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STUDY OF THE PROBLEMS OF RAW
MATERIALS AND DEVELOPMENT

Report of the Ad Hoc Committee of the Sixth Special Session

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(Upper Volta)

14. On 30 April 1974, the representatives of Afghanistan, Algeria, Argentina, Bahrain, Barbados, Bhutan, Bolivia, Botswana, Brazil, Burma, Burundi, Cameroon, the Central African Republic, Chad, Chile, Colombia, Congo, Costa Rica, Cuba, Cyprus, Dahomey, the Democratic Yemen, the Dominican Republic, Ecuador, Egypt, El Salvador, Equatorial Guinea, Ethiopia, Fiji, Gabon, Gambia, Ghana, Guatemala, Guinea, Guyana, Haiti, Honduras, India, Indonesia, Iran, Iraq, Ivory Coast, Jamaica, Jordan, Kenya, the Khmer Republic, Kuwait, Laos, Lebanon, Lesotho, Liberia, the Libyan Arab Republic, Madagascar, Malawi, Malaysia, Mali, Mauritania, Mauritius, Mexico, Morocco, Nepal, Nicaragua, Niger, Nigeria, Oman, Pakistan, Panama, Paraguay, Peru, Philippines, Qatar, Rwanda, Saudi Arabia, Senegal, Sierra Leone, Singapore, Somalia, Sri Lanka, the Sudan, Swaziland, the Syrian Arab Republic, Thailand, Togo, Trinidad and Tobago, Tunisia, Uganda, the United Arab Emirates, the United Republic of Tanzania, Upper Volta, Uruguay, Venezuela, Yemen, Yugoslavia, Zaire and Zambia submitted a proposal contained in document A/AC.166/L.47, which read as follows:

"Declaration on the Establishment of a New International
Economic Order

"We, the Members of the United Nations,

Having convened in a special session of the General Assembly for the first time to study the problems of raw materials and development, devoted to the consideration of the most important economic problems facing the world community, bearing in mind the spirit, purposes and principles of the Charter of the United Nations to promote the economic advancement and social progress of all peoples, solemnly proclaim our united determination to work urgently for

THE ESTABLISHMENT OF A NEW INTERNATIONAL ECONOMIC ORDER

based on equity, sovereign equality, interdependence, common interest and co-operation among all States, which shall correct inequalities and redress existing injustices, make it possible to eliminate the widening gap between the developed and the developing countries and ensure steadily accelerating economic and social development for present and future generations.

"1. The greatest and most significant achievement since the foundation of the United Nations has been the independence from colonial and alien domination of a large number of peoples and nations which has enabled them to become members of the community of free peoples. Technological progress has also been made in all spheres of economic activities in the last three decades, thus providing a solid potential for improving the well-being of all peoples. However, the remaining vestiges of alien domination, colonialism, foreign occupation, racial discrimination, apartheid and neo-colonialism in all its forms continue to be the greatest obstacles to the full emancipation and progress of the developing countries. The benefits of technological progress are not shared equitably by all members of the international community. The developing countries which constitute 70 per cent of the world population account for only 30 per cent of the world's income. It is not possible to achieve an even and balanced development of the international community under the existing international economic order. The gap between the developed and the developing countries continues to widen in a system that was established at a time when most of the developing countries did not even exist as independent States and which, by all its elements, perpetuates inequality.

"2. The present international economic order is in direct conflict with current developments in international political and economic relations. Since 1970, the world economy has experienced a series of grave crises which have had severe repercussions, especially on the developing countries because of their generally greater vulnerability to external economic impulses. The developing world has become a powerful factor that makes its influence felt in all fields of international activity. These irresistible changes in the relationship of forces in the world necessitate the active, full and equal participation of the developing countries in the formulation and application of all decisions that concern the international community.

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"3. All these changes have thrust into prominence the reality of interdependence of all the members of the world community. Current events have brought into sharp focus the realization that the interests of the developed countries can no longer be isolated from the interests of the developing countries; that there is close interdependence between the prosperity of the developed and the growth and the development of the developing countries, and that the prosperity of the international community as a whole depends upon the prosperity of its constituent parts and international development is a shared and common responsibility of all countries. Thus the political, economic and social well-being of present and future generations depends more than ever on co-operation between all members of the international community on the basis of sovereign equality and the removal of the disequilibrium that exists between them.

"4. The new international economic order should be founded on full respect for the following principles:

(a) Sovereign equality of States, self-determination of all peoples, inadmissibility of the acquisition of territories by force, territorial integrity and non-interference in the internal affairs of other States;

(b) Broadest co-operation of all the member States of the international community, based on equity, whereby the prevailing disparities in the world may be banished and prosperity secured for all;

(c) Equal participation of all countries in the solving of world economic problems in the common interest of all countries, bearing in mind the necessity to ensure the accelerated development of all the developing countries, while devoting particular attention to the adoption of special measures in favour of the least developed, land-locked and island developing countries as well as those developing countries most seriously affected by economic crises and natural calamities, without losing sight of the interests of other developing countries;

(d) Every country has the right to adopt the economic and social system that it deems to be the most appropriate for its own development and not to be subjected to discrimination of any kind as a result;

(e) Every country has the right to exercise permanent sovereignty over its natural resources and all economic activities. With this principle in mind:

(i) Every country has the right to exercise effective control over its natural resources and their exploitation with means suitable to its own situation, including the right of nationalization or transfer of ownership to its nationals;

(ii) The right of all States, territories and peoples under foreign occupation, colonial rule or apartheid, to restitution and full compensation for the exploitation and depletion of, and damages to, the natural resources, as well as the exploitation and manipulation of the human resources of those States, territories and peoples;

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- (iii) Nationalization is an expression of the sovereign right of every country to safeguard its resources; in this connexion, every country has the right to fix the amount of possible compensation and mode of payment, while possible disputes have to be solved in accordance with the domestic laws of every country.

This principle may be applied according to the national interests and laws of each country. It shall in no way affect the right of all States to conclude, in the free exercise of their sovereign will, agreements consonant with the purposes and principles of the United Nations.

(f) Control of the activities of transnational corporations by taking measures in the interest of the national economies of the countries where such transnational corporations operate on the basis of the full sovereignty of those countries;

(g) Right of the developing countries and the peoples of territories under colonial and racial domination and foreign occupation to struggle for their liberation and for the purpose of regaining effective control over their natural resources and economic activities;

(h) Extending of assistance to developing countries, peoples and territories under colonial and alien domination, foreign occupation, racial discrimination, apartheid or which are subjected to coercion, economic aggression or political pressure and neo-colonialism in all its forms and which have established or are endeavouring to establish effective control over their natural resources and economic activities that have been or are still under foreign control;

(i) Establishment of a just and equitable relationship between the prices of raw materials, primary products, manufactured and semi-manufactured goods exported by developing countries and the prices of raw materials, primary commodities, manufactures, capital goods and equipment imported by them with the aim of improving their terms of trade which have continued to deteriorate;

(j) Extension of active assistance to developing countries by the whole international community;

(k) Establishment of a new international monetary system one of whose main objectives is the promotion of development of the developing countries;

(l) Improving the competitiveness of natural materials facing competition from synthetic substitutes;

(m) Preferential and non-reciprocal treatment for developing countries in all fields of international economic co-operation, wherever possible;

(n) Securing favourable conditions for the transfer of financial resources to developing countries;

(o) To promote the transfer of technology and the creation of indigenous technology for the benefit of the developing countries in forms and in accordance with procedures which are suited to their economies;

(p) Necessity for all States to put an end to the waste of natural resources including food products;

(q) The need for developing countries to concentrate all their resources for the cause of development;

(r) Strengthening - through individual and collective actions - of mutual economic, trade, financial and technical co-operation among the developing countries on a preferential basis;

(s) Establishment and strengthening by developing countries of producers' associations in respect of major primary commodities of importance to the world economy.

"5. The unanimous adoption of the International Development Strategy for the Second Development Decade was an important step in the promotion of international economic co-operation on a just and equitable basis. The accelerated implementation of obligations and commitments assumed by the international community within the framework of the Strategy, particularly those concerning imperative development needs of developing countries, would contribute significantly to the fulfilment of the aims and objectives of the present Declaration.

"6. The United Nations is the only universal organization capable of dealing with problems of international economic co-operation in a comprehensive manner and ensuring equally the interests of all countries. It must have an even greater role in the establishment of a new international economic order. The Charter of Economic Rights and Duties of States, for the preparation of which this Declaration will provide an additional source of inspiration, will constitute a significant contribution in this respect. All the Member States of the United Nations are therefore called upon to exert maximum efforts with a view to securing the implementation of this Declaration which is one of the principal guarantees for the creation of better conditions for present and future generations to live in peace and well-being worthy of human dignity.

"7. This Declaration on the Establishment of a New International Economic Order shall be one of the most important bases of economic relations between all peoples and all nations."

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15. On the same date, the representatives listed in paragraph 14 above submitted a proposal contained in document A/AC.166/L.48, which read as follows:

"Programme of Action

"In view of the continuing severe economic imbalance in the relations between developed and developing countries, and in the context of the constant and continuing aggravation of the imbalance of the economies of the developing countries and the consequent need for the mitigation of their current economic difficulties, urgent and effective measures need to be taken by the international community to assist the developing countries, while devoting particular attention to the least developed, land-locked and island developing countries and those developing countries most seriously affected by economic crises and natural calamities leading to serious retardation of development processes.

With a view to ensuring the application of the Declaration on the Establishment of a New International Economic Order it will be necessary to adopt and implement within the specified period a programme of action of unprecedented scope and to bring about maximum economic co-operation and understanding between developed and developing countries.

