage in the Trade Negotiations Committee of developing countries in GATT, which is open also to non-members of GATT and in which UNCTAD is fully collaborating;

(xiii) Undertake schemes related to the building of transport and communication infrastructure;

(xiv) Promote, within a regional and subregional framework, the exchange of information and consultations among themselves on their trade and development policies as well as on their objectives with respect to economic co-operation, so as to assist them in determining their priorities and in harmonizing their development programmes and policies.

(f) Developing countries should devise, within the framework of their respective regional, subregional and interregional organizations, effective formulae for industrial cooperation such fields as industrial harmonization and complementation allocation of specific industries, and the sharing of benefits from such multinational industries and the ownership and control of such industries in accordance with their national development needs.

2. Regional and subregional organizations should take measures to provide more favourable treatment to the less developed among their members. Economic cooperation provides a suitable framework in which to cater for the interests of the least developed and land-locked States. In such matters as access to the sea, diversification of their economies, including the establishment of integrated industries with strong economic linkages, the required range of special measures in their favour could be sustained where countries belong to the same economic grouping.

3. Regional economic commissions and regional and subregional groupings and their members should give high priority to the development and utilization of human resources. They should undertake measures towards joint utilization of training facilities available in the region and subregion, especially in the scientific and technological fields.

4. The organization of regional and subregional groupings should be rationalized in order that administrative and other costs are minimized.

**Action by developed market-economy countries**

5. Developed market-economy countries, in pursuance of their declaration of support contained in concerted declaration 23(II) of the Conference and resolution 53 (VIII) of the Trade and Development Board should:

(a) Expand their bilateral and multilateral financial and technical assistance programmes for supporting trade expansion, economic cooperation and regional integration efforts of developing countries;

(b) In particular, take measures with a view to facilitating the transfer of foreign technology appropriate to the needs of developing countries on fair and reasonable terms;

(c) Adjust their aid to developing countries, with a view to giving assistance in:

(i) Building the necessary infrastructure for the expansion of interregional trade;

(ii) Supporting the creation of regional payment arrangements by financing debit balance in such schemes;

(iii) Compensating the least developed members of groupings for handicaps and/or losses they might sustain in cooperative partnership schemes.

(d) For the purpose of assessing area origin criteria, under their general system of preferences, permit developing countries belonging to subregional or regional groupings to adopt the cumulative treatment principle in order to enable the members of such groupings to derive full benefits from the systems;

(e) Prevail upon those of their firms, which have joint ventures, associations of fully owned subsidiaries in developing countries to eliminate all restrictive practices which may hamper the growth of industry and expansion of trade among member countries belonging to subregional or regional groupings;

(f) In order to enable the less developed of the developing countries to derive fuller benefits from economic cooperation and integration arrangements, grant assistance to enable these countries to participate fully in and profit from these arrangements. Developed countries, members of IMF, should support moves for the establishment by the Fund a special facility to enable developing countries members of regional or subregional groupings to overcome balance of payments problems arising from their trade liberalization commitments;

(g) As soon as possible take measures for further untying of aid to enable procurement from among developing countries and other measures to enable the developing countries to take the fullest advantages of the opportunity for the expansion of their mutual trade. In the context of any measures for untying of aid allowances for procurement in developing countries, developed countries should take steps to facilitate the effective participation of enterprises of developing countries in international bidding;

(h) Give greater assistance in the training of personnel of economic cooperation institutions of developing countries, especially those in the field of trade expansion.

**Action by socialist countries of Eastern Europe**

6. The socialist countries of Eastern Europe should:

(a) In accordance with the relevant provisions of Conference resolution 15 (II), raise the priority accorded within their individual aid policies and programmes of bilateral and multilateral financial and technical assistance to trade expansion, economic cooperation and regional integration among developing countries. In this connexion, particular attention should be directed to:

(i) Multinational infrastructure and industrial projects;

(ii) Technical assistance in areas related to trade expansion and coordinated development activities, such as coordination of planning, location of industries and use of State trading agencies in support of trade expansion commitments.

(b) With the consent of the developing country concerned take steps to multilateralize their payment arrangements so as to permit balances in their mutual trade to be used for financing of trade with any of the socialist countries and with regional and subregional groupings of developing countries to which that developing country belongs as well as to develop facilities for effecting payment through internationally acceptable banking practices in mutually acceptable currencies;

(c) Be requested to give direct assistance to economic cooperation groupings.

**Action by multilateral organizations**

7. Regional and subregional development banks and other international organizations concerned should render maximum assistance to developing countries in furthering their schemes of regional and subregional cooperation. Development banks and other international organizations should give due priority to the financing and furthering of multinational projects prepared by developing countries;

8. IMF should consider the possibility of establishing a special facility to support trade expansion efforts among developing countries members of regional or subregional groupings, in the event that in these countries there should be balance-of-payments problems.

9. Regional and subregional development banks as well as the specialized agencies of the United Nations should exchange their information and experience in order to contribute better to schemes of regional and subregional integration efforts in the developing countries.

**VI. Export promotion**

1. Developed countries should:

(a) Together with action for the removal of tariff and non-tariff barriers to trade of developing countries, take other special measures to promote exports of developing countries through the provision of technical and financial assistance to developing countries:

(i) To carry out studies and research including exchange of commercial information on a continuous basis on the export prospects for products from developing countries;

(ii) To formulate appropriate schemes for standardization, packaging, design and quality control of exports from developing countries;

(iii) To organize international trade fairs with a view to securing increased export opportunities for products from developing countries;

(iv) To formulate and implement programmes for training of executives and experts at all levels in the field of trade promotion;

(b) Adopt positive measures to establish national centers for the promotion of imports from developing countries;

(c) Substantially increase their financial and other support to the joint UNCTAD/ GATT International Trade Centre.

2. *Developed countries and international organizations concerned:*

(a) Should lend their technical and financial support to the work programmes of regional and subregional trade promotion centers to enable them, in cooperation with other agencies, to collect and disseminate commercial information on a continuing basis, and to assist and supplement export efforts of developing countries to promote trade with developed countries and among themselves. Where necessary, developed countries and international organizations concerned should also assist in creating national centres and associations thereof to achieve these objectives. Developing countries should cooperate among themselves in order to intensify the export promotion of their products in third-country markets, particularly the developed-country markets;

(b) UNCTAD, in cooperation with UNIDO and the UNCTAD/GATT International Trade Centre should set up a full and coordinated programme of technical assistance in the field of export promotion. Moreover, the UNDP Special Fund Project on the generalized system of preferences12 should direct its special attention to the needs of the least developed among the developing countries;

(c) Regional trade promotion centres should assist developing countries in actively participating in schemes for regional trade and monetary cooperation to enable these countries to take advantage of export opportunities resulting from untying of aid;

(d) Special market situations prevailing in developing countries and the special needs of the developing countries for adopting certain export promotion measures, including export incentives as part of their efforts to achieve diversification and promotion of their exports, should be recognized;

(e) In view of the limited financing facilities at the disposal of developing countries, regional development banks should assist these countries in financing exports and refinancing export credits.

**VII. The impact of environmental policies on trade and development**

1. The United Nations Conference on the Human Environment should adopt a positive approach to environmental problems in relations to development, along the following general lines:

(a) The relation between environmental problems and development should be the common concern of all mankind;

(b) No environmental policy should adversely affect the possibilities for development, either present or future, of developing countries;

(c) Moreover, non-environmental policy of the developed countries should adversely affect the flow, terms and criteria of financial assistance to developing countries, nor give rise to new types of unfavourable conditions in their international trade, nor create additional obstacles such as new non-tariff measures, nor obstruct any efforts towards the sustained economic development of developing countries;

(d) All environmental measures already imposed by developed countries obstructing the trade of developing countries should be removed immediately;

(e) The environmental policies of the developed countries should facilitate, as far as possible, the development of developing countries.

**VIII. Economic effects of the closure of the Suez Canal**

The Ministerial Meeting:

1. Supports firmly the current efforts taking place within the framework of the United Nations and the Organization of African Unity aiming at the opening of the Suez Canal in accordance with the United Nations Security Council resolution 242 (1967);

2. Requests the inclusion of the economic effects of the closure of the Suez Canal as an item on the agenda of the third session of the Conference to be held in Santiago, Chile, in April – May 1972.

**IX. Marine resources**

The Ministerial Meeting decided:

1. To affirm as a common aim of the Group of 77 recognition by the international community that coastal States have the right to protect and exploit the resources of the sea adjacent to their coasts and of the soil and subsoil thereof, within the limits of their national jurisdiction, the establishment of which must take duly into account the development and welfare needs of their peoples;

2. To support, among the measures designed to permit the mobilization of the internal resources of the coastal developing countries, those which favour the full disposal of the resources existing in the seas adjacent to their coasts, within the limits of their national jurisdiction, in order that it may contribute to foster their economic and social development and to stop the drain of capital required for accelerating their progress;

3. To reaffirm also the principle that the area of the sea-bed and the subsoil thereof beyond the limits of national jurisdiction, as well as the resources of that area, are the common heritage of mankind and should be managed by a regime which will enable the peoples of all States to enjoy the substantive benefits that may be derived therefrom, with due regard for the special interests and needs of both coastal and land-locked developing countries;

4. To support the understanding that, in establishing the provisions for the management of the said area, appropriate measures should be taken to foster the healthy development of the world economy and balanced growth of international trade and to minimize and adverse economic effect caused by the fluctuation of prices of raw materials resulting from such activities;

5. To maintain periodical consultations among the States members of the Group of 77 concerning the exploitation of the marine resources within and beyond the limits of national jurisdiction, with a view to coordinating positions which may be of common interests to the developing countries.

**B. Commodity problems and policies**

**I. Access to markets and pricing policy**

1. (a) *Standstill:* In accordance with the provision of paragraph 25 of the International Development Strategy, developed countries should strictly observe the principle of standstill. No new tariff or non-tariff barriers should be introduced by developed countries nor existing barriers increased, and where tariff and non-tariff barriers have been introduced or increased since the second Conference, these should be eliminated. Appropriate arrangements should be made within UNCTAD for keeping under constant review the observance of this principle.

(b) *Liberalization of trade*

*Tariff and non-tariff barriers:*

(i) All tariff applied by developed countries to primary commodities, including processed and semi-processed primacy commodities originating exclusively in developing countries, should be removed taking account of paragraph 6 of part II of recommendation A.II.1 of the first Conference;

(ii) In the case of other primary products, including processed and semi- processed primacy commodities of interest to developing countries, imported from developing countries, substantial reductions in and, wherever possible, elimination of all tariffs, should be implemented;

(iii) Developed countries should reduce and ultimately eliminate internal taxes, fiscal charges and levies on all primary products, including semi-processed and processed primary products imported from developing countries. Pending such action, developed countries should institute a programme for the full refund of such taxes, fiscal charges and levies to developing countries;

(iv) Developed countries should include all products including all processed and semi-processed agricultural and primary products in BTN chapters 1 – 24 in their schemes of generalized preferences. All products in BTN chapters 25 – 99 excluded from the present arrangements should be similarly included in their schemes;

(v) Developed countries should agree:

(1) To take advance unilateral or joint action (in the case of groups of developed countries) for the reduction or elimination of tariffs and non-barriers on a preferential, non-discriminatory and non-reciprocal basis in favour of developing countries prior to any multilateral negotiation;

(2) To eliminate differential treatment between primary products in their natural, processed and semi-processed forms;

(3) That negotiations for the phasing out and eventual elimination of existing quantitative restrictions and other non-tariff barriers should take place within UNCTAD;

(4) To eliminate the incentives for uneconomic domestic production of primary products in which developing countries are competitive, and to that end they should reduce their domestic production of primary products in which developing countries are competitive, and to that end they should reduce their domestic price support and change policy measures of subsidizing their production and exports;

(5) To present at the third session of the Conference their proposals for the implementation of the provisions of paragraph 26 of the International Development Strategy;

(vi) Developed countries should abolish any measures taken to limit the access to their markets of a primacy product originating in a specific developing country or processed products utilizing this primary product by reason of the country’s economic and social system.