PROGRAMME OF ACTION

"I. Fundamental problems of raw materials and primary commodities as related to trade and development

1. Raw materials

(a) To put an end to all forms of foreign occupation, racial discrimination, apartheid, colonial, neo-colonial and alien domination and exploitation through the exercise of permanent sovereignty over natural resources.

(b) Measures for the recovery, exploitation, development, marketing and distribution of natural resources, particularly of developing countries, to serve their national interests, to promote collective self-reliance among them, and to strengthen mutually beneficial international economic co-operation with a view to bringing about the accelerated development of developing countries.

(c) Establishment and improvement of effective and appropriate producers' associations and joint marketing arrangements among developing countries to defend the prices of exportable primary commodities, to increase the sharing of markets and to stabilize markets for them.

(d) To establish a just and equitable relationship between prices of raw materials, primary commodities, semi-manufactured and manufactured goods exported by developing countries and the raw materials, primary commodities, food,

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manufactured and semi-manufactured goods and capital equipment imported by them and to establish a link between the prices of exports of developing countries and the prices of their imports from developed countries.

(e) Measures to reverse the continued trend of stagnation or decline in the real price of several commodities exported by developing countries, such as bananas, cocoa, tea, jute, kenaf, wool, bauxite, iron ore and tungsten, despite a general rise in commodity prices, resulting in a decline in the export earnings of these developing countries.

(f) Measures to expand the markets for natural products in relation to synthetics, taking into account the interests of the developing countries, and to utilize fully the ecological advantages of these products.

2. Food

(a) To take full account of specific problems of developing countries, particularly in times of food shortages, in the international efforts connected with the food problem.

(b) To take into account that, owing to lack of means, some developing countries have vast potentialities of unexploited or under-exploited land which, if reclaimed and put into practical use, would contribute considerably to the solution of the food crisis.

(c) The international community should undertake concrete and speedy measures with a view to arresting desertification, salination or any other similar phenomenon involving several developing countries, particularly in Africa, and gravely affecting the capacity of agricultural production of these countries. Furthermore, the international community should assist the developing countries affected by this phenomenon to develop the affected zones with a view to contributing to the solution of their food problems.

(d) To refrain from damaging or deteriorating natural resources and food resources, especially those derived from the sea, by preventing pollution and taking appropriate steps to protect and reconstitute those resources.

(e) Developed countries should refrain from:

(i) Adopting any measures relating to production and stocks of food which have a detrimental effect on volume available and affect developing countries which produce the same products and also affect developing importing countries by artificially increasing prices.

(ii) Protecting by means of tariff or non-tariff barriers or other methods inefficient producers in the developed world at the cost of developing countries which produce the same products.

Moreover it is necessary to:

(f) Ensure that developing countries can import the necessary quantity of food without undue strain on their foreign exchange resources and without unpredictable deterioration in their balance of payments. In this context, special measures to be taken in respect of the least developed, the land-locked and island developing countries as well as those developing countries most seriously affected by economic crises and natural calamities.

(g) Ensure that concrete measures to increase food production and storage facilities in developing countries should be introduced, inter alia, by ensuring increased availability of all essential inputs, including fertilizers, from developed countries on favourable terms.

(h) Ensure unrestricted export markets for food products of developing countries through just and equitable arrangements, inter alia, by the elimination of protective measures and other measures which constitute unfair competition.

3. General trade

(a) Measures for the amelioration of terms of trade of developing countries and concrete steps to eliminate chronic trade deficits of developing countries.

(i) Fulfilment of commitments already undertaken in UNCTAD and in the International Development Strategy.

(ii) Improved access to markets in developed countries through the removal of tariff and non-tariff barriers and elimination of restrictive business practices.

(iii) Expeditious formulation of commodity agreements in order to regulate and stabilize the world market for raw materials and primary commodities.

(iv) An over-all integrated plan should be prepared for ensuring just and stable markets for a comprehensive range of commodities of export interest to developing countries.

(v) Where products of developing countries compete with the domestic production of developed countries, each developed country should allocate an increasing percentage of its consumption of such products to exports from developing countries. Pending the removal of tariff and non-tariff barriers and the elimination of restrictive business practices, and when the importing developed countries derive receipts from customs duties, taxes and other protective measures applied to imports of these products, those receipts should be reimbursed in full to the exporting developing countries.

(vi) Developed countries should make structural adjustments of their economies so as to facilitate the expansion of imports from developing countries and thereby permit a just and equitable international division of labour.

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(vii) Set up general principles for pricing policy for commodities which would be remunerative and equitable, taking into account the development needs of the developing countries. In the case of exports of products for which prices and markets cannot be stabilized, provide for arrangements financed at the international level to pay the developing countries the difference between the minimum remunerative price for those products and their real market price.

(viii) Implementation, improvement and enlargement of the system of generalized scheme of preferences for exports of manufactures and semi-manufactures from developing to developed countries and extension of that system to commodities, including those which are processed or semi-processed. Developing countries which are or will be sharing their existing tariff advantages in some developed countries as the result of the introduction and eventual enlargement of the generalized system of preferences should, as a matter of urgency, be granted new openings in the markets of other developed countries which should offer them export opportunities that at least compensate for the sharing of those advantages.

(ix) Setting up of buffer stocks and their financing by the international financial institutions, the developed countries and - when they are able to do so - by the developing countries, the aim being to favour the producing and consuming developing countries.

(x) New investment for the expansion of capacity of production of synthetic materials and substitutes should not be made except to the extent that natural materials cannot satisfy the requirements of the market.

(b) Multilateral trade negotiations between developed and developing countries should be guided by principles of non-reciprocity and preferential treatment of developing countries, and seeking of sustained and additional benefits for the international trade of developing countries, so as to achieve a substantial increase in their foreign exchange earnings, diversification of their exports and acceleration of the rate of their economic growth.

(c) Freight and insurance:

Measures will have to be taken:

(i) to promote an increasing and equitable participation of developing countries in the world shipping tonnage;

(ii) to arrest and reduce the ever-increasing freight rates in order to reduce the cost of imports to, and exports from, the developing countries;

(iii) to reduce cost of insurance and reinsurance for developing countries and to assist the growth of national insurance and reinsurance markets in developing countries and the establishment to this end, where appropriate, of institutions in these countries or at the regional level;

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(iv) to ensure the immediate implementation by all countries of the code of conduct for liner conferences.

(d) Urgent measures to be taken to increase the import and export capability of the least developed countries and to offset the disadvantages of the adverse geographic situation of land-locked countries as well as developing island countries in order to increase their trading ability.

(e) The developed countries must refrain from imposing measures or implementing policies designed to prevent the importation, at equitable prices, of commodities from the developing countries or from hampering the implementation of domestic measures and policies adopted by the developing countries in order to improve prices and encourage the export of such commodities.

"II. International monetary system and financing of development of developing countries

1. The reform of the international monetary system should have inter alia the following objectives:

(a) Measures to check the inflation already experienced by the developed countries, to compensate for its effects on the economies of the developing countries and to prevent it from being transferred to those countries;

(b) Measures to eliminate the instability of the international monetary system, in particular the uncertainty of the exchange rates, affecting adversely the trade in commodities;

(c) Guarantee of the real value of the currency reserves of the developing countries;

(d) Full and effective participation of developing countries in all phases of decision-making for the formulation of an equitable and durable monetary system and adequate participation of developing countries in all bodies entrusted with this reform and, particularly, in the Governors' Council.

(e) Adequate and orderly creation of additional liquidity for the developing countries through the additional allocation of Special Drawing Rights (SDRs). Any creation of international liquidity should be made through international multilateral mechanisms.

(f) Early establishment of links between SDRs and additional development financing in the interest of developing countries.

(g) The International Monetary Fund (IMF) to ensure effective participation by developing countries in the decision-making process through the reform of the existing voting system.

(h) Establishment of rules to encourage an increasing net transfer of real resources from the developed to the developing countries.

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2. Financing of development of developing countries and urgent measures to meet balance-of-payment crises in the developing world

(a) Implementation at an accelerated pace by the developed countries of the time-bound programme, as already laid down in the international development strategy for the Second Decade, for the net flow of financial resources to developing countries. The official component of the net transfer of financial resources to developing countries should be increased to meet the target of the international development strategy and should exceed it.

(b) International financing institutions to effectively play their role as development financing banks without resorting to political discrimination against any developing country, assistance being untied.

(c) Establishment of new international fund facility to provide immediate as well as longer term balance-of-payment deficits financing for developing countries.

(d) Review the methods of operation of the IMF, in particular the terms for both credit repayments and "standby" arrangements, system and terms of compensatory financing of commodity buffer stocks, to enable developing countries to make more effective use of them.

(e) Exemption of the developing countries from all import and capital outflow controls imposed by the developed countries.

(f) Promotion of foreign investment both public and private from developed to developing countries in accordance with the needs and requirements in sectors of their economies as determined by the recipient countries.

(g) Appropriate international action to be taken before 31 December 1975 to neutralize adverse consequences for the current and future development of developing countries arising from the burden of external debt contracted on hard terms.

(h) Appropriate measures to lighten the heavy debt-servicing burden, specifically by rescheduling it in such a manner that no country in any event is faced with payments more than 5 per cent higher than its export earnings, and the granting of new loans to the developing countries on more favourable terms than in the past, namely by extending the repayment period from 30 to 50 years, having interest rates of not more than 3 per cent and including a provisional derogation clause.

(i) International financial institutions to increasingly reorient their lending policies (long-term lending interest, grants, loans etc.) to suit the urgent needs of developing countries. There is also need for improvement in policies and practices of international financial institutions in regard to inter alia, development financing and international monetary problems.

(j) Appropriate steps to be taken to give priority to the least-developed, land-locked and island developing countries and to the countries most seriously affected by economic crises and natural calamities, in the allocation of SDRs and the availability of loans for development purposes which should include more favourable terms and conditions.