*(c) Market sharing:*

(i) Where products of developing countries compete with the domestic production of developed countries, each developed country should allocate a defined percentage of its consumption of such products to exports from developing countries. This allocation should be arrived at on a commodity-by-commodity basis through multilateral negotiations. In any case, developed countries should allocate a substantial share of any increase in their domestic demand for primary commodities for the exports of developing countries;

(ii) Socialist countries of Eastern Europe should announce specific targets for imports from developing countries as their contribution to these efforts.

(d) *Pricing policy:*

The main objective of pricing policy for commodities produced by developing countries should be to secure remunerative, equitable and stable price levels in order to contribute to the achievement of the overall targets of economic development of developing countries as set by the General Assembly of the United Nations and by UNCTAD. For these purposes the following requirements should be met:

(i) The prices of commodities should not be allowed to deteriorate further and should, where possible, be improved;

(ii) Excessive fluctuations in prices should be eliminated;

(iii) The prices of commodities should lead to a satisfactory margin of remuneration for the producer so as to enable him to increase his productivity and to maintain fair labour standards while achieving higher standards of consumption and savings;

(iv) The prices of commodities should provide to the governments of the producing countries the financial resources that will enable them to implement an economic policy, including a commodity policy that contributes to the promotion of overall development;

(v) The prices of commodities should contribute to the attainment of export earnings that maintain and increase the purchasing power of the products exported by developing countries in relation to their essential imports from developed countries.

# **II. Machinery**

2. The third session of the Conference should establish the appropriate mechanisms within UNCTAD for formulating policy action in these matters and for keeping under constant review the observance of these principles.

# **III. International price stabilization measures and mechanisms**

3. (a) *International commodity arrangements*

(i) As a matter of urgency, the international community should make greater efforts to pursue international action in the field of commodities, within time-bound targets, for the conclusion, where appropriate, of international agreements or arrangements, especially those in respect of commodities mentioned in Conference resolution 16(II) and other commodities which may be identified from time to time for that purpose. In this regard the international community should take effective measures to conclude Cocoa Agreement before the third session of the Conference.

(ii) The Secretary-General of UNCTAD should prepare for submission to the third session of the Conference, in cooperation with the international bodies concerned, and in particular with the governing councils and the secretariats of the Agreements, and in the light of the experience of the operation of existing international commodity agreements, a study on their effectiveness, seeking the views and suggestions of these bodies in connexion with measures designed to maximize possible benefits there from to all participating countries, especially the developing countries.

(iii) The Third Conference should adopt a set of generally acceptable principles and guidelines with a view to promoting a rational international commodity policy and formulating a general agreement on commodity arrangements.

(iv) In view of the adverse impact on the export earnings of developing countries as a result of the deteriorating of the terms of trade, the Conference at its third session should examine ways and means whereby unit prices of manufactured imports from developed countries and the unity prices of exports from developing countries could be linked with a view to finding suitable means of increasing the export earnings of developing countries.

(v) The Secretary-General of UNCTAD should be given the necessary flexibility to convene inter-governmental consultations on commodity matters.

(b) *Consultation and cooperation among developing countries*

Cooperation among developing countries themselves should be reinforced and specific commodities selected for initiating new efforts. In particular, commodity exporting developing countries should, in relation to both agricultural and mineral commodities, establish appropriate mechanisms of coordination and cooperation.

(c) *Buffer stocks and stabilization reserve schemes*

(i) Developed consuming countries should agree to share responsibility in the financing of buffer stocks and stabilization reserve schemes in any international commodity arrangement.

(ii) IMF should review its facilities for financing buffer stocks, with a view to relaxing and, if necessary, modifying their conditions in order to enable developing countries to derive maximum benefits therefrom.

# **IV. Marketing and distribution systems of primary commodities**

4. In order to undertake a comprehensive review of the marketing and distribution systems of primary commodities of export interest to developing countries, the Secretary-General of UNCTAD should make an urgent study, using all sources of information, including international and intergovernmental organizations and governments and non-governmental institutions concerned with trade in primary commodities. The study should aim to provide:

(a) An assessment of the proportion of earnings of developing countries from exports of selected commodities, which is retained within their territories as compared with the total earnings generated by this flow of trade;

(b) An analysis of the functioning of commodity exchanges and the extent to which short-term price fluctuations are attributable to their activities;

(c) An analysis of the organization of markets, in particular to identify elements of a monopolistic or oligopolistic nature and the extent to which levels of prices may be attributable to such market forms, and the consequence to developing countries therefrom;

(d) Recommendations for corrective measures.

# **V. Impact of production from the sea-bed**

5. Studies should be continued within UNCTAD with a view to making recommendations on the necessary measures to avoid the adverse economic effects on the prices of minerals exported primarily by developing countries which the exploitation of the sea-bed and the ocean floor and the sub-soil thereof beyond the limits of national jurisdiction may have.

# **VI. Competitiveness of natural products**

6. *Synthetics and substitutes*

(a) Developed countries should not take measures in the context of their national policies which will encourage production of synthetics and substitutes which will compete with natural products of developing countries. They should also eliminate tariff and non-tariff barriers on natural products facing competition from synthetics and substitutes, and should implement the provisions of Special Principle Nine, concerning dumping, of the Final Act of the first Conference, with special reference to the marketing of synthetics and substitutes.

(b) In view of the adverse impact on developing countries of the shrinking demand for certain natural products as a result of the expansion of synthetics and substitutes, the developed countries should encourage research and development in respect of natural products facing competition from synthetics and substitutes aimed at improving production techniques and increasing trade in those products through, inter alia, alternative or new uses and markets for such products. Developed countries producing such synthetics and substitutes should levy some measure of taxation on these in order to raise funds for research and development programmes for improving the competitive position of natural products of developing countries.

(c) The developed countries and international financial institutions should undertake to provide financial and technical assistance to support national, subregional and regional research and development projects in developing countries for natural products facing competition from synthetic and substitutes and should provide necessary assistance to enable developing countries effectively to implement their programmes for diversification and for trade promotion and marketing of their natural products.

(d) Developing countries should make efforts to increase trade among themselves in natural products threatened by synthetics and substitutes and should cooperate on research and the dissemination of results.

(e) Countries producing synthetics should cooperate with UNCTAD and other international organizations to make available all relevant information on synthetics in order to study the problems facing natural products.

# **VII. Disposals of surpluses and strategic reserves**

7. Developed countries making disposal from surpluses or strategic reserves should ensure that such disposal will not adversely affect the economies of developing countries. Disposal from surpluses and strategic reserves and other government-held non-commercial inventories of primary products not covered by the FAO Principles on Surplus Disposal should be kept under review in UNCTAD with a view to ensuring implementation of decision 4(V) of the Committee on Commodities.13

# **VIII. Diversification**

8. Recognizing the importance of diversification of the economies of the developing countries and the extent to which adjustment and restructuring of the economies of developed countries can contribute to this purpose and accepting that the responsibility for diversification lies primarily with the developing countries, the developed countries should assist developing countries in their diversification efforts by a comprehensive commitment to enable the developing countries to undertake appropriate policies.

(a) The developed countries should adopt a policy of access to their markets and a price policy, which will facilitate the execution of diversification programmes.

(b) They should undertake to introduce structural adjustments of their economies in order to facilitate the expansion of imports from developing countries and particularly in respect of countries heavily dependent on the export of commodities facing structural marketing problems.

(c) Developed countries should enlarge their system of generalized preferences to cover, in particular, processed and semi-processed primary commodities and facilitate the transfer of technology.

(d) Developed countries should support diversification funds established or to be established in developing countries and should, jointly with developing countries, invite international financial institutions to support diversification funds.

(e) The Secretary-General of UNCTAD should prepare, in consultation with international financial organizations, a study on the creation of a fund for the support of national programmes for the diversification of exports to be constituted with additional financial resources for development.

(f) A preliminary survey of the existing infrastructure of developing countries should be carried out from funds available to UNDP for regional project, in order to identify the minimum that is necessary to enable developing countries to benefit from any programme of diversification.

**C. Manufactures and semi-manufactures**

# **I. Preference**

1. Developed countries which have not yet implemented their schemes of generalized preferences should do so “as early as possible in 1971” in fulfilment of their commitments in the International Development Strategy.

2. Preferential treatment under the generalized system of preferences (GSP) should be accorded to all developing countries members of the Group of 77 from the outset. The problem of reverse preferences should be resolved in the manner agreed to in decision 75 (S-IV) of the Trade and Development Board of UNCTAD. Those preference-giving countries which now enjoy reverse preferences and those which demand their abolition should, between them, work out solutions. In the meantime the implementation of the GSP should continue.

3. The socialist countries of Eastern Europe which have not yet indicated the nature of preferential treatment and have not yet specified the operational measures they intend to take for implementing the joint declaration made by Bulgaria, Czechoslovakia, Hungary, Poland and the USSR at the Special Committee on Preference, 14 should do so as early as possible. The socialist countries of Eastern Europe should transmit the above information to the States members of UNCTAD through the Secretary-General of UNCTAD.

4. The Special Committee on Preference should be established as the permanent machinery within UNCTAD with the terms of reference described in section VIII of the agreed conclusions.15

5. Developed countries should take fully into account section V of the agreed conclusions of the Special Committee on Preferences relative to the least developing among the developing countries. In addition, the third session of the United Nations Conference on Trade and Development should consider the creation of a special industrialization and technical cooperation fund derived from contributions from the developed countries. Such a transfer of resources from these countries would balance in a more equitable way the benefits accruing to various developing countries from the GSP.

6. The Special Committee on Preferences should embark as soon as possible in 1972 on consultations and negotiations aimed at improving the system. In this connexion the preference-giving countries should:

(a) Include all processed and semi-processed agricultural and primary products in BTN Chapters 1 to 24 in their schemes of generalized preferences. All products in BTN Chapters 25 to 99 excluded from the present arrangements should be similarly included in their schemes;

(b) Provide duty-free and quota-free entry to imports from all developing countries under the generalized system of preferences;

(c) Accord unrestricted and duty-free entry to handmade handicraft products from developing countries by including them in their schemes of preferences or by adopting suitable commercial policy measures. The Customs Cooperation Council (CCC) Secretariat is requested to expedite its technical study of products not included in the GSP on the basis of proposals made by the Committee on Manufactures at its fifth session;16

(d) In formulating and applying in rules on origin under the GSP achieve maximum harmonization in accordance with the agreement reached in the UNCTAD Working Group on Rules of Origin.17 Preference-giving countries should immediately modify, with a view to simplifying, those provisions in their existing rules of origin which would, for lack of simplicity, inhibit or hamper the growth of exports by developing countries under the GSP. Preference-giving countries should allow materials or components originating from any developing country to be included in the application of their origin requirements for the final product;

(e) Not resort to escape clause of safeguard actions except in exceptional circumstances and these should be subject to prior international on consultation, approval and review;

(f) Eliminate on a preferential and non-reciprocal basis in favour of all developing countries all non-tariff barriers on products included under the GSP.

7. Developed countries should not adopt any domestic policy measures, which would minimize the benefits of the GSP but should adopt further measures that would enable developing countries to drive maximum benefits from the system.

# **II. Standstill**

8. Developed countries should strictly observe the principle of standstill with regard to developing countries. They should respect their commitments not to increase existing tariff and non-tariff barriers or establish new barriers or adopt any measures detrimental to the exports of developing countries. In any case where tariff and non-tariff barriers have been introduced or increased since the second Conference, these should be eliminated. Appropriate institutional machinery within UNCTAD should be devised for keep in this matter under constant review and for prior consultation and approval in case of need to depart from the standstill. Any departure from the standstill due to compelling reason should be of short duration and should be accompanied by measures to facilitate the early removal of any new restrictions imposed.

# **III. Liberalization of non-tariff barriers**

9. Developed countries should take immediate action to eliminate all quantitative restrictions and other non-tariff barriers on products of export interest to developing countries, on a preferential and non-reciprocal basis, in favour of all developing countries, without waiting for the results of any general multilateral negotiations.

10. In order to achieve the above objectives, United Nations Conference on Trade and Development at its third session should establish as a subsidiary organ of the Trade and Development Board an *ad hoc* intergovernmental group open to all countries concerned, to perform the following functions:

(a) To promote consultations and negotiations on non-tariff barriers affecting present and potential exports of products of interest to developing countries;

(b) To propose measures, on the basis of individual products and groups of products and having regard to both the countries applying non-tariff barriers and to the countries affected thereby, for the reduction, relaxation and elimination, on a preferential and non-reciprocal basis, of non-tariff barriers affecting the exports of developing countries.

11. The Secretary-General of UNCTAD is requested to continue, for the purpose of submitting as basic documentary material to the *ad hoc* group, the following work:

(a) The identification of additional products or groups of products in accordance with the selection criteria and guidelines laid down in document TD/B/C.2/R.218 and the discussion of the Sessional Committee of the Committee on Manufactures;

(b) The preparation of a document containing an up-to-date, more precise and detailed inventory of non-tariff barriers affecting the trade of developing countries with individual developed countries, making full use of all the documentation and information available in GATT relating to its work on non-tariff barriers, in consultation with the developed and developing countries concerned;

(c) The identification in the light of decision 1 (IV) of the Committee on Manufactures,19 of those products of export interest to developing countries, which are affected by non-tariff barriers applied by socialist countries.

12. Developed countries should provide the *ad hoc* group, directly or through the UNCTAD secretariat, with any information required for the attainment of its objectives, including copies of reports and any other material on non-tariff barriers and products which they supply to the GATT secretariat and to the secretariats of other international bodies conducting studies on this subject. The UNCTAD secretariat should seek all the information, which it requires for the continuation of its work, in the developed countries themselves, from the competent authorities or from private sources such as Chambers of commerce, importers, etc.

# **IV. Adjustment assistance measures**

13. Developed countries should provide suitable adjustment measures and evolve programmes for adaptation and adjustments, including anticipatory adjustment, in specific industries in order to encourage expansion of imports from developing countries and to deal with problems that might arise for their industries and workers.

# **V. Restrictive business practices**

14. In accordance with Conference resolution 25 (II) and resolution 51 (VII) of the Trade and Development Board, and paragraph 37 of the International Development Strategy, UNCTAD should expedite the identification and analysis of restrictive business practices adversely affecting the trade of developing countries and the consideration of appropriate corrective measures with a view to achieving concrete and significant results early in the Second United Nations Development Decade.

# **VI. International sub-contracting**

15. Governments of developed countries should encourage their firms, especially those which have subsidiaries in developing countries or collaborating arrangements with firms in developing countries, to make the maximum use of sub-contracting in order to stimulate the expansion of trade in parts and components from developing countries.

16. The UNCTAD secretariat and the UNCTAD/GATT International Trade centre should assist developing countries by undertaking, on a country-by-country basis, surveys for the identification of components and production processes, and the industries concerned, that are suitable for international sub-contracting to developing countries. In undertaking this task due account should be taken of the activities of other international organizations in this field and in particular UNIDO.

17. To the same end, the Governments of developed countries should encourage their firms to extend technical assistance to firms in developing countries.

# **D. Financial resources for development**

(a) Total inflow of public and private resources

(i) Each developed country should provide annually, by 1972, to developing countries financial resource transfers of a minimum net amount of 1 per cent of its gross national product at market prices in terms of actual disbursements.

(ii) The 1 per cent target should exclude non-aid elements including private direct investment, and should net out reverse flows of interest.

(iii) Pending the acceptance of the proposed revision of the development assistance target, each developed country should progressively increase its official development assistance to developing countries so as to attain, by the middle of the decade, a minimum net amount of 0.7 per cent of its gross national product at market prices.

(iv) Stability and continuity in the flow of assistance are important in enabling developing countries to plan their development ahead. It should therefore be recognized that domestic and international fluctuations should not be regarded as justification for reducing the volume of assistance. It should also be accepted that official development assistance should be programmed over the long term, so as to provide a firm basis for planning in developing countries.

(b) *Volume, terms and conditions of the flow of public capital to developing countries*

(v) The share of resources channeled through the multilateral financing institutions should be increased to the fullest extent possible. The World Bank should be converted into a development bank for the exclusive service of the developing countries.

(vi) The developing countries welcome the somewhat greater flexibility of the World Bank in relation to non-project lending and invite the Bank to expand programme lending, without prejudice to project lending, as a way of assisting developing countries in their overall development programmes.

(vii) Multilateral institutions are urged to increase their financing of the local costs of investment projects and programmes, and should examine ways and means of ensuring that a greater portion of procurement takes place in recipient countries. These institutions should be prepared to finance projects and programmes that may not be considered financially remunerative in the narrow sense but where the socio-economic impact on national development is clearly recognized.

(viii) International institutions and developed countries should grant direct financial and technical assistance to those developing countries which might be encountering for reasons beyond their control, stubborn and protracted economic and financial difficulties which hamper their economic development.

(ix) Developed countries are requested to increase their contributions to IDA. The third replenishment of IDA should be completed without any further delay. The existing mechanisms for replenishment of IDA should be reviewed so as to bring about a progressive expansion in the amount of resources available to IDA on a more stable and secure basis to ensure greater continuity and certainty in its operations. The lending policies of IDA should be more flexible and equitable. (IDA is requested to increase its financial support to the least developed among the developing countries.)

(x) In order to make possible their increased participation in the financing of small and medium-sized projects, multilateral institutions should channel a greater proportion of their funds through national development banks, by employ in flexible conditions and taking other measures to strengthen these institutions.

(xi) The multilateral lenders should also refrain from discriminating in any way against the public sector of the developing countries, and should endeavour to grant adequate financing for technical assistance and for export promotion.

(xii) The Administrator of UNDP should use the powers given to him by paragraph 16 of the annex to General Assembly resolution 2688 (XXV), on the capacity of the United Nations development system, to scrutinize in the light of existing criteria for the allocation of resources and to adjust, where necessary, the indicative planning figures of the least developed countries and of newly independent countries whose lack of an adequate administrative structure has prevented them from taking proper advantage of the programme assistance. The Administrator should also implement Economic and Social Council resolution 1615 (LI) on financial contributions to UNDP in such a way as to reflect the new increased projection figures in the country programmes. Some flexibility should also be given to developing countries in the administration and allocation of UNDP funds within their country programming procedures.

(xiii) UNDP should take steps to avoid situations arising in which developing countries, especially the least developed among them, lose resources through their inability to prepare acceptable projects. It should apportion its grants and technical assistance in such a way as to raise their absorptive capacity and assist in project preparation and should accordingly increase the resources made available to these countries. The Group of 77 also urges Governments of developed countries to increase their financial contributions to the Programme, so as to enable it to use as fully as possible its improved capacity to assist developing countries in reaching the objectives of the Second United Nations Development Decade.

(xiv) Urgent measures are required to soften further the terms and conditions of external assistance. The heavy burden of servicing the external debt of many developing countries is a matter of grave concern. In principle all official development loans should be provided on IDA terms. In any case there should be an immediate international agreement to accept the target for the terms of assistance suggested in decision 29 (II) of the Conference. Alternatively, interest rates on official development loans should not exceed 2 per cent per annum, maturity periods of such loan should be at least 25 to 40 years and grace periods should not be less than 7 to 10 years; the proportion of grants in total assistance of each developed country should be progressively increased.

(xv) Agreement should be reached on an early establishment of a multilateral interest equalization fund with a view to softening further the terms of development loan provided by multilateral financial institutions.

(xvi) The developing countries consider that immediate action is required to implement the principles regarding untying of development assistance contained in decision 29 (II) of the Conference. Developed countries should lay down a firm timetable for the complete untying of aid. Such complete untying in respect both of contributions to multilateral institutions and bilateral assistance should be achieved by 1975 at the latest. As an immediate measure, all developed countries should permit unrestricted procurement in all developing countries. Repayment of existing tied loans should be tied to purchases within the debtor country concerned. In addition, action should be taken to eliminate the requirements sometimes imposed on developing countries to import from developed countries specified values of certain goods as a condition for the utilization of development assistance funds measures should also be taken to ensure that the underlying purpose of untying is not frustrated by indirect or informal typing.

(c) *Foreign private investment in its relationship to development*

(xvii) (Developing countries find a matter of concern not only the total amount of the financial out-flow brought about by private foreign investment but also its excessive utilization of local financial resources as well as the effects of certain marketing contracts among foreign companies that disrupt competition in the domestic or foreign markets and their possible effects on the economic development of the developing countries. Private foreign investment, subject to national decisions and priorities, must facilitate the mobilization of internal resources, generate inflows and avoid outflows of foreign reserves, incorporate adequate technology, and enhance savings and national investment.)

(xviii) Noting that some developing countries have experienced net capital outflow, developed countries should therefore take the necessary steps to reverse this tendency by fiscal and/or other appropriate measures such as tax exemption on reinvestments of profits and other earnings accruing to private capital investors.

(d) *Special aspects of development finance: proposals regarding the question of a link*

*between the allocation of special drawing rights and the provision of additional*

*development finance to developing countries: supplementary financing*

(xix) A link should be established between special drawing rights and additional development finance, as envisaged in the International Development Strategy. Developing countries consider this to be the most appropriate way of injecting new liquidity into the international monetary system. Such a link between the creation of liquidity and the transfer of real resources must benefit all developing countries equitably. These flows should take place (through IDA and regional development financing institutions.) A decision on the link between the increased international liquidity resulting from the creating of the SDRs and the provision of additional development finance for the developing countries should be reached in 1972.

(xx) IMF should create a special facility designed specifically to cover deficits resulting from the implementation of measures intended to liberalize trade among developing countries, providing that the drawing rights under this facility for this special purpose would be distinct from the ordinary drawing rights.

(xxi) A plan and a time target for the introduction of a scheme for supplementary financing should be adopted. Additional resources for that purpose should be made available in accordance with resolution 60 (IX) of he Trade and Development Board.

(xxii) IMF should give serious consideration to the suggestions of developing countries contained in Conference decision 31 (II) for the liberalization of the compensatory financing facility. In addition, the compensatory financing facilities should be extended so as to enable developing countries to offset shortfalls in export earnings from groups of commodities or individual commodities.

(e) *Problems of mobilization of internal resources of developing countries*

(xxiii) The developed countries should refrain from taking any steps which may interfere, either directly or indirectly, with the full and efficient mobilization of the domestic resources, both land and marine, of developing countries. There must not be any external interference in the programme and priorities of the developing countries designed to achieve such mobilization.