"III. Industrialization

Measures should be taken by the international community to encourage the industrialization of the developing countries. To this end:

(a) The developed countries should respond favourably, within the framework of their public assistance as well as international financial institutions, existing or to be established, to the requests of developing countries for the financing of industrial projects;

(b) The developed market economy countries should encourage private investors to finance industrial production projects, particularly export-oriented production, in developing countries, in agreement with the latter and within the context of their laws and regulations;

(c) With a view to establishing a new international division of labour, the developed countries and the agencies of the United Nations system in co-operation with the developing countries should contribute to setting up new industrial capacities including raw material and commodity transforming facilities as a matter of priority in the developing countries that produce those raw materials and commodities.

"IV. Transfer of technology

(a) Formulation, adoption and implementation of a code of conduct for the transfer of technology corresponding to needs and conditions prevalent in developing countries.

(b) Easier and less costly access to modern technology and the adaptation of that technology, as appropriate, to specific economic and social conditions and varying stages of development in developing countries.

(c) Significant expansion in assistance from developed to developing countries in programmes of research and development and creation of suitable indigenous technology.

(d) Harmonization of commercial practices governing transfer of technology with the requirements of the developing countries.

"V. Regulation and control over the activities of transnational corporations

Formulation, adoption and implementation of an international code of conduct for transnational corporations in order to:

(a) Put an end to their practices and activities of interfering in the internal affairs of the countries where they operate.

(b) Regulate their activities to conform to the national development plans and objectives of developing countries.

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(c) Bring about assistance, transfer of technology and management skills to developing countries on favourable terms.

(d) Regulate the repatriation of the profits accruing from their operations.

(e) Promote reinvestment of their profits in developing countries.

"VI. Charter of Economic Rights and Duties of States

The Charter of Economic Rights and Duties of States, the draft of which is presently being prepared by a working group of the United Nations and which the General Assembly has already expressed the intention of adopting at its forthcoming twenty-ninth session, shall constitute an effective instrument towards the establishment of a new system of international economic relations based on equity and interdependence of the interests of developed and developing countries. It is therefore of vital importance that the charter be adopted by the General Assembly at its next regular session.

"VII. Promotion of co-operation among developing countries

1. Collective self-reliance and growing co-operation among developing countries will further strengthen their role in the new international economic order. Developing countries, with a view to expanding co-operation at the regional, subregional and interregional levels should take further steps inter alia:

(a) To support the establishment and/or improvement of appropriate machinery to defend the prices of their exportable commodities and to improve access to and to stabilize markets for them. In this context the increasingly effective mobilization by the whole group of oil exporting countries of their natural resources for the benefit of their economic development is to be welcomed. At the same time there is the paramount need for co-operation among the developing countries in evolving urgently and in a spirit of solidarity all possible means to assist developing countries to cope with the immediate problems resulting from this legitimate and perfectly justified action. The measures already taken in this regard are a positive indication of the evolving co-operation between developing countries.

(b) To protect their inalienable right to permanent sovereignty over their natural resources.

(c) To promote, establish or strengthen economic integration at the regional and subregional levels.

(d) To increase considerably their imports from other developing countries.

(e) No developing country should accord to imports from developed countries more favourable treatment than that accorded to imports from developing countries. Wherever possible preferential treatment should be given to the procurement of import requirements from other developing countries. Wherever possible, preferential treatment should be given to imports from developing countries and the exports of those countries.

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(f) To promote close co-operation in the fields of finance, credit relations and monetary issues, including the development of credit relations on a preferential basis and on favourable terms.

(g) To strengthen efforts which are already being made by developing countries to utilize available financial resources for financing development in the developing countries through investment, financing of export-oriented and emergency projects and other long-term assistance.

(h) To promote and establish effective instruments of co-operation in the fields of industry, science and technology, transport, shipping and mass communication media.

2. Developed countries shall support initiatives in the regional, subregional and interregional co-operation of developing countries through the extension of financial and technical assistance to an extent greater than that among the developing countries themselves and through more effective and concrete actions in the field of commercial policy.

"VIII. Strengthening the role of the United Nations system in the field of international economic co-operation

1. In accordance with the aims and objectives of the Declaration on the Establishment of a New International Economic Order, all Member States pledge themselves to make full use of the United Nations system in the implementation of this Programme of Action they have jointly adopted in the establishment of a new international economic order and thus strengthen the role of the United Nations in the field of world-wide co-operation for economic and social development.

2. The General Assembly of the United Nations shall conduct an over-all review of the implementation of the Programme of Action as a priority item.

3. The Economic and Social Council shall define the policy framework and co-ordinate the activities of all organizations, institutions and subsidiary bodies within the United Nations system which shall be entrusted with the task of implementing this Programme.

In order to enable the Economic and Social Council to carry out its tasks effectively:

(a) All organizations, institutions and subsidiary bodies concerned shall submit to the Economic and Social Council (ECOSOC) progress reports on the implementation of this Programme within their respective fields of competence as often as possible and in any case not later than every six months.

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(b) The Economic and Social Council shall examine the progress reports as a matter of urgency, to which end it may be convened in special sessions or, if need be, may function continuously. It shall draw the attention of the General Assembly to the problems and difficulties arising in connexion with the implementation of this Programme.

4. All organizations, institutions, subsidiary bodies and conferences of the United Nations system are entrusted with the implementation of this Programme of Action.

5. Urgent and effective measures should be taken with a view to making the existing international monetary and financial institutions fully responsive to the needs and requirements of the developing countries. A fundamental reform of their lending policies and practices should be undertaken. An agreement should be reached on the reform of the international monetary system by 31 July 1974.

6. The developed countries should contribute substantially to the various organizations, programmes and funds established within the United Nations system for the purpose of accelerating economic and social development in developing countries. The activities of UNCTAD should be strengthened for the purpose of following the development of commercial transactions in raw materials throughout the world.

7. This Programme of Action complements and strengthens the goals and objectives embodied in the International Development Strategy as well as the new measures formulated by the General Assembly at its twenty-eighth session to offset the shortfalls in achieving those goals and objectives.

8. The implementation of the Programme of Action should be taken into account at the time of medium-term review and appraisal of the International Development Strategy for the Second Development Decade. New commitments, changes, additions and adaptations in the International Development Strategy should be made, as appropriate, so as to bring it into conformity with the Declaration on the Establishment of a New International Economic Order and this Programme of Action.

"IX. Assistance in the exercise of permanent sovereignty of States over natural resources

(a) The adoption of all necessary measures to defeat attempts to counteract the positive effects of the nationalization of foreign property on the economy of developing countries;

(b) Entrusting the competent agencies of the United Nations system with the task of providing necessary technical and financial assistance, particularly the secondment of experts and technicians, to developing countries requesting such assistance for the purpose of ensuring continuity in the operation of nationalized means of production.

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- "X. Special programme, including particularly emergency measures to mitigate the difficulties of the developing countries most seriously affected by economic crisis bearing in mind the particular problem of the least developed and land-locked countries

The General Assembly,

Considering that:

(1) The sharp increase in the prices of their essential imports such as food, fertilizers, energy products, capital goods, equipment and services, including transportation and transit costs, have greatly exacerbated the increasingly adverse terms of trade of a number of developing countries, added to the burden of their foreign debt and, cumulatively, created a situation which, if left untended, will make it impossible for them to finance their essential imports and development and result in a further deterioration in the levels and conditions of life in these countries. The present crisis is the outcome of all the problems that have accumulated over the years: in the field of trade, in monetary reform, the world-wide inflationary situation, inadequacy and delay in provision of financial assistance and many other similar problems in the economic and developmental fields. In facing the crisis, this complex situation must be borne in mind so as to ensure that the special programme adopted by the international community provides emergency relief and timely assistance to the most seriously affected countries. Simultaneously, steps are taken to resolve these outstanding problems through a fundamental restructuring of the world economic system, in order to allow these countries while solving the present difficulties to reach an acceptable level of development.

(2) The special measures adopted to assist the most seriously affected countries must encompass not only the relief which they require on an emergency basis to maintain their import requirements but also, beyond that, steps to consciously promote the capacity of these countries to produce and earn more. Unless such a comprehensive approach is adopted there is every likelihood that the difficulties of the most seriously affected countries may be perpetuated. Nevertheless, the first and most pressing task of the international community is to enable these countries to meet the short-fall in their balance of payments positions. But this must be simultaneously supplemented by additional development assistance to maintain and thereafter accelerate their rate of economic development.

(3) The countries which have been most seriously affected are precisely those which are at the greatest disadvantage in the world economy: the least developed, the land-locked and other low-income developing countries as well as other developing countries whose economies have been seriously dislocated as a result of the present economic crisis, natural calamities, and foreign aggression and occupation. An indication of the countries thus affected, the level of the impact

on their economies and the kind of relief and assistance they require can be assessed on the basis, inter alia, of the following criteria:

- (i) Low per capita income as a reflection of relative poverty, low productivity, low level of technology and development.
- (ii) Sharp increase in their import cost of essentials relative to export earnings.
- (iii) High ratio of debt servicing to export earnings.
- (iv) Insufficiency in export earnings, comparative inelasticity of export incomes and unavailability of exportable surplus.
- (v) Low level of foreign exchange reserves or their inadequacy for requirements.
- (vi) Adverse impact of higher transportation and transmit costs.
- (vii) Relative importance of foreign trade in development process.

(4) The assessment of the extent and nature of the impact on the economies of the most seriously affected countries must be made flexible keeping in mind the present uncertainty in the world economy, the adjustment policies that may be adopted by the developed countries, the flow of capital and investment. Estimates of the payments situation and needs of these countries can be assessed and projected reliably only on the basis of their average performance over a number of years. Long-term projections, at this time, cannot but be uncertain.

(5) It is important that in the special measures to mitigate the difficulties of the most seriously affected countries all the developed countries as well as developing countries should contribute according to their level of development and the capacity and strength of their economies. It is notable that some developing countries, despite their own difficulties and development needs, have shown a willingness to play a concrete and helpful role in ameliorating the difficulties faced by the poorer developing countries. The various initiatives and measures taken recently by certain developing countries with adequate resources on a bilateral and multilateral basis to contribute to alleviating the difficulties of other developing countries are a reflection of their commitment to the principle of effective economic co-operation among developing countries.

(6) The response of the developed countries which have by far the greater capacity to assist the affected countries in overcoming their present difficulties must be commensurate with their responsibilities. Their assistance should be in addition to the presently available levels of aid. They should fulfil and if

possible exceed the targets of the International Development Strategy on financial assistance to the developing countries, especially that relating to Official Development Assistance. They should also give serious consideration to the cancellation of the external debts of the most seriously affected countries. This would provide the simplest and quickest relief to the affected countries. Favourable consideration should also be given to debt moratorium and rescheduling. The current situation should not lead the industrialized countries to adopt what will ultimately prove to be a self-defeating policy aggravating the present crisis.

Recalling the constructive proposals made by His Imperial Majesty the Shahanshah of Iran and His Excellency President Boumediène of Algeria,

1. Decides to launch a Special Programme to provide emergency relief and development assistance to the developing countries most seriously affected, as a matter of urgency, and for the period of time necessary, at least until the end of the Second Development Decade, to help them overcome their present difficulties and to achieve self-sustaining economic development;

2. Decides as a first step in the Special Programme to request the Secretary-General to launch an emergency operation to provide timely relief to the most seriously affected developing countries as defined in paragraph 3 of the preamble with the aim of maintaining unimpaired essential imports for the duration of the coming 12 months and to invite the industrialized countries and other potential contributors to announce their contributions for emergency assistance or intimate their intention to do so by 15 June 1974 to be provided through bilateral or multilateral channels, taking into account commitments and measures of assistance announced or already taken by some countries and further requests the Secretary-General to report the progress of the emergency operation to the twenty-ninth session of the General Assembly through the Economic and Social Council at its fifty-seventh session;

3. Calls upon the industrialized countries and other potential contributors to extend immediate relief and assistance to the most seriously affected countries which must be of an order of magnitude that is commensurate with the needs of these countries. Such assistance should be in addition to the existing level of aid and provided at a very early date to the maximum possible extent on grant basis and where not possible on soft terms. The disbursement and relevant operational procedures and terms must reflect this exceptional situation. The assistance could be provided either through bilateral or multilateral channels, including such new institutions and facilities that have been or are to be set up. The special measures may include the following:

- (i) Special arrangements on particularly favourable terms and conditions including possible subsidies for and assured supplies of essential commodities and goods;
- (ii) Deferred payments for all or part of imports of essential commodities and goods;

- (iii) Commodity assistance, including food aid, on grant basis or deferred payments in local currencies, bearing in mind that this should not adversely affect the export of developing countries;
- (iv) Long-term suppliers' credits on easy terms;
- (v) Long-term financial assistance on concessionary terms;
- (vi) Drawings from special IMF facilities on concessional terms;
- (vii) Establishment of a link between the creation of SDRs and development assistance, taking into account the additional financial requirement of the most seriously affected countries;
- (viii) Subsidies, provided bilaterally or multilaterally, for interest on funds available on commercial terms borrowed by most seriously affected countries;
- (ix) Debt renegotiation on a case-by-case basis with a view to concluding agreements on debt cancellation, moratorium or rescheduling;
- (x) Provision on more favourable terms of capital goods and technical assistance to accelerate the industrialization of the affected countries;
- (xi) Investment in industrial and development projects on favourable terms;
- (xii) Subsidizing the additional transit and transport costs, especially of the land-locked countries;

4. Appeals to the developed countries to consider favourably the cancellation, moratorium or rescheduling of the debts of the most seriously affected developing countries on their request as an important contribution to mitigating the grave and urgent difficulties of these countries;

5. Decides to establish a special fund under the auspices of the United Nations, through voluntary contributions from industrialized countries and other potential contributors, as a part of the special programme, to provide emergency relief and development assistance, which will commence its operations at the latest by 1 January 1975;

6. Establishes an ad hoc intergovernmental committee of _____ Member States to:

- (i) Make recommendations on the scope, machinery, modes of operation etc. of the special fund, taking into account the need for:
 - (a) equitable representation on its governing body;
 - (b) equitable distribution of its resources;

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- (c) full utilization of the services and facilities of existing international organizations;
- (d) the possibility of merging the United Nations Capital Development Fund with the operations of the special fund;
- (e) a central monitoring body to oversee the various measures being taken both bilaterally and multilaterally;

and, to this end, bearing in mind the different ideas and proposals made at the sixth special session, including those contained in documents A/AC.166/L.15 and A/PV.2208 and comments thereon and the possibility of utilizing the special fund to provide an alternative channel for normal development assistance after the emergency period;

- (ii) Monitor, pending commencement of the operations of the special fund, the various measures being taken both bilaterally and multilaterally to assist the most seriously affected countries;
- (iii) Prepare, on the basis of information provided by the countries concerned and by appropriate agencies of the United Nations system, a broad assessment of:
 - (a) the magnitude of the difficulties facing the most seriously affected countries;
 - (b) the kind and quantities of the commodities and goods essentially required by them;
 - (c) their need for financial assistance;
 - (d) their technical assistance requirements, including especially access to technology;

7. Requests the Secretary-General of the United Nations, the Secretary-General of the United Nations Conference on Trade and Development, the President of the International Bank for Reconstruction and Development, the Managing Director of the International Monetary Fund, the Administrator of the United Nations Development Programme and the heads of the other competent international organizations to assist the Ad Hoc Committee in performing the functions assigned to it under operative paragraph 6, and help, as appropriate, in the operations of the special fund;

8. Requests the International Monetary Fund to expedite decisions on:

- (a) The establishment of an extended special facility with a view to enabling the most seriously affected developing countries to participate in it on favourable terms;
- (b) The creation of SDRs and the early establishment of the link between the allocation of SDRs and development financing; and

(c) The establishment and operation of the proposed new special facility to extend credits and subsidize interest charges on commercial funds borrowed by Member States bearing in mind the interest of the developing countries and especially the additional financial requirements of the most seriously affected countries;

9. Requests the World Bank Group and the IMF to place their managerial, financial and technical services at the disposal of Governments contributing to emergency financial relief so as to enable them to assist without delay in channelling funds to the recipients, making such institutional and procedural changes as may be required;

10. Invites the UNDP to take the necessary steps, particularly at the country level, to respond on an emergency basis to requests for additional assistance which it may be called upon to render within the framework of the special programme;

11. Requests the Ad Hoc Committee to submit its report and recommendations to the Economic and Social Council at its fifty-seventh session and invites the Council, on the basis of its consideration of this report, to submit suitable recommendations to the General Assembly at its twenty-ninth session.

12. Decides to consider, within the framework of a new international economic order, as a matter of high priority the question of special measures for the most seriously affected countries at the twenty-ninth session of the General Assembly."

16. On the same date, the United States of America submitted a draft resolution (A/AC.166/L.49), which was subsequently withdrawn. The draft resolution read as follows:

"Special programme

"The General Assembly,

"1. Decides in principle to establish a special programme with a \$4,000 million target for new additional emergency relief and development assistance for developing countries most seriously affected by the current economic crisis in order to help them overcome their present difficulties and to achieve self-sustained economic development;

"2. Calls upon the industrialized countries, developing countries whose income from exports has greatly increased in recent months, and other potential contributors, to extend immediate relief and assistance to the most seriously affected countries. The relief must be of an order of magnitude that is commensurate with the needs of these countries. Such relief and assistance must be in addition to the existing levels of aid and, if in the form of aid, provided on "grant" or "soft" terms, and be provided by the end of 1975. The criteria for disbursement and relevant operational procedures and terms must reflect the essential characteristics of this exceptional situation. The assistance could be provided either through bilateral or multilateral channels. The special measures may include the following:

"(a) Concessional commodity assistance, including petroleum, fertilizer, and food aid, on a grant basis or deferred payments in local currencies;

"(b) Deferred payments for all or part of imports of essential commodities and goods;

"(c) Long-term suppliers' credits on easy terms;

"(d) Specialized technical assistance to eliminate economic bottlenecks, enhance food and fertilizer distribution and storage facilities, and generally assist emergency and development assistance programmes;

"(e) Long-term financial assistance on concessionary terms;

"(f) Contributions on special terms for drawings from a special International Monetary Fund (IMF) facility;

"(g) Agreements for bilateral debt renegotiation on a case-by-case basis where default appears unavoidable;

"(h) Provision on more favourable terms of financial resources, capital goods, and technical assistance to accelerate the industrialization of affected countries;

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"(i) Investment in industrial and development projects on favourable terms;

"(j) Subsidy for additional transport and transit costs, particularly of land-locked developing countries;

"3. Requests the Secretary-General to launch a world-wide appeal to Member States to provide relief to the most seriously affected developing countries with the aim of maintaining unimpaired essential imports and to invite industrialized countries, developing countries whose income from exports has greatly increased in recent months, and other potential contributors to provide emergency relief to the most seriously affected countries, either bilaterally or through multilateral institutions;

"4. Requests the Economic and Social Council at its present session to establish an ad hoc committee of Council members which would on the basis of information provided by member States and competent organizations of the United Nations system:

"(a) Identify the developing countries most seriously affected by the current economic crisis;

"(b) Prepare an assessment of the volume and kind of assistance required by the most seriously affected countries over the course of the next 18 months to overcome their difficulties;

"(c) Monitor various measures being taken bilaterally and multilaterally to assist the most seriously affected countries;

"5. Requests the Secretary-General, the Secretary-General of the United Nations Conference on Trade and Development, and the President of the International Bank for Reconstruction and Development, the Executive Director of the IMF and heads of other competent international organizations to assist the ad hoc committee in performing functions assigned to it under operative paragraph 4;

"6. Requests the ad hoc committee to submit its report and recommendations to the Council at its fifty-seventh session and invites the Council, on the basis of its consideration of the ad hoc committee's report, to submit suitable recommendations to the General Assembly at its twenty-ninth session;

"7. Decides to consider as a matter of high priority the question of special measures for the most seriously affected countries at its twenty-ninth session."