(f) *Outflow of financial resources from developing countries, including debt servicing*

(xxiv) The criteria and procedures of rescheduling of external debts of developing countries particularly those with serious debt-servicing problems, should be reviewed and revised so as to ensure that the rescheduling of debts does not interfere with the orderly process of development planning in debtor countries and should be systematically designed to prevent both disruption of long-term development plans and need for repeated rescheduling. Where the indebtedness problems reflect structural imbalance, grace periods, interest rates and maturity periods in respect of rescheduled debts should be the same as those considered appropriate for basic development finance. Loan agreements should invariably contain a clause for postponement of debt repayments in situations of serious balance of payments difficulties such as those brought about either by an unexpected severe fall in exports or an unexpected increase in imports.

(xxv) Developed countries should accept the principle of assuming the responsibility for suppliers credits from companies registered in their territories and spread the repayment on easy terms, whenever necessary, in order to reduce the adverse effect of such credits on the balance of payments of developing countries.

(xxvi) Developed countries should ensure that export credits be granted to developing countries according to the criteria compatible with the objectives of planned development.

(xxvii) A special body should be created within the machinery of UNCTAD to find practical solutions to the debt-servicing problems of developing countries. Consultations should be held within such a body between representatives of debtor and creditor countries and international experts serving in personal capacity.

**E. Investment, including shipping**

**Shipping**

1. Action is required for the early achievement of the following objectives:

(i) The development and expansion of merchant marines of developing countries so that they acquire a larger share in the world fleet commensurate with their share in world trade;

(ii) The achievement by the merchant marines of developing countries of an increasing, substantial and equitable participation in the carriage of maritime cargoes, and in earnings there from and the conclusion of maritime agreements for this purpose;

(iii) The promotion of the earnings of developing countries from maritime transport in order to reduce the outflow of foreign exchange from those countries arising from maritime transport;

(iv) The reduction of maritime transport costs and freight rates, which should be fixed at as low a level as is feasible to increase the exports of developing countries;

(v) Preparation and application of a code of conduct for the liner conference system which shall safeguard adequately the interests of shippers and national and/or multinational shipping lines of developing countries;

(vi) The elimination of any type of measure which would limit the access of developing countries to the use of means of maritime transportation which they may find appropriate.

# **I. Development of merchant marines**

2. Developing countries should aim at establishing and expanding national and/or multinational merchant marines. The share of developing countries in the world merchant marine fleet has been declining instead of increasing and is insignificant as compared to their share in world trade. The aim should be that, at the end of the Second United Nations Development Decade, developing countries own at least 10 per cent of the world fleet as compared to 7.6 per cent in 1970. For this purpose the following steps have to be taken:

**(A) Acquisition of ships by developing countries**

**(i) Availability of finance**

Developed countries and international financial institutions should substantially increase their financial and technical assistance to developing countries for the acquisition by these countries of new and second-hand ships for their national and/or multinational merchant marines.

**(ii) Terms and conditions of credit**

(a) Developed countries signatories to the OECD Understanding on Export Credits for ships, signed in May 1969, should review and modify the Understanding with a view to liberalizing the terms and conditions on which bilateral aid and commercial credits are made available by them to developing countries.

(b) Bearing in mind the economic problems of developing countries and their limited resources, ships should be sold to them by developed countries on the following minimum terms and conditions:

i. New vessels should be sold to the developing countries on deferred payment terms involving repayment over a period of 10 years after delivery of the vessels, with a suitable period of grace;

ii. Suitable second-hand vessels should be sold to the developing countries on deferred payment terms extending up to 8 years;

iii. The cash down payment up to the time of delivery of vessels sold to developing countries should not exceed 15 per cent of the price of the ship in the case of new vessels and 15 to 20 per cent of the price in the case of second- hand vessels;

iv. The rate of interest for such deferred payment should not exceed 5 per cent per annum.

(c) The Governments of developed countries should accept the guarantees given by the national financial institutions of the developing countries as adequate cover for the deferred portion of payments for vessels, both new and second-hand, purchased by developing countries.

**(iii) Preferential sale of ships to developing countries**

In order to ensure the availability of new ships for the fleets of developing countries, so that they could acquire at least 10 per cent of the total world fleet by the end of the Second United Nations Development Decade, an adequate portion of the ships building capacity of developed countries should be earmarked for sale of ships to developing countries on a preferential basis.

**(B) Member of liner conference, including way-port trades**

3. Developed countries should take necessary action to ensure that liner conferences operating in the national maritime trade of developing countries admit national and/or multinational shipping lines of the developing countries concerned as full members and also consider favourable, fairly and on equal terms applications of the national and/or multinational shipping lines of developing countries for admission as full members on way-port trades subject to the rights and obligations of conference membership. National shipping lines of developing countries should be granted a fair and appropriate share of the full money and cargo pool and sailing rights in order to ensure that these lines operate economically and the conclusions of suitable maritime agreements to this effect should be accepted by developed countries.

**(C) Development of tanker and bulk carrier fleets**

4. Since tankers and bulk carriers constitute the main growth points of the world fleet, developing countries may give special attention to the establishment and expansion of bulk carrier and tanker fleets in order to realize their desired level of participation in world shipping. To assist developing countries in this task, special preferences should be given to tankers and bulk carriers owned by developing countries for the transportation of cargo exported to or imported from developed countries and for chartering by industrial companies in developed countries. Governments of developed countries should also urge other charterers to lay a special emphasis on granting charters to tramps, bulk carriers and tankers owned by developing countries on equal terms with all other ships.

**(D) Economic implications of terms of shipment**

5. Developed countries generally buy on f.o.b terms and sell on c.i.f terms in trade transactions with developing countries, owing to which importers or shippers in developed countries are in a position to nominate the carrier. The terms of shipment should be fixed in such a manner that developing countries are not placed at a disadvantage because of their operation.

**(E) Assistance, promotion and protection**

6. It is recognized that in order that developing countries may have an increasingly substantial participation in the carriage of maritime cargoes, especially those generated by their own foreign trade, they have the right to assist, to promote and to protect their merchant marines through the adoption of such measures as many bring them to a stage when they will be able to complete in the international freight market.

**(F) Multinational shipping enterprises**

7. Groups of developing should examine the feasibility of establishing multinational merchant marines, possibly on a regional or subregional basis, with a view, *inter alia*, to securing increasing participation in the carriage of maritime cargoes and in earnings therefrom.

**(G) Development and expansion of shipbuilding industries in developing countries**

8. Developed countries and international and regional financial institutions should grant financial assistance on favourable terms and give technical assistance for development and expansion of the shipbuilding industry in developing countries.

# **II. Freight rates, conference practices and consultation machinery**

**(a) Freight rates**

9. Recent widespread and frequent increases in freight rates by liner conferences have put serious strains on the exports of the developing countries. Progress in providing promotional freight rate, for non-traditional products from developing countries, has also been very slow. The increases in freight rates have been mainly due to inflation and sharp rises in port costs and cargo-handling expenses in the developed countries.

10. Developed countries should urge their shipping lines that, when considering any freight increases they should ensure that to the fullest extent possible the sensitive items in the trade of the developing countries are insulated from those increases. For this purpose, the feasibility of introducing f.i.o. rates and the implications thereof should also be investigated. In the determination and adjustment of liner freight rates, priority should be given to:

(i) The need to review, adjust and revise freight rates, which shippers and other interested parties, including public authorities, of developing countries consider to be high, bearing in mind the importance of as low a level of freight rates for the exports of developing countries as is commercially possible and the feasibility of providing special freight rate to promote exports from developing countries of non-traditional items and/or to non-traditional markets;

(ii) The need to avoid freight rates set at levels which cannot be justified by the normal criteria for freight rate structures and also to avoid freight rates and conference practices which have the effect of frustrating the export of product from a developing country while encouraging the export of the same product from another country served by the same conference;

(iii) Port improvements, including improvements in port management, leading to a reduction of the cost of shipping operations in ports;

(iv) Technological developments in maritime transport;

(v) Improvements in the organization of trade.

**(b) Action by liner conferences on freight rates**

11. The liner conferences and equivalent bodies should:

(i) Give adequate prior notice of a minimum of six months when proposing general freight increases, and a minimum of three months, notice for increases in freight on individual commodities; for this purpose, if the exports of a country largely consist of a commodity, the freight rate increase for such a commodity should be regarded as a general increase. In all events, a minimum period of two months must elapse between the conclusion of an agreement on a freight rate increase and the date when it is brought into force; in the case of disagreement, a period of at least six months should elapse before the increase in freight rates is effected;

(ii) Provide all relevant information, including the data on costs revenues on individual trade routes for the member lines;

(iii) Give adequate opportunities for full and detailed discussions with shippers, shippers council and equivalent bodies, on all matters of common interest, including freight increases, adequacy of shipping services, and economic operation of shipping services;

(iv) Ensure that Governments of the developing countries concerned are fully involved in consultations and decisions on all matters affecting freight rates and conditions of the carriage of cargo in their respective trades;

(v) Work out freight rates resolve other difficulties of shippers in a manner compatible with the export interests of the developing countries concerned;

(vi) Ensure stability in freight rates, avoiding general increases in freight rates at intervals of less than two years;

(vii) Liner conference should institute promotional freight rates after due consultations for exports from developing countries of non-traditional items and/or to non-traditional markets.

**(c) Consultation machinery**

12. Every effort should be made to encourage the institution and operation of shippers councils or equivalent bodies, and the establishment of effective consultation machinery. In particular, such machinery should provide for consultation by liner conferences with shippers organizations and government authorities in developing countries well before the public announcement of changes in freight rates.

13. Furthermore, it is necessary that representatives of liner conferences in developing countries should be appointed and given sufficient powers to negotiate and make decisions upon appropriate matters within their competence; in this way consultations concerning the trade of developing countries can be held as often as practicable in the developing countries concerned. In this regard, it is observed that many liner conferences have not yet designated any adequately empowered representatives, even though many developing countries have established shippers councils for holding consultations.

14. Efforts should be directed to the establishment of national, regional and subregional shippers councils, which can further stimulate the development of national shippers councils and also play a useful part in consultation with ship owners at the regional and subregional level. The United Nations regional economic commissions, other regional organizations and UNCTAD can play an important role in promoting the development of regional and subregional associations of this kind. In this connexion, each regional economic commission or the relevant regional organization may convene regional conference of shippers organizations and other shippers interests which could consider what form of regional and subregional machinery would be appropriate.

15. During the process of consultation special attention should be given to the need to promote interregional trade of developing countries.

16. The UNCTAD secretariat should study the establishment of a model “note of understanding” between liner conferences and national, subregional and regional shippers councils of developing countries, with general guidelines and possible variations. The secretariat should also collect information about the efforts made by developing countries on a national, regional or subregional level to establish consultation machinery and the response of liner conferences and developed countries in this respect.

# **III. Code of conduct for the liner conference system**

17. It is necessary that further improvements be made in the liner conference system and that all unfair and discriminatory practices, where such exist, be eliminated. Detailed information about costs and methods of freight rate fixing is essential for the efficient functioning of negotiations between liner conferences, shippers and other interested parties. Furthermore, it is essential that liner conferences observe and be seen to observe known principles of fair practice, particularly in the trades of developing countries, which should take full account of the needs of suppliers and users of shipping services and in particular of the needs of economic development.