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17. At the 21st meeting, on 1 May 1974, the Chairman of the Ad Hoc Committee introduced two proposals contained in documents A/AC.166/L.50 and A/AC.166/L.51. The Committee adopted these proposals without a vote (see paragraph 19 below, draft resolutions I and II). In the light of this decision, the sponsors of the proposals contained in documents A/AC.166/L.47 and A/AC.166/L.48 (see paragraphs 14 and 15 above) did not press for a vote on their proposals.

18. At the same meeting, on the proposal of Tunisia, the Committee decided to recommend to the General Assembly that the draft resolutions contained in documents A/AC.166/L.35/Rev.1, L.41, L.42, L.44, L.45 and L.46 (see paragraphs 8 to 13 above) should be referred to the Economic and Social Council at its fifty-sixth session.

RECOMMENDATIONS OF THE AD HOC COMMITTEE

19. The Ad Hoc Committee recommends to the General Assembly the adoption of the following draft resolutions:

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DRAFT RESOLUTION I

Declaration on the Establishment of a New International Economic Order

The General Assembly

Adopts the following Declaration:

DECLARATION ON THE ESTABLISHMENT OF A NEW INTERNATIONAL ECONOMIC ORDER

We, the Members of the United Nations,

Having convened a special session of the General Assembly to study for the first time the problems of raw materials and development, devoted to the consideration of the most important economic problems facing the world community,

Bearing in mind the spirit, purposes and principles of the Charter of the United Nations to promote the economic advancement and social progress of all peoples,

Solemnly proclaim our united determination to work urgently for

THE ESTABLISHMENT OF A NEW INTERNATIONAL ECONOMIC ORDER

based on equity, sovereign equality, interdependence, common interest and co-operation among all States, irrespective of their economic and social systems which shall correct inequalities and redress existing injustices, make it possible to eliminate the widening gap between the developed and the developing countries and ensure steadily accelerating economic and social development in peace and justice for present and future generations.

1. The greatest and most significant achievement during the last decades has been the independence from colonial and alien domination of a large number of peoples and nations which has enabled them to become members of the community of free peoples. Technological progress has also been made in all spheres of economic activities in the last three decades, thus providing a solid potential for improving the well-being of all peoples. However, the remaining vestiges of alien and colonial domination, foreign occupation, racial discrimination, apartheid and

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neo-colonialism in all its forms continue to be among the greatest obstacles to the full emancipation and progress of the developing countries and all the peoples involved. The benefits of technological progress are not shared equitably by all members of the international community. The developing countries, which constitute 70 per cent of the world population, account for only 30 per cent of the world's income. It has proved impossible to achieve an even and balanced development of the international community under the existing international economic order. The gap between the developed and the developing countries continues to widen in a system which was established at a time when most of the developing countries did not even exist as independent States and which perpetuates inequality.

2. The present international economic order is in direct conflict with current developments in international political and economic relations. Since 1970, the world economy has experienced a series of grave crises which have had severe repercussions, especially on the developing countries because of their generally greater vulnerability to external economic impulses. The developing world has become a powerful factor that makes its influence felt in all fields of international activity. These irreversible changes in the relationship of forces in the world necessitate the active, full and equal participation of the developing countries in the formulation and application of all decisions that concern the international community.

3. All these changes have thrust into prominence the reality of interdependence of all the members of the world community. Current events have brought into sharp focus the realization that the interests of the developed countries and the interests of the developing countries can no longer be isolated from each other; that there is close interrelationship between the prosperity of the developed countries and the growth and development of the developing countries, and that the prosperity of the international community as a whole depends upon the prosperity of its constituent parts. International co-operation for development is the shared goal and common duty of all countries. Thus the political, economic and social well-being of present and future generations depends more than ever on co-operation between all members of the international community on the basis of sovereign equality and the removal of the disequilibrium that exists between them.

4. The new international economic order should be founded on full respect for the following principles:

(a) Sovereign equality of States, self-determination of all peoples, inadmissibility of the acquisition of territories by force, territorial integrity and non-interference in the internal affairs of other States;

(b) Broadest co-operation of all the member States of the international community, based on equity, whereby the prevailing disparities in the world may be banished and prosperity secured for all;

(c) Full and effective participation on the basis of equality of all countries in the solving of world economic problems in the common interest of all countries, bearing in mind the necessity to ensure the accelerated development of all the developing countries, while devoting particular attention to the adoption of special measures in favour of the least developed, land-locked and island developing countries as well as those developing countries most seriously affected by economic crises and natural calamities, without losing sight of the interests of other developing countries;

(d) Every country has the right to adopt the economic and social system that it deems to be the most appropriate for its own development and not to be subjected to discrimination of any kind as a result;

(e) Full permanent sovereignty of every State over its natural resources and all economic activities. In order to safeguard these resources, each State is entitled to exercise effective control over them and their exploitation with means suitable to its own situation, including the right to nationalization or transfer of ownership to its nationals, this right being an expression of the full permanent sovereignty of the State. No State may be subjected to economic, political or any other type of coercion to prevent the free and full exercise of this inalienable right;

(f) All States, territories and peoples under foreign occupation, alien and colonial domination or apartheid have the right to restitution and full compensation for the exploitation and depletion of, and damages to, the natural and all other resources of those States, territories and peoples;

(g) Regulation and supervision of the activities of transnational corporations by taking measures in the interest of the national economies of the countries where such transnational corporations operate on the basis of the full sovereignty of those countries;

(h) Right of the developing countries and the peoples of territories under colonial and racial domination and foreign occupation to achieve their liberation and to regain effective control over their natural resources and economic activities;

(i) Extending of assistance to developing countries, peoples and territories under colonial and alien domination, foreign occupation, racial discrimination or apartheid or which are subjected to economic, political or any other type of measures to coerce them in order to obtain from them the subordination of the exercise of their sovereign rights and to secure from them advantages of any kind, and to neo-colonialism in all its forms and which have established or are endeavouring to establish effective control over their natural resources and economic activities that have been or are still under foreign control;

(j) Just and equitable relationship between the prices of raw materials, primary products, manufactured and semi-manufactured goods exported by developing countries and the prices of raw materials, primary commodities, manufactures, capital goods and equipment imported by them with the aim of bringing about sustained improvement in their unsatisfactory terms of trade and the expansion of the world economy;

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(k) Extension of active assistance to developing countries by the whole international community, free of any political or military conditions;

(l) Ensuring that one of the main aims of the reformed international monetary system shall be the promotion of the development of the developing countries and the adequate flow of real resources to them;

(m) Improving the competitiveness of natural materials facing competition from synthetic substitutes;

(n) Preferential and non-reciprocal treatment for developing countries wherever feasible, in all fields of international economic co-operation, wherever feasible;

(o) Securing favourable conditions for the transfer of financial resources to developing countries;

(p) To give to the developing countries access to the achievements of modern science and technology, to promote the transfer of technology and the creation of indigenous technology for the benefit of the developing countries in forms and in accordance with procedures which are suited to their economies;

(q) Necessity for all States to put an end to the waste of natural resources, including food products;

(r) The need for developing countries to concentrate all their resources for the cause of development;

(s) Strengthening - through individual and collective actions - of mutual economic, trade, financial and technical co-operation among the developing countries mainly on a preferential basis;

(t) Facilitating the role which producers associations may play, within the framework of international co-operation, and in pursuance of their aims, inter alia, assisting in promotion of sustained growth of world economy and accelerating development of developing countries;

5. The unanimous adoption of the International Development Strategy for the Second Development Decade was an important step in the promotion of international economic co-operation on a just and equitable basis. The accelerated implementation of obligations and commitments assumed by the international community within the framework of the Strategy, particularly those concerning imperative development needs of developing countries, would contribute significantly to the fulfilment of the aims and objectives of the present Declaration;

6. The United Nations as a universal organization should be capable of dealing with problems of international economic co-operation in a comprehensive manner and ensuring equally the interests of all countries. It must have an even greater role in the establishment of a new international economic order. The

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Charter of Economic Rights and Duties of States, for the preparation of which this Declaration will provide an additional source of inspiration, will constitute a significant contribution in this respect. All the States Members of the United Nations are therefore called upon to exert maximum efforts with a view to securing the implementation of this Declaration, which is one of the principal guarantees for the creation of better conditions for all peoples to reach a life worthy of human dignity.

7. This Declaration on the Establishment of a New International Economic Order shall be one of the most important bases of economic relations between all peoples and all nations.

DRAFT RESOLUTION II

Programme of Action on the Establishment of a New
International Economic Order

The General Assembly

Adopts the following Programme of Action:

PROGRAMME OF ACTION ON THE ESTABLISHMENT OF A NEW INTERNATIONAL
ECONOMIC ORDER

In view of the continuing severe economic imbalance in the relations between developed and developing countries, and in the context of the constant and continuing aggravation of the imbalance of the economies of the developing countries and the consequent need for the mitigation of their current economic difficulties, urgent and effective measures need to be taken by the international community to assist the developing countries, while devoting particular attention to the least developed, land-locked and island developing countries and those developing countries most seriously affected by economic crises and natural calamities leading to serious retardation of development processes.

With a view to ensuring the application of the Declaration on the Establishment of a New International Economic Order it will be necessary to adopt and implement within a specified period a programme of action of unprecedented scope and to bring about maximum economic co-operation and understanding among all States, particularly between developed and developing countries based on the principles of dignity and sovereign equality.

PROGRAMME OF ACTION

I. Fundamental problems of raw materials and primary commodities as related to
trade and development

1. Raw materials

All efforts should be made:

(a) To put an end to all forms of foreign occupation, racial discrimination, apartheid, colonial, neo-colonial and alien domination and exploitation through the exercise of permanent sovereignty over natural resources.

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(b) To take measures for the recovery, exploitation, development, marketing and distribution of natural resources, particularly of developing countries, to serve their national interests, to promote collective self-reliance among them, and to strengthen mutually beneficial international economic co-operation with a view to bringing about the accelerated development of developing countries.

(c) To facilitate the functioning, and to further the aims, of producers associations, including their joint marketing arrangements, orderly commodity trading, improvement in export income of producing developing countries and in their terms of trade, sustained growth of world economy for the benefit of all.

(d) To evolve a just and equitable relationship between prices of raw materials, primary commodities, semi-manufactured and manufactured goods exported by developing countries and the raw materials, primary commodities, food, manufactured and semi-manufactured goods and capital equipment imported by them and to work for a link between the prices of exports of developing countries and the prices of their imports from developed countries.

(e) To take measures to reverse the continued trend of stagnation or decline in the real price of several commodities exported by developing countries, despite a general rise in commodity prices, resulting in a decline in the export earnings of these developing countries.

(f) To take measures to expand the markets for natural products in relation to synthetics, taking into account the interests of the developing countries, and to utilize fully the ecological advantages of these products.

(g) To take measures to promote the processing of raw materials in the producer developing countries.

2. Food

All efforts should be made:

(a) To take full account of specific problems of developing countries, particularly in times of food shortages, in the international efforts connected with the food problem.

(b) To take into account that, owing to lack of means, some developing countries have vast potentialities of unexploited or underexploited land which, if reclaimed and put into practical use, would contribute considerably to the solution of the food crisis.

(c) By the international community to undertake concrete and speedy measures with a view to arresting desertification, salination, and damage by locusts or any other similar phenomenon, involving several developing countries, particularly in Africa, and gravely affecting the capacity of agricultural production of these countries. Furthermore, the international community should assist the developing countries affected by this phenomenon to develop the affected zones with a view to contributing to the solution of their food problems.

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(d) To refrain from damaging or deteriorating natural resources and food resources, especially those derived from the sea, by preventing pollution and taking appropriate steps to protect and reconstitute those resources.

(e) By developed countries in evolving their policies relating to production, stocks, imports and exports of food to take full account of the interests of:

- (i) Developing importing countries which cannot afford high prices for their imports, and
- (ii) Developing exporting countries which need increased market opportunities for their exports.

(f) To ensure that developing countries can import the necessary quantity of food without undue strain on their foreign exchange resources and without unpredictable deterioration in their balance of payments. In this context, special measures be taken in respect of the least developed, the land-locked and island developing countries as well as those developing countries most seriously affected by economic crises and natural calamities.

(g) To ensure that concrete measures to increase food production and storage facilities in developing countries should be introduced, inter alia, by ensuring an increase in all available essential inputs, including fertilizers, from developed countries on favourable terms.

(h) To promote exports of food products of developing countries through just and equitable arrangements, inter alia, by the progressive elimination of such protective and other measures as constitute unfair competition.

3. General trade

All efforts should be made:

(a) To take the following measures for the amelioration of terms of trade of developing countries and concrete steps to eliminate chronic trade deficits of developing countries.

- (i) Fulfilment of relevant commitments already undertaken in UNCTAD and in the International Development Strategy.
- (ii) Improved access to markets in developed countries through the progressive removal of tariff and non-tariff barriers and of restrictive business practices.
- (iii) Expeditious formulation of commodity agreements where appropriate, in order to regulate as necessary and to stabilize the world markets for raw materials and primary commodities.

- (iv) Preparation of an over-all integrated programme, setting out guidelines and taking into account the current work in this field, for a comprehensive range of commodities of export interest to developing countries.
- (v) Where products of developing countries compete with the domestic production in developed countries, each developed country should facilitate the expansion of imports from developing countries and provide a fair and reasonable opportunity to the developing countries to share in the growth of the market.
- (vi) When the importing developed countries derive receipts from customs duties, taxes and other protective measures applied to imports of these products, consideration should be given to the claim of the developing countries that these receipts should be reimbursed in full to the exporting developing countries or devoted to providing additional resources to meet their development needs.
- (vii) Developed countries should make appropriate adjustments in their economies so as to facilitate the expansion and diversification of imports from developing countries and thereby permit a rational, just and equitable international division of labour.
- (viii) Setting up general principles for pricing policy for exports of commodities of developing countries, with a view to rectifying and achieving satisfactory terms of trade for them.
- (ix) Until satisfactory terms of trade are achieved for all developing countries, consideration should be given to alternative means, including improved compensatory financing schemes for meeting the development needs of developing countries concerned.
- (x) Implementation, improvement and enlargement of the Generalized System of Preferences for exports of agricultural primary commodities, manufactures and semi-manufactures from developing to developed countries and consideration of its extension to commodities, including those which are processed or semi-processed. Developing countries which are or will be sharing their existing tariff advantages in some developed countries as the result of the introduction and eventual enlargement of the generalized system of preferences should, as a matter of urgency, be granted new openings in the markets of other developed countries which should offer them export opportunities that at least compensate for the sharing of those advantages.
- (xi) Setting up of buffer stocks within the framework of commodity arrangements and their financing by international financial institutions, wherever necessary, the developed countries and - when they are able to do so - by the developing countries, the aim being to favour the producing and consuming developing countries and to contribute to the expansion of world trade as a whole.
- (xii) In cases where natural materials can satisfy the requirements of the market, new investment for the expansion of capacity of production of synthetic materials and substitutes should not be made.

(b) To be guided by the principles of non-reciprocity and preferential treatment of developing countries in multilateral trade negotiations between developed and developing countries, and to seek sustained and additional benefits for the international trade of developing countries, so as to achieve a substantial increase in their foreign exchange earnings, diversification of their exports and acceleration of the rate of their economic growth.

Transportation and insurance:

All efforts should be made:

- (i) To promote an increasing and equitable participation of developing countries in the world shipping tonnage;
- (ii) To arrest and reduce the ever-increasing freight rates in order to reduce the cost of imports to, and exports from, the developing countries;
- (iii) To minimize cost of insurance and reinsurance for developing countries and to assist the growth of domestic insurance and reinsurance markets in developing countries and the establishment to this end, where appropriate, of institutions in these countries or at the regional level;
- (iv) To ensure the early implementation of the code of conduct for liner conferences.
- (v) To take urgent measures to increase the import and export capability of the least developed countries and to offset the disadvantages of the adverse geographic situation of land-locked countries, particularly with regard to their transportation and transit costs, as well as developing island countries in order to increase their trading ability.
- (vi) By the developed countries to refrain from imposing measures or implementing policies designed to prevent the importation, at equitable prices, of commodities from the developing countries or from frustrating the implementation of legitimate measures and policies adopted by the developing countries in order to improve prices and encourage the export of such commodities.

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II. International monetary system and financing of development of developing countries

All efforts should be made:

1. To reform the international monetary system with, inter alia, the following objectives:

(a) Measures to check the inflation already experienced by the developed countries, to prevent it from being transferred to developing countries and to study and devise possible arrangements within the IMF to mitigate the effects of inflation in developed countries on the economies of developing countries;

(b) Measures to eliminate the instability of the international monetary system, in particular the uncertainty of the exchange rates especially as it affects adversely the trade in commodities;

(c) Maintenance of the real value of the currency reserves of the developing countries by preventing their erosion from inflation and exchange rate depreciation of reserve currencies;

(d) Full and effective participation of developing countries in all phases of decision-making for the formulation of an equitable and durable monetary system and adequate participation of developing countries in all bodies entrusted with this reform and, particularly, in the Governors' Council;

(e) Adequate and orderly creation of additional liquidity with particular regard to the needs of the developing countries through the additional allocation of SDRs based on the concept of world liquidity needs to be appropriately revised in the light of the new international environment. Any creation of international liquidity should be made through international multilateral mechanisms;

(f) Early establishment of a link between SDRs and additional development financing in the interest of developing countries, consistent with the monetary characteristics of SDRs;

(g) The IMF should review the relevant provisions in order to ensure effective participation by developing countries in the decision-making process;

(h) Arrangements to promote an increasing net transfer of real resources from the developed to the developing countries;

(i) Review the methods of operation of the IMF, in particular the terms for both credit repayments and "standby" arrangements, the system of compensatory financing, and the terms of the financing of commodity buffer stocks, so as to enable the developing countries to make more effective use of them.

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2. To take the following urgent measures to finance the development of developing countries and to meet the balance-of-payment crises in the developing world

(a) Implementation at an accelerated pace by the developed countries of the time-bound programme, as already laid down in the International Development Strategy for the Second Decade, for the net amount of financial resource transfers to developing countries. Increase in the official component of the net amount of financial resource transfers to developing countries so as to meet and even to exceed the target of the International Development Strategy;

(b) International financing institutions to effectively play their role as development financing banks without discrimination on account of the political or economic system of any member country, assistance being untied;

(c) More effective participation by developing countries, whether recipients or contributors, in the decision-making process in the competent organs of the IBRD and IDA through the establishment of a more equitable pattern of voting rights;

(d) Exemption, wherever possible, of the developing countries from all import and capital outflow controls imposed by the developed countries;

(e) Promotion of foreign investment both public and private from developed to developing countries in accordance with the needs and requirements in sectors of their economies as determined by the recipient countries;

(f) Appropriate urgent measures, including international action, to be taken to mitigate adverse consequences for the current and future development of developing countries arising from the burden of external debt contracted on hard terms;

(g) Debt renegotiation on a case-by-case basis with a view to concluding agreements on debt cancellation, moratorium, rescheduling, or interest subsidization;

(h) International financial institutions to take into account the special situation of each developing country in reorienting their lending policies to suit these urgent needs. There is also need for improvement in practices of international financial institutions in regard to, inter alia, development financing and international monetary problems;

(i) Appropriate steps to be taken to give priority to the least developed, land-locked and island developing countries and to the countries most seriously affected by economic crises and natural calamities, in the availability of loans for development purposes which should include more favourable terms and conditions.