18. It is noted that the Governments of some developed countries, at the meeting of Western European and Japanese Ministers of Transport held at Tokyo in February 1971, have directed their conference lines to undertake preparations of a code of practice. It is a cause for concern that such a code prepared without direct involvement of the developing countries will not fully meet their needs and interests. Member States of UNCTAD should undertake the preparation of a “code of conduct” which particularly takes into account the trade and development needs of the developing countries and is designed to enable the shipping lines of the developing countries to have an increasing and substantial participation in the carriage of maritime cargoes.

19. Developing countries participating in the third session of the UNCTAD Working Group on International Shipping Legislation should fully take into account the report by the UNCTAD secretariat entitled *The regulation of liner conferences (a code of conduct for the liner conference system)* (TD/104)20 and also consider, where appropriate, the meeting of the Western European and Japanese Ministers of Transport.

20. It is recommenced that the UNCTAD Working Group on international Shipping Legislation, during its consideration of conference practices at its third session, should prepare for consideration by UNCTAD at its third session a draft code of conduct which will take into account the interests of developing countries and which will be universally acceptable to liner conferences.

21. The code of conduct for the liner conference system should provide for the restructuring of conference agreements in such a manner that the decision-making procedures fully reflect the share, the role and the interest of the national shipping lines of developing countries in their national trade. It should also be recognized that, for the purpose of evaluating the cost of operations of liner conferences, the round voyage of ships from to the developing countries concerned should be viewed in an integrated manner so as to ensure that the value of goods is adequately reflected in the process of freight rate fixation.

22. It is further recommended that the code should be adopted by the Governments of all countries in a manner that is binding on them and can be suitably enforced.

# **IV. Development of ports**

23. A concerted national and international effort should evolve to promote the development and improvement of ports. As part of this effort, there should be a considerable enlargement of financial and technical assistance to developing countries both for increasing the capacity and degree of sophistication of port facilities and for improving the organization, management and operation of their ports.

24. Ship owners and liner conferences should cooperate closely with port authorities, especially in developing countries, so as to make effective use of port improvements. Port improvements should benefit the country in which the port is located, by being reflected in lower freight rates.

25. The regional economic commissions, relevant regional organizations and regional financial institutions should be enabled through adequate funding to assist in port and related inland transport development in an appropriately integrated fashion, with support, as necessary, from the UNCTAD secretariat. Such assistance should be directed towards:

(i) Convening regional and subregional seminars and conferences on the problems of port development and organization;

(ii) Establishing, in cooperation with the ILO and UNCTAD and Governments, subregional or zonal training institutions for all levels of port labour and management;

(iii) Forming zonal and sub-zonal associations of ports and harbours and promoting the concept of sister ports, in order to combine their efforts to facilitate further development and improvement of ports.

# **V. International shipping legislation**

26. The economic and commercial aspects of international legislation and practices in the field of shipping should continue to be reviewed within the machinery of UNCTAD with the object of securing a balance of interests between the cargo-owner (shipper) and the carrier (ship owner) and from the standpoint of their conformity with the needs of economic development, in particular of the developing countries, in order to identify areas where modifications are needed. Recommendations for such modifications should be submitted to the United Nations Commission on International Trade Law (UNCITRAL) for the drafting of new legislation, amendments or other appropriate action. The subjects to be considered in this review shall include bills of landing, liner conference practices, charter parties, general average, marine insurance and such other matters as the Committee on Shipping or the Working Group on international Shipping Legislation itself may decide to consider.

27. Furthermore, the third session of the United Nations Conference on Trade and Development shall take account of the report of the Working Group on International Shipping Legislation on its third session, as agreed by the Trade and Development Board at its eleventh session.

# **VI. Technological progress in shipping**

28. Recent technological developments in shipping particularly the trend towards cargo unitization could have significant efforts on the conditions under which imports and exports of the developing countries are transported. There is still uncertainty as to the most appropriate form of cargo unitization in different trades. It is therefore difficult for the developing countries to know which type of ship should be adopted in the programme of fleet expansion or replacement. At the same time, the developing countries will be required to make heavy investments in improving port facilities and even for adapting their inland transport, rail and road communications. This trend would also effect development of shipping and trade within the region. There are also important social implications of introducing labor-saving cargo-handling methods.

29. Developed countries and international financial institutions and other organizations concerned should extend financial and technical assistance to developing countries in order to enable these countries to benefit from technological progress in the field of shipping.

30. Developed countries, in encouraging or assisting technological development in the field of shipping, should keep fully in view the possible implications of these developments for developing countries in order to minimize adverse effects of such technological developments on the trade and development efforts of developing countries.

31. Thorough study should be made through the regional economic commissions and the UNCTAD machinery of all economic, technological and organizational progress in shipping, with particular reference to developing countries, before final decisions are made by national authorities.

# **VII. Inter-modal transport operations**

32. A thorough study should be made of the economic implications of the proposed TCM Convention, particularly in relation to the developing countries, in accordance with paragraph 6 of Economic and Social Council resolution 1568 (L), and the study should be fully considered by the Committee on shipping of UNCTAD.

33. A convention on this subject should not be adopted until the developing countries have acquired the necessary experience for inter-modal transport, until this form of transport has been extended to a substantial number of world maritime trade routes and until all the implications as regards needs of maritime transport, trade and economic and social development are known to the developing countries.

# **VIII. Manpower requirements and training facilities**

34. Technical and financial assistance should be given to developing countries by developed countries and international organizations, so that developing countries may study their maritime training requirements in order that their personnel may receive required training, including training in the management of shipping enterprises and ports, and/or that the countries concerned may develop required training facilities at national, regional or subregional levels.

# **IX. Implementation**

35. In order to achieve these objectives and facilitate necessary action by Governments, ship owners and shipper, Governments of both developed and developing countries should:

(i) Ensure by legislative and other appropriate means that UNCTAD decisions are carried out by all interests concerned, namely national authorities, shippers and ship owners;

(ii) Ensure that UNCTAD resolutions and recommendations are effectively brought to the notice of all interests concerned;

(iii) Keep the agreed objectives in shipping and ports under review within the machinery of UNCTAD in the context of the measures recommended in this programme of action. Additional measures to attain the objectives should also be considered by UNCTAD and the regional economic commissions in due course.

36. It is essential that this programme of action be incorporated in a comprehensive statement on shipping and ports to be adopted at the third session of the United Nations Conference on Trade and Development, which shall lay down the strategy for future developments in this field and which shall supersede the Common Measures of Understanding adopted at the first Conference.

**Insurance**

37. The principle is affirmed that developing countries have the right to take steps to facilitate the absorption by their domestic insurance markets of an increasing and substantial part of insurance operations generated by their economic activities, including their foreign trade. To this end:

*Developing countries* should take, when necessary appropriate measures:

(a) Adopt necessary measures to reduce the cost of and reinsurance markets at the national, regional and/or subregional levels, including the establishment and development of insurance and reinsurance institutions and the application and improvement of system of insurance legislation and supervision;

(b) To ensure that their national insurance companies absorb the demand for insurance generated by their economic activities, including foreign trade, which is at present absorbed by foreign insurance companies;

(c) To ensure that a substantial part of the technical reserves of insurance and reinsurance companies remains in the countries in which their premium income originates for the purpose of reinvestment in those countries;

(d) To establish closer cooperation between their reinsurance institutions on a regional and/or subregional basis.

38. *Developed countries* should:

(a) Adopt necessary measures to reduce the cost of insurance and reinsurance services to developing countries and to provide better insurance and reinsurance terms, while maintaining the cover normally offered;

(b) Urge their nationals, when they invest in developing countries, to use the insurance services of those countries national companies as a first priority;

(c) Accept guarantees given by the governments of developing countries for the repayment of loans received by either private sector or government organizations as sufficient and requiring no additional guarantees by the insurance companies of the lending countries;

(d) Utilize the national insurance companies of recipient countries for insurance on goods transported under loan procurement;

(e) Urge their insurance and reinsurance institutions to retain a substantial part of their technical reserves in the countries in which their premium income originates for the purpose of reinvestment in those countries;

(f) Extent all possible financial and technical assistance to developing countries to build up their insurance and reinsurance facilities and to achieve the other objectives of this programme of action, including assistance for evolving appropriate insurance legislation, for developing systems of supervision, for training of insurance personnel and for research;

(g) Refrain from adopting any measures, which might limit or hamper the achievement of the objectives of this action programme and urge their insurance and reinsurance institutions to cooperate fully in the achievement of these objectives.

39. *International and regional financial institutions* should provide assistance to developing countries in their efforts to build up their national, regional and/or subregional insurance and reinsurance facilities.

40. *The UNCTAD secretariat* should:

(a) Provide, within the framework of UNDP, technical assistance, including training, to developing countries upon request for the purpose of implementing this programme of action;

(b) Carry out a study regarding the basis on which reinsurance funds might be established at the regional level among the reinsurance institutions of developing countries so that an ever-increasing proportion of the reinsurance generated by regional imports can be absorbed by the reinsurance facilities of the region.

**Tourism**

41. Earnings from tourism can constitute an important item in the developing countries balance of payments. The availability of financial resources and technical assistance to enable these countries to develop their tourism infrastructure constitutes a highly favourable area for international cooperation.

42. The developed and developing countries and appropriate international organizations should take coordinated action in the following areas of particular importance to developing countries:

(a) Simplification of travel formalities and encouragement of travel to developing countries;

(b) Provision of technical and financial assistance to developing countries including grants and credits on easy terms for specialized tourist services, particularly the hotel industry, and for building the infrastructure vital to the development of tourism;

(c) Studying the possibility of establishing preferential reduced rates on air routes to developing countries in order to increase the flow of tourism to these countries, duly taking into account the need to ensure an adequate yield to international carriers of developing countries and bearing in mind the substantial saving in travel costs resulting from the introduction of high capacity and faster aircraft;

(d) Training of personnel for the planning of tourist facilities and the management of tourist industries.

43. The developing countries should prepare a common strategy, particularly on a regional or subregional basis, in the formulation of long-term plans for development of tourism. Developed countries for their part should facilitate the travel of their residents to developing countries by promoting publicity campaigns to this end, by eliminating foreign exchange restrictions on tourism and by granting duty-free entry for local products, handicrafts and traditionally produced goods acquired by their residents in the course of travel abroad for the purpose of tourism.

44. Developed countries should recognize the need for the developing countries to develop their airlines and to that end should make available financial and technical assistance that would strengthen the viability of those airlines.

45. This programme of action shall not prejudice any conclusions which may be reached on the subject of tourism by the UNCTAD Committee on Invisibles and Financing related to Trade at its fifth session (Geneva, December 1971).

**F. Trade relations among countries with different economic and social systems**

The socialist countries of Eastern Europe should:

(a) Devise positive measures in favour of all developing countries to implement Conference resolution 15 (II) and the joint declaration made by the socialist countries of Eastern Europe in the Special Committee on Preferences and establish a firm and definite timetable for the implementation of these measures.