III. Industrialization

All efforts should be made by the international community to take measures to encourage the industrialization of the developing countries. To this end:

- (a) The developed countries should respond favourably, within the framework of their official aid as well as international financial institutions, to the requests of developing countries for the financing of industrial projects;
- (b) The developed countries should encourage investors to finance industrial production projects, particularly export-oriented production, in developing countries, in agreement with the latter and within the context of their laws and regulations;
- (c) With a view to bringing about a new international economic structure which should increase the share of the developing countries in world industrial production, the developed countries and the agencies of the United Nations system in co-operation with the developing countries should contribute to setting up new industrial capacities including raw material and commodity transforming facilities as a matter of priority in the developing countries that produce those raw materials and commodities;
- (d) Continue and expand, with the aid of the developed countries and the international institutions, the operational and instruction-oriented technical assistance programmes including vocational training and management development of national personnel of the developing countries in the light of their special development requirements.

IV. Transfer of technology

All efforts should be made:

- (a) To formulate an international code of conduct for the transfer of technology corresponding to needs and conditions prevalent in developing countries;
- (b) To give access on improved terms to modern technology and the adaptation of that technology, as appropriate, to specific economic, social and ecological conditions and varying stages of development in developing countries;
- (c) To expand significantly in assistance from developed to developing countries in programmes of research and development and creation of suitable indigenous technology;
- (d) To adapt commercial practices governing transfer of technology to the requirements of the developing countries, and to prevent abuse of the rights of sellers;
- (e) To promote international co-operation in research and development in exploration and exploitation, conservation and legitimate utilization of natural resources and all sources of energy;

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In taking the above measures, the special needs of the least developed and land-locked countries should be borne in mind.

V. Regulation and control over the activities of transnational corporations

All efforts should be made to formulate adoption and implementation of an international code of conduct for transnational corporations in order to:

(a) Prevent interference in the internal affairs of the countries where they operate and their collaboration with racist régimes and colonial administrations;

(b) Regulate their activities in host countries, to eliminate restrictive business practices and to conform to the national development plans and objectives of developing countries, and in this context facilitate, as necessary, review and revision of previously concluded arrangements;

(c) Bring about assistance, transfer of technology and management skills to developing countries on equitable and favourable terms;

(d) Regulate the repatriation of the profits accruing from their operations, taking into account the legitimate interests of all parties concerned;

(e) Promote reinvestment of their profits in developing countries.

VI. Charter of Economic Rights and Duties of States

The Charter of Economic Rights and Duties of States, the draft of which is presently being prepared by a working group of the United Nations and which the General Assembly has already expressed the intention of adopting at its forthcoming twenty-ninth session, shall constitute an effective instrument towards the establishment of a new system of international economic relations based on equity, sovereign equality, and interdependence of the interests of developed and developing countries. It is therefore of vital importance that the charter be adopted by the General Assembly at its next regular session.

VII. Promotion of co-operation among developing countries

1. Collective self-reliance and growing co-operation among developing countries will further strengthen their role in the new international economic order. Developing countries, with a view to expanding co-operation at the regional, subregional and interregional levels should take further steps inter alia:

(a) To support the establishment and/or improvement of appropriate mechanism to defend the prices of their exportable commodities and to improve access to and to stabilize markets for them. In this context the increasingly effective mobilization by the whole group of oil exporting countries of their natural resources for the benefit of their economic development is to be welcomed. At the same time there is the paramount need for co-operation among the developing

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countries in evolving urgently and in a spirit of solidarity all possible means to assist developing countries to cope with the immediate problems resulting from this legitimate and perfectly justified action. The measures already taken in this regard are a positive indication of the evolving co-operation between developing countries.

(b) To protect their inalienable right to permanent sovereignty over their natural resources.

(c) To promote, establish or strengthen economic integration at the regional and subregional levels.

(d) To increase considerably their imports from other developing countries.

(e) No developing country should accord to imports from developed countries more favourable treatment than that accorded to imports from developing countries. Taking into account the existing international agreements, current limitations and possibilities and also their future evolution, preferential treatment should be given to the procurement of import requirements from other developing countries. Wherever possible, preferential treatment should be given to imports from developing countries and the exports of those countries.

(f) To promote close co-operation in the fields of finance, credit relations and monetary issues, including the development of credit relations on a preferential basis and on favourable terms.

(g) To strengthen efforts which are already being made by developing countries to utilize available financial resources for financing development in the developing countries through investment, financing of export-oriented and emergency projects and other long-term assistance.

(h) To promote and establish effective instruments of co-operation in the fields of industry, science and technology, transport, shipping and mass communication media.

2. Developed countries should support initiatives in the regional, subregional and interregional co-operation of developing countries through the extension of financial and technical assistance through more effective and concrete actions, particularly in the field of commercial policy.

VIII. Assistance in the exercise of permanent sovereignty of States over natural resources

All efforts should be made:

(a) To defeat attempts to prevent the free and effective exercise of the rights of every State to full and permanent sovereignty over its natural resources.

(b) By competent agencies of the United Nations system to meet requests for assistance from developing countries in connexion with the operation of nationalized means of production.

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IX. Strengthening the role of the United Nations system in the field of international economic co-operation

1. In furtherance of the objectives of the International Development Strategy and in accordance with the aims and objectives of the Declaration on the Establishment of a New International Economic Order, all Member States pledge to make full use of the United Nations system in the implementation of this Programme of Action they have jointly adopted in working for the establishment of a new international economic order and thereby strengthening the role of the United Nations in the field of world-wide co-operation for economic and social development.

2. The General Assembly of the United Nations shall conduct an over-all review of the implementation of the Programme of Action as a priority item. All the activities of the United Nations system to be undertaken under the Programme of Action as well as those already planned, such as the World Population Conference, the World Food Conference, the Second UNIDO Conference and the Mid-Term Review and Appraisal of the International Strategy should be so directed as to enable the Special Session of the General Assembly on Development, called for under General Assembly resolution 3172 (XXVIII), to make its full contribution to the establishment of the new international economic order. All Member States are urged jointly and individually, to direct their efforts and policies towards the success of that Special Session.

3. The Economic and Social Council shall define the policy framework and co-ordinate the activities of all organizations, institutions and subsidiary bodies within the United Nations system which shall be entrusted with the task of implementing this Programme. In order to enable the Economic and Social Council to carry out its tasks effectively:

(a) All organizations, institutions and subsidiary bodies concerned within the United Nations system, shall submit to the Economic and Social Council (ECOSOC) progress reports on the implementation of this Programme within their respective fields of competence as often as necessary, but not less than once a year.

(b) The Economic and Social Council shall examine the progress report as a matter of urgency, to which end it may be convened as necessary, in special sessions or, if need be, may function continuously. It shall draw the attention of the General Assembly to the problems and difficulties arising in connexion with the implementation of this Programme.

4. All organizations, institutions, subsidiary bodies and conferences of the United Nations system are entrusted with the implementation of this Programme of Action. The activities of UNCTAD (established under General Assembly resolution 1995 (XIX)) should be strengthened for the purpose of following in collaboration with other competent organizations the development of international trade in raw materials throughout the world.

5. Urgent and effective measures should be taken to review the lending policies

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of international financial institutions, taking into account the special situation of each developing country, to suit urgent needs; to improve the practices of these institutions in regard to, inter alia, development financing and international monetary problems, and to ensure more effective participation by developing countries - whether recipients or contributors - in the decision-making process through appropriate revision of the pattern of voting rights.

6. The developed countries and others in a position to do so should contribute substantially to the various organizations, programmes and funds established within the United Nations system for the purpose of accelerating economic and social development in developing countries.

7. This Programme of Action complements and strengthens the goals and objectives embodied in the International Development Strategy as well as the new measures formulated by the General Assembly at its twenty-eighth session to offset the short-falls in achieving those goals and objectives.

8. The implementation of the Programme of Action should be taken into account at the time of medium-term review and appraisal of the International Development Strategy for the Second Development Decade. New commitments, changes, additions and adaptations in the International Development Strategy should be made, as appropriate, taking into account the Declaration on the Establishment of a New International Economic Order and this Programme of Action.

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X. Special Programme

The General Assembly adopts the following Special programme, including particularly emergency measures to mitigate the difficulties of the developing countries most seriously affected by economic crisis bearing in mind the particular problem of the least developed and land-locked countries:

The General Assembly,

Considering that:

(a) The sharp increase in the prices of their essential imports such as food, fertilizers, energy products, capital goods, equipment and services, including transportation and transit costs, have gravely exacerbated the increasingly adverse terms of trade of a number of developing countries, added to the burden of their foreign debt and, cumulatively, created a situation which, if left untended, will make it impossible for them to finance their essential imports and development and result in a further deterioration in the levels and conditions of life in these countries. The present crisis is the outcome of all the problems that have accumulated over the years: in the field of trade, in monetary reform, the world-wide inflationary situation, inadequacy and delay in provision of financial assistance and many other similar problems in the economic and developmental fields. In facing the crisis, this complex situation must be borne in mind so as to ensure that the special programme adopted by the international community provides emergency relief and timely assistance to the most seriously affected countries. Simultaneously, steps are taken to resolve these outstanding problems through a fundamental restructuring of the world economic system, in order to allow these countries while solving the present difficulties to reach an acceptable level of development.