(b) Take positive action to specify the operational measures to be adopted and the products covered under their lists of preferential treatment for products from developing countries;

(c) Intensify the dissemination of information on the possibilities of imports from the developing countries, notably by the organization of seminars, symposia and training courses, as well as assist the export promotion efforts of the developing countries;

(d) Take into account in their economic development plans the existing and potential production and exports of the developing countries, as well as the diversification projects of the developing countries;

(e) Intensify the economic, financial, scientific, technical and other forms of cooperation with the developing countries, aiming at developing the industrial structure and increasing the exports of the developing countries, especially the least developed among them, in such a manner that the greatest possible number of developing countries could benefit from such cooperation;

(f) Implement measures adopted by the United Nations organizations, particularly UNCTAD, to stimulate the transfer of technology to developing countries on fair and reasonable terms;

(g) Upon the request of the developing countries concerned, take steps to extend industrial cooperation in trade with these countries with a view to concluding industrial cooperation arrangements, such as co-production, sub-contracting deliveries in the framework of licensing arrangements and supplementing of production capacities;

(h) Accept manufactured goods from the developing countries in repayment of credits;

(i) Take positive action to offer more favourable terms of trade to products from developing countries, especially in respect of terms of payments and grade equalization, e.g., by setting up mutually agreed multilateral payments arrangements with developing countries, with a view to facilitating trade settlements;

(j) Take positive measures not to re-export products from developing countries without the consent of the latter;

(k) Ensure that any efforts for the development and expansion of their trade with developed market-economy countries will not adversely affect the trading possibilities and trade expansion of developing countries.

**G. The transfer of technology**

# **I. Action at the third session of the Conference**

The third session of the United Nations Conference on Trade and Development should take action, to be carried out jointly with, and as part of, the International Development Strategy, to facilitate the adequate transfer of technology to developing countries on reasonable terms and conditions and to create the necessary infrastructure for the technological development of developing countries.

# **II. Imported technology**

(a) *Identification of the appropriate technology*

1. Developed countries and competent international organizations should assist developing countries when requested in identifying the technologies best suited to their economic and social circumstances and requirements, in particular by placing at their disposal all the information relating to the range of technologies available for each sector. To this end, every developed country should, *inter alia*, designate an institution to provide information services on the subject, to supplement arrangements of an institutional nature, which may be adopted by the developing countries.

(b) *Access to appropriate technology*

2. Developed countries should provide the greatest possible access to the available range of patented and non-patented technologies on fair and reasonable terms and conditions, without any restrictions likely to hamper the expansion of industry of exports, without discrimination between developing countries, and on a preferential basis.

3. *Governments of developed market-economy countries* should:

(i) Make every effort to persuade their enterprises to transfer their technology to developing countries on favourable terms, and should provide to those enterprises the necessary fiscal and financial incentives to facilitate such a transfer;

(ii) Promote the elimination of restrictive practices in the sharing of markets and the fixing of prices;

(iii) Take steps to encourage and promote the transfer of the results of the work of research institutes and universities in the developed countries to the corresponding institutions in the developing countries.

(iv) Encourage their enterprises:

(a) To allow the use of patents on the best possible terms, in order to enable manufactures from developing countries to compete effectively on world markets;

(b) To employ local labour, experts and technicians as well as to utilize local raw materials when technology is transferred by the establishment of wholly-owned subsidiary enterprises, or by general licensing agreements or contracts involving large sums and completely at the contracting party’s risk or turn-key contracts, and also to contribute to the development of know-how and technical expertise by training staff in the developing countries, so that foreign staff may be replaced as soon as possible and by transferring the specifications of the raw materials and technological processes utilized in their production to national technicians and appropriate organizations in charge of industrial development.

4. *Governments of developed socialist countries of Eastern Europe* should in accordance with their economic and social system make the necessary efforts to achieve the same ends.

5. *Competent international organizations* should facilitate the transfer of technology to developing countries by setting up appropriate multilateral institutions such as technology transfer centers, patent banks, a world bank for technology, and technological information centers.

6. In order to improve the conditions under which developing countries have access to technological know-how and processes and to eliminate restrictive business practices in the field of transfer of technology, including the practices adopted in this respect by multinational companies, the Secretary-General of UNCTAD should:

(i) Carry out a study concerning the review of international patent legislation;

(ii) Elaborate the bases for new international legislation regulating the transfer from developed to developing countries of patented and non-patented technology, including related commercial and legal aspects of such transfer.

(c) *Cost of transfer*

7. *Developed countries* should encourage the adoption of measures to reduce the cost of transferring technology to the developing countries *inter alia* by exempting the recipients of royalties in developed countries from taxation.

8. *Developed countries and competent international institutions* should devise bilateral or multilateral arrangements to facilitate negotiations concerning the transfer of technology on reasonable terms and conditions without causing strain on the balance of payments of developing countries.

9. *Competent international organizations* such as UNCTAD and UNIDO and the World Intellectual Property Organization (WIPO) should give effective implementation to their pledge to cooperate with one another as regards action to the benefit of developing countries. In this connexion, the secretariats of UNCTAD and UNIDO should cooperate with the WIPO secretariat in its studies of mechanisms for multilateral rounds of negotiations on technology, and especially in the study of the proposal in document PC/EC/VII/16 submitted to the Executive Committee of the Paris Union at its seventh ordinary session in 1971, 21 which is intended to allow developing countries as complete a knowledge as possible of the supply side of the international market for technology.

(d) *Application of technology*

10. *Developed countries and competent international organizations* should:

(i) Assist developing countries to operate effectively imported techniques and equipment;

(ii) Provide the supplementary information and technical assistance required for their operations, such as training in the planning and management of enterprises and in marketing.

(e) *Adaptation of technology*

11. *Developed countries* should:

(i) Assist in the application of technology and in its adaptation the production structures and economic and social requirements of developing countries:

(ii) Encourage private enterprises, by providing them with appropriate incentives, to undertake similar activities;

(iii) Take immediate steps, in addition to other measures contained herein, to draw up and implement a special programme, upon request, for the adaptation of imported technology to the needs of developing countries, employing for this particular purpose any unutilized capacity in their research facilities.

(f) *The least developed among the developing countries*

12. The special position of the least developed among the developing countries shall be taken into account. To this end, the international community shall:

(i) Cooperate with such countries, for instance by the establishment and/or consolidation of information centers and applied technology institutes;

(ii) Furnish the specialized institutions of these countries with the results of research applicable to their economic development;

(iii) Give special consideration to the terms, conditions and costs of transfer of technology to the least developed among the developing countries.

# **III. National technology**

13. Measures to create technology in the developing countries should be taken at the national, regional and international levels.

(a) *Action by the developing countries at the national level*

14. At the national level, the developing countries should:

(i) Apply the provisions of paragraph 61 of the International Development Strategy for the Second United Nations Development Decade;

(ii) Readapt their education and training systems to the needs and demands of a progressively developing economy and society;

(iii) Create the necessary infrastructure for development in the fields of science and technology;

(iv) Develop an efficient infrastructure geared to the specific socio-economic needs of each country as a solid basis for the adoption and/or adaptation of imported technology, the creation of national technology and the application thereof.

(b) *Action by developing countries at the regional and international levels*

15. At the regional level, the developing countries should:

(i) Make appropriate institutional arrangements for exchanging experience in the field of the transfer of technology, including arrangements for the training and exchange of technical personnel;

(ii) Endeavour to coordinate their policies with regard to imported technology, including its adaptation;

(iii) Establish joint technological research centers for projects of regional interest and for exchanging between developing countries within the region, adapted or recently developed imported technology;

(iv) Facilitate exchange of information by the establishment of regional or subregional information centers.

At the international level, the developing countries should:

(i) Assist the transfer of technology by exchanging information concerning their experiences in acquiring, adapting, developing and applying imported technology;

(ii) Set up machinery to facilitate the dissemination and exchange of national technologies originating in the developing countries, so that the comparative advantages and specialization offered by each sector of activity may be fully utilized;

(iii) Promote the study of scientific and technological projects between developing countries with common technological requirements arising from similarities in their sectoral structure of production.

(c) *Action by developed countries at the international level*

16. At the international level, the developed countries should:

(i) Take urgent measures to implement fully the provisions of paragraph 63 of the International Development Strategy for the Second United Nations Development Decade;

(ii) Devote 0.05 per cent per annum of their gross national product to the technological problems of developing countries;

(iii) Allocate at least 10 per cent of their research and development expenditure to programmes designed to solve specific problems of general interest to the developing countries, and as far as possible devote that expenditure to projects in developing countries;

(iv) Apply fiscal and other incentives to encourage their national private enterprises to transfer to their associated enterprises in developing countries a substantial and increasing volume of their research activities;

(v) Strengthen efforts to develop national technologies in developing countries, by creating the necessary infrastructure for development in the field of science and technology.

(d) *Action by international organizations*

17. International organizations, particularly UNCTAD, should prepare and implement programmes to promote the transfer of technology to the developing countries, in accordance with paragraph 64 of the International Development Strategy for the Second United Nations Development Decade.

18. The United Nations and its system of organizations and agencies and in particular UNCTAD should help in the achievement of these objectives and in particular should:

(i) Bring to an acceptable conclusion and thereupon implement the World Plan of Action of the United Nations,22

(ii) Assist the developing countries to create the necessary infrastructure, as regards both institutions and personnel, for the development of national technology;

(iii) Coordinate their efforts and programme for the support of science and technology at the regional and international level;

(iv) Place more resources at the disposal of the United Nations Economic and Social Office in Beirut (UNESOB) and the regional economic commissions of those regions, which deem it necessary to enable them to carry out fully their role in the application of science and technology to development within the regions.

19. International organizations, in particular UNCTAD, UNIDO, WIPO, the regional economic commissions. UNESOB and specialized agencies should, when requested, provide technical assistance to developing countries in matters concerning the negotiation of contracts for the transfer of technology.

20. International organizations and financing programmes, in particular UNDP and IBRD, should give the highest priority to economic assistance to meet the needs as defined by developing countries in the field of technology, particularly in connexion with the development of a basic infrastructure including the training of personnel and the establishment or strengthening of extension services for the applications of science and technology to production units.

**H. Special measures for the least developed among the developing countries and land-locked developing countries**

**Identification and general considerations**

1. The identification of the least developed among the developing countries is the prerequisite for the formulation of any concrete action programme in favour of them in order to overcome their particular disabilities and to enhance their capacity to benefit fully and equitably from the policy measures adopted for all developing countries.

2. The Second Ministerial Meeting of the Group of 77 confirms, without prejudice to future consideration, list of countries identified as the hard-core least developed countries approved by the Trade and Development Board at its eleventh session, 23 which should provide useful guidance for action by governments and international organizations concerned. This initial list of hard-core least developed countries should be reviewed in the light of future work on this matter.

3. In this connexion, the Ministerial Meeting of the Group of 77 takes note of the arrangements made within UNCTAD under Trade and Development Board resolution 82 (X) for the review of criteria now being used for the identification of the least developed countries and for work on criteria for the identification of the relatively disadvantaged countries in the context of a geographic region and taking into account the existence of critical major economic sectors.

4. In further work in the field of identification of the relatively disadvantaged countries, for whom appropriate measures should be promptly formulated in accordance with Conference resolution 24 (II), account should also be taken, through consultations with the corresponding regional secretariats, of the studies and recommendations of the regional economic commissions, taking into account the special treatment that may already be accorded to these countries under regional and subregional agreements.

5. Any special measure taken in favour of the least developed countries would be supplementary to the general measures applicable to all developing countries.

6. Action or special measures taken in favour of the least developed countries must not result in injury or prejudice to the interests of other developing countries but should ensure due and equitable benefits in favour of the least developed among them.

7. While every effort should be made to evolve further satisfactory criteria for the identification of the least developed countries and to identify such countries, urgent action should be taken, bearing in mind the provisions of resolution 24 (II), to formulate and implement special measures in favour of the countries so far identified to ensure the sustained economic and social progress of those countries and to enhance their capacity to benefit fully and equitably from the policy measures of the International Development Strategy and particularly in the following areas;

**Issues in specific fields**

# **I. Commodities**

(a) *Commodity agreements*

8. Special consideration should be given to the least developed among the developing countries with regard to the operation of commodity agreements within their respective frameworks in such matters as allocation of quotas and exemption from quota cuts and in the payment of dues and subscriptions, bearing in mind the characteristics of each commodity and taking into account the interests of the other parties concerned.

9. In pre-financing of buffer stocks, the least developed countries should be exempted and their contribution should be provided by developed countries and/or international financial institutions on the basis of grants.

(b) *Diversification*

10. Measures should be taken by the developed countries and organizations and bodies of the United Nations system to encourage the establishment of industries for the processing of the locally produced foodstuffs and raw materials.

(c) *Access to markets*

11. Any action or special measures taken in favour of the least developed countries should ensure that the trade interests of the other developing countries are not injured or prejudiced in any manner.

12. The highest priority should be accorded to the solution of problems affecting primary commodities, including processed and semi-processed products of the least developed countries. In the current and future multilateral negotiations on liberalization of tariff and non-tariff barriers such preferential treatment should be given to the least developed countries, bearing in mind paragraph 6 of section II of recommendation A.II.1 of the first session of the United Nations Conference on Trade and Development.

13. Revenue duties and other fiscal charges on the consumption of tropical products of developing countries, especially those of special interest to the least developed countries, should be eliminated or reduced and at the same time special financial assistance should be provided to the least developed countries based on a certain proportion of the proceeds derived from revenue duties still in force.

14. Developed countries are requested to abandon domestic support policies adversely affecting the interests of the least developed countries.

15. Intensive technical and financial assistance should be provided to help remove the internal institutional and structural obstacles to industrialization and to the promotion of both import substitution and the establishment of export-oriented industries.

16. Eliminate urgently the quantitative restrictions and other non-tariff barriers (e.g. border taxes, customs procedures, public health and administration regulations) affecting the processed and semi-processed products of the least developed countries.

17. The scheme of the generalized system of preferences (GSP) should be extended for a long enough period for the least developed countries to derive equitable benefits.

18. The scheme should include all processed and semi-processed agricultural and mineral and handicraft products of export interest to the least developed countries.

19. Escape clauses should not apply to the least developed countries.

20. In the application of all criteria of rules of origin for the implementation of the generalized system of preferences, the special situation and the low level of industrialization of the least developed countries should be taken fully into account.

21. Developed countries should take fully into account section V of the agreed conclusions of the Special Committee on Preferences relative to the least developed among the developing countries.

22. It is specially necessary in respect of the least developed countries to apply the principle accepted at the first Conference that at least equivalent advantages must be granted to developing countries that lose their special preferences in certain developed country markets.

# **II. Restrictive business practices**

23. Identification and elimination of all restrictive business practices adversely affecting the interests of the least developed countries.

# **III. Development finance and technical assistance**

24. The developed countries should fulfil the commitments undertaken in the International Development Strategy and other instruments with regard to the volume and modalities of financial aid, in order better to meet the needs of the least advanced countries.

25. The international community should ensure that within the general aid strategy the needs of the least developed countries are given special attention, either by the acceptance of specific targets for contributions to their development supported by a machinery for implementation or by the establishment of programmes in terms of specific objectives to be achieved which donors should agree to underwrite.

26. In extending technical assistance to the least developed countries special attention should be given to difficulties experienced by these countries in meeting counterpart requirements. Bilateral and multilateral agencies should consider as a matter of high priority granting complete exemption of those requirements in respect of the least developed countries.

27. The developed countries are urged to increase their contribution to UNDP as envisaged in General Assembly resolution 2688 (XXV).

28. High priority should be given to an immediate revision of the system of allocation of UNDP resources with a view to enabling the least developed countries, which for historical reasons have started late in their national planning and programming, to derive equitable benefit from the resources of the programme.

29. While technical assistance has an especially crucial role to play, financial assistance stands out as one of the basic requirements for the accelerated growth of the least developed countries. Being at a very early stage of development, they require large-scale investments in costly infrastructure of all types. As a consequence, their need for financial assistance on concessional terms as provided in the International Development Strategy is far greater than can be assumed from the size of their population. Urgent attention should therefore be given to increasing substantially the flow of resources from IDA to the least developed countries, and the developed countries are invited to keep this purpose in mind when making contributions to IDA.

30. Developed countries should ensure stability of prices of their exports to developing countries, especially the least developed among them. In the event of increases of prices the developed countries should agree to compensate the developing countries, particularly the least developed ones, for any losses resulting from such price increases.

31. In general, all forms of financial and technical assistance to the least developed countries should be tested by the criterion whether they contribute to fuller mobilization of indigenous resources so as to ensure that it does not simply reinforce the enclave nature of so much foreign investment and even foreign aid.

This could be achieved by:

(a) Larger contributions towards local costs;

(b) Use of indigenous facilities and training of local counterparts;

(c) Development of enterprises that finally will transfer ownership and management;

(d) Ensuring that the assistance is not guided solely by financial criteria, but that consideration is given to the long-term social rate of return, including secondary effects, from development projects;

(e) Improving the level of productivity, especially that of foodstuffs;

(f) Ensuring that the least developed among the developing countries should receive a substantial contribution from existing IDA resources and from those of UNDP.

32. All financial assistance should be stable and cover the requirements of development plans of the least developed countries. Consortia of donors should be set up in order to review the financial needs of each least developed country with a view to meeting those needs.

33. In the light of the relevant decisions of UNCTAD at its second session, financial assistance will, in principle, be united. While it may not be possible to untie assistance in all cases, developed countries will rapidly and progressively take what measures they can in this respect both to reduce the extent of typing of assistance and to mitigate any harmful effects for all developing countries, with special attention to the least developed among them.

# **IV. Creation of a special fund**

34. With a view to assisting the least developed among the developing countries to benefit equitable from the general measures taken or envisaged within the framework of the International Development Strategy for the Second United Nations Development Decade in favour of all developing countries, the Group of 77 decides to recommend to the General Assembly of the United Nations to create as soon as possible a special fund in favour of the least developed among the developing countries to enable them, *inter alia,* to:

A.1. Take specific measures to encourage the establishment of industries for the processing of the locally produced foodstuffs and raw materials;

2. Diversify their range of products and raise their productivity through research and the use of modern techniques of production and distribution so as to improve the quality, grading, packaging and marketing of their commodities;

3. Assist these countries to make appropriate changes in their economic structure through diversification of existing structures of production and trade;

4. Assist these countries to start and accelerate their process of industrialization and in particular the establishment and development of industries likely to further the export of products included in the generalized system of preferences so as to ensure that all developing countries will benefit equitably from the GSP.

B. The resources of the fund will be derived from voluntary contributions from developed countries and international financial institutions.

C. Requests the Secretary-General of UNCTAD to submit to the third Conference a statute on the institutional arrangements for the administration of the fund.

# **V. Transfer of technology**

35. In the fields of:

(a) Identification of the appropriate technology;

(b) Access to appropriate technology;

(c) Cost of transfer;

1. Application of technology;
2. Adaption of technology;

The state of development and the special position of these countries shall be given special consideration. To this end, the international community shall:

(i) Cooperate with such countries, for instance by the establishment and/or consolidation of information centers and applied technology institutes;

(ii) Furnish the specialized institutions of these countries with the results of the research applicable to their economic development;

(iii)Give special consideration to the terms, conditions and costs of transfer of technology to the least developed among the developing countries.

# **VI. Shipping**

36. Developed countries and competent international institutions should devote special attention to the needs of these countries in the field of shipping and ports in extending development finance on concessional terms. Owing to poor port facilities in many of the least developed countries, technical and financial assistance on concessional terms in this field should be accorded special priority.

37. Liner conference freight rates should be set at levels not detrimental to the interests of least developed countries. For this purpose governments of developing and developed countries shall request participants in the consultation machinery between ship owners and shippers to pay special attention to the problems of the least developed countries and to accord them special treatment in the fixing of rates and conditions for transport.

38. High priority should be accorded to the application of promotional freight rates for non-traditional exports of interest to the least developed countries. Consideration should also be given, after necessary studies, to making deeper cuts in freight rates for such exports.

# **VII. Trade promotion**

39. Developed countries should undertake specific import promotion measures favouring the least developed countries, e.g., by subsidizing the organization and running of, and participation in, trade fairs, advertising campaigns, the exchange of trade missions and the establishment of direct business contacts and other measures designed towards export promotion. Adequate technical and financial assistance should be provided for the strengthening of national, subregional and regional promotional institutions.

40. Technical and financial assistance should be provided to promote research aimed at finding new end-uses for primary products, particularly those facing competition from synthetics and substitutes.

# **VIII. Institutional arrangements**

41. The Secretary-General of UNCTAD should present to the third session of the United Nations Conferences of Trade and Development a detailed and comprehensive action programme for the Second United Nations Development Decade in favour of the least developed among the developing countries, and in this connexion take into account the work of other United Nations bodies and the suggestions made in this programme of special measures.

42. An intergovernmental group with appropriate secretariat services should be established within UNCTAD to be entrusted with the formulation, development and review and appraisal of policies and projects in favour of the least developed countries with the following terms of reference:

(a) To carry out a methodical analysis, section by section and where necessary country by country, of the progress and the difficulties encountered in the carrying out of the policy measures designed to assist the least developed countries;

(b) To make suggestions for adequate means of overcoming these difficulties and accelerating progress;

(c) To seek new and broaden existing areas of agreement in the dynamic context of the Strategy.

# **IX. Other measures**

**Measures in the field of economic cooperation and regional integration**

43. In regional economic groupings of the developing countries the following aspects should be studied with a view to facilitating the association of the least developed countries:

(a) Permission to impose quantitative restrictions;

(b) Temporary exemption from alignment of tariffs with the common external tariffs;

(c) Granting of greater fiscal incentives for new investment;

(d) Preferential allocation of financial resources of the regional financial institutions and funds;

(e) First choice in the location of industries;

(f) Extension of regional commodity agreements and their coverage.

44. The following actions need to be taken at the multinational level:

(a) Multinational projects in the fields of industry, transport communications, energy, manpower, development and natural resource surveys;

(b) The building up of the necessary regional and subregional institutions;

(c) The creation of regional and subregional payment arrangements;

(d) Interim support to the needs of the least developed countries arising from obligations which they have to undertake in connexion with their participation in arrangements for economic cooperation. In particular, IMF should permit members to make special drawings exclusively designed to overcome deficits resulting from trade liberalization commitments. Drawings under such a special facility should be independent of original drawing rights;

(e) The General Assembly should draw the attention of organs of the United Nations system to the course of action taken in UNCTAD with a view to initiating similar programmes in their respective areas of competence;

(f) Countries members of UNCTAD, especially the developed countries, should be asked to contribute effectively to the United Nations Capital Development Fund, and this Fund should be devoted first and foremost to the financing of projects of the least advanced of the less developed countries;

(g) Countries members of UNCTAD, especially developed ones, should study measures they might take in favour of the least developed among the developing countries, including means by which such measures might be implemented, and report their findings at the third session of the United Nations Conference on Trade and Development.

**Other special measures related to the particular needs of the**

**land-locked developing countries**

45. The position of the land-locked developing countries, in particular, because of the high costs of transportation, the poor development of their infrastructure, inadequate and inconvenient transport, storage and port facilities in most transit countries, the lack of opportunity or arrangements to use their own transport equipment and to establish their own transport facilities and, in general, the unfavourable trend of transport tariffs and charges, is a factor seriously inhibiting the expansion of their trade and economic development.