(b) The special measures adopted to assist the most seriously affected countries must encompass not only the relief which they require on an emergency basis to maintain their import requirements but also, beyond that, steps to consciously promote the capacity of these countries to produce and earn more. Unless such a comprehensive approach is adopted there is every likelihood that the difficulties of the most seriously affected countries may be perpetuated. Nevertheless, the first and most pressing task of the international community is to enable these countries to meet the shortfall in their balance of payments

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positions. But this must be simultaneously supplemented by additional development assistance to maintain and thereafter accelerate their rate of economic development.

(c) The countries which have been most seriously affected are precisely those which are at the greatest disadvantage in the world economy: the least developed, the land-locked and other low-income developing countries as well as other developing countries whose economies have been seriously dislocated as a result of the present economic crisis, natural calamities, and foreign aggression and occupation. An indication of the countries thus affected, the level of the impact on their economies and the kind of relief and assistance they require can be assessed on the basis, inter alia, of the following criteria:

- (i) Low per capita income as a reflection of relative poverty, low productivity, low level of technology and development.
- (ii) Sharp increase in their import cost of essentials relative to export earnings.
- (iii) High ratio of debt servicing to export earnings.
- (iv) Insufficiency in export earnings, comparative inelasticity of export incomes and unavailability of exportable surplus.
- (v) Low level of foreign exchange reserves or their inadequacy for requirements.
- (vi) Adverse impact of higher transportation and transit costs.
- (vii) Relative importance of foreign trade in development process.

(d) The assessment of the extent and nature of the impact on the economies of the most seriously affected countries must be made flexible keeping in mind the present uncertainty in the world economy, the adjustment policies that may be adopted by the developed countries, the flow of capital and investment. Estimates of the payments situation and needs of these countries can be assessed and projected reliably only on the basis of their average performance over a number of years. Long-term projections, at this time, cannot but be uncertain.

(e) It is important that in the special measures to mitigate the difficulties of the most seriously affected countries all the developed countries as well as developing countries should contribute according to their level of development and the capacity and strength of their economies. It is notable that some developing countries, despite their own difficulties and development needs, have shown a willingness to play a concrete and helpful role in ameliorating the difficulties faced by the poorer developing countries. The various initiatives and measures taken recently by certain developing countries with adequate resources on a bilateral and multilateral basis to contribute to alleviating the difficulties of other developing countries are a reflection of their commitment to the principle of effective economic co-operation among developing countries.

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(f) The response of the developed countries which have by far the greater capacity to assist the affected countries in overcoming their present difficulties must be commensurate with their responsibilities. Their assistance should be in addition to the presently available levels of aid. They should fulfil and if possible exceed the targets of the International Development Strategy on financial assistance to the developing countries, especially that relating to Official Development Assistance. They should also give serious consideration to the cancellation of the external debts of the most seriously affected countries. This would provide the simplest and quickest relief to the affected countries. Favourable consideration should also be given to debt moratorium and rescheduling. The current situation should not lead the industrialized countries to adopt what will ultimately prove to be a self-defeating policy aggravating the present crisis.

Recalling the constructive proposals made by His Imperial Majesty the Shahanshah of Iran and His Excellency President Boumediène of Algeria,

1. Decides to launch a Special Programme to provide emergency relief and development assistance to the developing countries most seriously affected, as a matter of urgency, and for the period of time necessary, at least until the end of the Second Development Decade, to help them overcome their present difficulties and to achieve self-sustaining economic development;

2. Decides as a first step in the Special Programme to request the Secretary-General to launch an emergency operation to provide timely relief to the most seriously affected developing countries as defined in paragraph 3 of the preamble with the aim of maintaining unimpaired essential imports for the duration of the coming 12 months and to invite the industrialized countries and other potential contributors to announce their contributions for emergency assistance or intimate their intention to do so by 15 June 1974 to be provided through bilateral or multilateral channels, taking into account commitments and measures of assistance announced or already taken by some countries and further requests the Secretary-General to report the progress of the emergency operation to the twenty-ninth session of the General Assembly through the Economic and Social Council at its fifty-seventh session;

3. Calls upon the industrialized countries and other potential contributors to extend immediate relief and assistance to the most seriously affected countries which must be of an order of magnitude that is commensurate with the needs of these countries. Such assistance should be in addition to the existing level of aid and provided at a very early date to the maximum possible extent on grant basis and where not possible on soft terms. The disbursement and relevant operational procedures and terms must reflect this exceptional situation. The assistance could be provided either through bilateral or multilateral channels, including such new institutions and facilities that have been or are to be set up. The special measures may include the following:

- (a) Special arrangements on particularly favourable terms and conditions including possible subsidies for and assured supplies of essential commodities and goods;
- (b) Deferred payments for all or part of imports of essential commodities and goods;

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- (c) Commodity assistance, including food aid, on grant basis or deferred payments in local currencies, bearing in mind that this should not adversely affect the export of developing countries;
- (d) Long-term suppliers' credits on easy terms;
- (e) Long-term financial assistance on concessionary terms;
- (f) Drawings from special International Monetary Fund facilities on concessional terms;
- (g) Establishment of a link between the creation of SDRs and development assistance, taking into account the additional financial requirement of the most seriously affected countries;
- (h) Subsidies, provided bilaterally or multilaterally, for interest on funds available on commercial terms borrowed by most seriously affected countries;
- (i) Debt renegotiation on a case-by-case basis with a view to concluding agreements on debt cancellation, moratorium or rescheduling;
- (j) Provision on more favourable terms of capital goods and technical assistance to accelerate the industrialization of the affected countries;
- (k) Investment in industrial and development projects on favourable terms;
- (l) Subsidizing the additional transit and transport costs, especially of the land-locked countries;

4. Appeals to the developed countries to consider favourably the cancellation, moratorium or rescheduling of the debts of the most seriously affected developing countries on their request as an important contribution to mitigating the grave and urgent difficulties of these countries;

5. Decides to establish a Special Fund under the auspices of the United Nations, through voluntary contributions from industrialized countries and other potential contributors, as a part of the Special Programme, to provide emergency relief and development assistance, which will commence its operations at the latest by 1 January 1975;

6. Establishes an Ad Hoc Committee on the Special Programme, consisting of _____ Member States, to:

- (a) Make recommendations on the scope, machinery, modes of operation etc. of the special fund, taking into account the need for:
 - (i) Equitable representation on its governing body;
 - (ii) Equitable distribution of its resources;

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- (iii) Full utilization of the services and facilities of existing international organizations;
- (iv) The possibility of merging the United Nations Capital Development Fund with the operations of the special fund;
- (v) A central monitoring body to oversee the various measures being taken both bilaterally and multilaterally;

and, to this end, bearing in mind the different ideas and proposals made at the sixth special session, including those contained in documents A/AC.166/L.15 and A/PV.2208 and comments thereon and the possibility of utilizing the special fund to provide an alternative channel for normal development assistance after the emergency period;

- (b) Monitor, pending commencement of the operations of the special fund, the various measures being taken both bilaterally and multilaterally to assist the most seriously affected countries;
- (c) Prepare, on the basis of information provided by the countries concerned and by appropriate agencies of the United Nations system, a broad assessment of:
 - (i) The magnitude of the difficulties facing the most seriously affected countries;
 - (ii) The kind and quantities of the commodities and goods essentially required by them;
 - (iii) Their need for financial assistance;
 - (iv) Their technical assistance requirements, including especially access to technology;

7. Requests the Secretary-General of the United Nations, the Secretary-General of the United Nations Conference on Trade and Development, the President of the International Bank for Reconstruction and Development, the Managing Director of the International Monetary Fund, the Administrator of the United Nations Development Programme and the heads of the other competent international organizations to assist the Ad Hoc Committee in performing the functions assigned to it under operative paragraph 6, and help, as appropriate, in the operations of the special fund;

8. Requests the International Monetary Fund to expedite decisions on:

- (a) The establishment of an extended special facility with a view to enabling the most seriously affected developing countries to participate in it on favourable terms;
- (b) The creation of SDRs and the early establishment of the link between the allocation of SDRs and development financing; and

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(c) The establishment and operation of the proposed new special facility to extend credits and subsidize interest charges on commercial funds borrowed by Member States bearing in mind the interest of the developing countries and especially the additional financial requirements of the most seriously affected countries;

9. Requests the World Bank Group and the International Monetary Fund to place their managerial, financial and technical services at the disposal of Governments contributing to emergency financial relief so as to enable them to assist without delay in channelling funds to the recipients, making such institutional and procedural changes as may be required;

10. Invites the United Nations Development Programme to take the necessary steps, particularly at the country level, to respond on an emergency basis to requests for additional assistance which it may be called upon to render within the framework of the special programme;

11. Requests the Ad Hoc Committee to submit its report and recommendations to the Economic and Social Council at its fifty-seventh session and invites the Council, on the basis of its consideration of this report, to submit suitable recommendations to the General Assembly at its twenty-ninth session;

12. Decides to consider, within the framework of a new international economic order, as a matter of high priority the question of special measures for the most seriously affected countries at the twenty-ninth session of the General Assembly.

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20. The Ad Hoc Committee also recommends to the General Assembly the adoption of the following draft decision:

"The General Assembly decides to refer to the Economic and Social Council at its fifty-sixth session the draft resolutions contained in documents A/AC.166/L.35/Rev.1, L.41, L.42, L.44, L.45 and L.46." 1/

1/ A/9556 (Part I), paras. 8 to 13.