46. Basic policy issues are well defined and formulated in Conference resolution 11 (II) and Board resolution 69 (X), particularly in relation to the specific economic problems derived from the geographical position of the land-locked developing countries. The report of the UNCTAD Expert Group on these problems24 describes in more detail concrete measures to be adopted in favour of these countries. Furthermore, as repeatedly mentioned in the resolutions adopted by UNCTAD and other United Nations bodies, the geographical position of the land-locked developing countries “should be considered as a factor in determining the criteria for the further identification of the least developed among the developing countries”.

47. To assist in remedying the difficulties affecting the land-locked developing countries, and bearing in mind the relevant provisions of resolution 69 (X, action is required in the following areas:

# **I. Administrative and other measures**

48. The governments of land-locked developing countries and their transit neighbours should continue to make joint efforts to conclude bilateral agreements or, if mutually agreed, multilateral arrangements with respect to:

(a) The appointment of representatives to assist in the clearance of goods of the land-locked countries in transit;

(b) The establishment of procedures for intergovernmental consultation to ensure that the needs and problems of both land-locked and transit countries are kept under review;

(c) Further simplification of customs and other procedures and formalities and the limitation of documentation;

(d) Familiarizing the officials concerned with the spirit of transit agreements.

49. Agreements should be sought between land-locked countries and their transit neighbours covering transport facilities in order to:

(a) Facilitate the circulation of the road vehicles of parties to the agreement across frontiers, if necessary, on a reciprocal basis;

(b) Facilitate the movement of rolling stock of parties to the agreement, which have inter-connected railway systems.

# **II. Transport infrastructure**

50. Technical and financial assistance should be provided by the developed countries and the competent international organizations, at the request of the countries concerned, for feasibility studies, installation, improvement and maintenance of facilities for:

(a) Road transport in both land-locked developing countries and their transit neighbours in order to produce all weather through transport routes for heavy vehicles;

(b) Railways and rolling stock and, where economically feasible, the extension of the rail system of transit countries into land-locked countries;

(c) Inland waterways to raise the standard of navigability so that continuous year-round use is possible;

(d) Air transport to ensure that each land-locked developing country has at least one airport fully equipped to international standards;

(e) Post and telecommunications systems to raise them to modern standards;

(f) The establishment of alternative transport routes to the sea from land-locked countries where economically feasible, specific attention being given in this connexion to establishing trunk routes of use to all countries within a region or a subregional;

(g) Special studies should be made of the possibilities of equalizing the total transport costs related to their international trade with those of their transit neighbours, thus making their export products equally competitive and their imports not more expensive.

51. Technical and financial assistance should be given by the developed countries and competent international organizations for the investigation and the establishment, where economically feasible, of new forms of transport, with particular reference to pipelines for oil, natural gas and other suitable products.

52. Liner conferences should take into account the special problems of the land-locked countries and grant promotional freight rates to their merchandise.

# **III. Economic structure**

53. Technical and financial assistance should be provided by the developed countries and competent international organizations to the land-locked developing countries for feasibility studies and investment with a view to assisting their economic development, thus making it suitable to their particular geographical situation, including:

(a) The development of import substitute industries, particularly of industries producing high-bulk low-value goods;

(b) An increase in the value of potential exports by the processing of raw materials and by the careful grading, packing and presentation of products;

(c) Thorough exploration to determine the resource endowment of minerals and other energy resources, together with measures, including the investigation of new forms of transport, to make their exploitation possible;

(d) Development of the economies of the land-locked developing countries along two lines, namely complementarity with their neighbours and the production of high-value low-bulk goods to reduce the adverse effects of transport costs;

(e) Investigation of the possibilities of developing tourism with the necessary infrastructure of hotels and improved internal transport;

(f) Thorough consideration of the possibilities of using air transport to penetrate markets abroad for high quality products.

# **IV. Institutional arrangements**

54. Special regional or subregional bodies should be established where similar bodies or other arrangements do not exist to make suggestions for the purpose of implementing the recommendations adopted in UNCTAD and other United Nations bodies in regard to the problems of the land-locked countries.

55. As was requested by the Trade and Development Board at its eleventh session,25 the Secretary-General of UNCTAD should prepare a comprehensive action programme within the competence of UNCTAD and within the framework of the International Development Strategy for the second United Nations Development Decade and of the relevant provisions of Board resolution 69 (X) in favour of the land-locked developing countries and present it to the third session of the United Nations Conference on Trade and Development.

56. The United Nations Development Programme, specialized agencies, international financial institutions and developed countries, should take into account the special needs of land-locked developing countries, particularly in the field of transport, and should give favourable consideration to requests from these countries for financial and technical assistance on soft terms for fulfillment of the aims and objectives contained in the International Development Strategy.

57. The Secretary-General of UNCTAD should include in his proposal for an action programme for the development of land-locked countries the feasibility of creating a special fund for subsidizing the additional transport costs of land-locked developing countries.

58. The Secretary-General of UNCTAD should in consultation with the countries concerned, organize studies of the existing transit procedures applied in different regions and also should study port and transport facilities available for the land-locked developing countries with a view to enabling them and their transit neighbours to conclude agreements for the improvement of such facilities and procedures.

**Special problems of developing island countries**

59. Developing island countries faced with a number of specific problems linked to their geographical nature arising out of difficulties of communication with neighbouring countries and the distance from market centers and out of frequent natural catastrophes such as monsoons and cyclones, all of which hamper their economic development to a large extent.

60. As a first step, the secretariats of the regional economic commissions and UNESOB and UNCTAD should carry out studies with a view to identifying in depth the above and related problems and making recommendations on the best means of solving these problems within the framework of the Second United Nations Development Decade.

**PART FOUR**

# **Future activities of the Group of 77**

# **I. Organization of the Group of 77 for effective participation at the third session of the Conference**

1. The Ministerial Meeting is firmly and unequivocally resolved to maintain and further strengthen the unity and solidarity of the Group, and so to organize themselves as to be able to ensure the maximum impact and effect at the third session of the United Nations Conference on Trade and Development.

2. To achieve this desired impact, the Group has decided to appoint a Working Party in Geneva, which will prepare the required documentation and draft resolution and coordinate the appropriate activities of the members of the Group as they bear on the goals to be achieved at the Conference. Accordingly, the membership of the Working Party will be kept opened so that any member of the Group of 77 may have unimpeded access to its deliberations without affecting its efficient functioning.

3. Necessary steps will be taken immediately through the Second Committee of the General Assembly of the United Nations in order to request the regional economic commissions of the United Nations, and other organs and offices of the United Nations, to assist the Working Party as it appropriate and feasible.

# **II. Organizational aspects of the third session of the Conference**

4. The Ministerial Meeting examined and endorsed the proposals on the organizational structure of the third session of the Conference which are referred to in paragraph 92 of the report of the Trade and Development Board on its eleventh session (TD/B/385) 26 and described in pages 21 – 22 of annex I of that report.27

5. The Meeting noted also that the Trade and Development Board had requested the Secretary-General of UNCTAD to submit detailed proposals on organizational, administrative and procedural matters to the pre-Conference Meeting which will be held at Santiago de Chile on 11 and 12 April 1972.

6. The Meeting in particular recommended that governments should endeavour to send as Heads of delegation to the third session of the Conference persons who are of ministerial rank.

# **III. Consideration of means of informing the international community**

7. The Ministerial Meeting recommended that Member States should instruct their national ambassadors accredited to the various developed countries to use all means at their disposal to place before high political and senior government officials the conclusions of the Meeting, and to promote their cause as necessary so as to create the most favourable climate possible for negotiations on the programme of action at the third session of the Conference.

8. The Ministerial Meeting recognized that, while the host country had over-all responsibility in publicizing the meeting, it was equally incumbent on all its members to share this responsibility through their respective national communications media: press, radio, television, etc.

9. The President of the Ministerial Meeting was requested to present the final document of the Meeting to the current session of the General Assembly of the United Nations, and to the Secretary-General of the United Nations. The President of the Ministerial Meeting, in this turn, invited the Rapporteur General of the Ministerial Meeting and the representatives of the three regional groups to accompany him on this mission.

# **IV. Measures for strengthening the cooperation among members of the Group of 77 within UNCTAD and with respect to other problems affecting their economic and social development**

10. For strengthening the cooperation among countries members of the Group of 77 within UNCTAD and with respect to other problems affecting their economic and social development, the Ministers decided that it is desirable:

(a) To establish in Geneva a small “Service Bureau” for purposes of documentation and archives for the work of the Group of 77;

(b) That the Group of 77 in Geneva should consider the possibility of establishing appropriate arrangements to prepare whatever documentation may be necessary for the Groups participation in the work of all bodies within the permanent machinery of UNCTAD.

11. The Ministers decided that the Group of 77 in Geneva should undertake a study of each of these proposals in all their aspects and on the modalities relating to these two measures and submit a report to the Group of 77 for final action at the third session of UNCTAD in Santiago.

**Notes**

1. See MM/77/II/Misc.1.

2. See *Report of the African Ministerial Meeting preparatory to UNCTAD III,* Addis Ababa, 8-14 October 1971 (E/CN.14/545), part II, Action Programme.

3. The Consensus of Lima, adopted at the Twelfth Meeting of CECLA (MM/77/II/Misc.3-CECLA/XII/DC/29/Rev.1).

4. See part two below.

5. See part three below.

6. See *Proceedings of the United Nations Conference on Trade and Development, Second Session, Volume I and Corr.1 and 3 and Add. 1-2, Report and Annexes* (United Nations publication, Sales No.E.68.II.D.14), p. 431.

7. See *Official Records of the General Assembly, Twenty Sixth Session, Supplement No.15* (A/8415/Rev.1), part three, annex II.

8. MM/77/II/Misc.3. See endnote 3 above.

9. MM/77/II/WG/CRP.1. Circulated to the Conference as document TD/L.48.

10. See MM/77/I/Misc.2, para.6.

11. See E/CN.14/545, part two “Action Programme”, preambular section, para.7.

12. UNCTAD/UNDP Project on Training and Advisory Services on the Generalized System of Preference (INT 27).

13. See *Official Records of the Trade and Development Board Tenth Session, Supplement No. 3* (TD/B/317), annex I.

14. See *Official Records of he Trade and Development Board, Tenth Session, Supplement No. 6A* (TD/B/329/Rev.1), part two, para. 192.

15. See Trade and Development Board decision 75 (S-IV), annex.

16. See *Official Records of the Trade and Development Board, Eleventh Session, Supplement No.2* (TD/B/352), para. 66.

17. See TD/B/AC.5/38, para. 47-59.

18. “An analysis of the effects of non-tariff barriers in developed market-economy countries on selected products or product-groups of export interest to developing countries: report by the UNCTAD secretariat”.

19. See *Official Records of the Trade and Development Board, Tenth Session, Supplement No.2* (TD/B/295), annex I.

20. United Nations publication, Sales No.E.72.II.D.13 and corrigendum (TD/104/Rev.1 and Corr.1).

21. “Proposal for a patent licensing convention: further observations by Brazil.”

22. World Plan of Action for the Application of Science and Technology to Development.

23. See Trade and Development Board resolution 82 (XI).

24. See *Official Records of the Trade and Development Board. Tenth Session, first, second and third parts, Annexes*, agenda item 13, document TD/B/308.

25. See *Official Records of the General Assembly, Twenty-sixth Session, Supplement No.15* (A/8415/Rev.1), part three, para.400.

26. *Ibid,* part three.

27. *Ibid,* annex 1, “Other decisions”, “Organizational structure of the third session of the Conference”.