

**UNITED NATIONS CONFERENCE  
ON TRADE AND DEVELOPMENT**

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**REPORT  
OF THE TRADE  
AND DEVELOPMENT BOARD**

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**Volume II  
(Thirty-first session)**

**GENERAL ASSEMBLY**  
OFFICIAL RECORDS: FORTIETH SESSION  
SUPPLEMENT No. 15 (A/40/15)



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#### **NOTE**

**Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.**

## Symbols

The documents of the United Nations Conference on Trade and Development, the Trade and Development Board and its main subsidiary bodies are identified as follows:

First session of the United Nations Conference on Trade and Development .....	E/CONF.46/-
Subsequent sessions of the United Nations Conference on Trade and Development .....	TD/-
Trade and Development Board .....	TD/B/-
Committee on Commodities .....	TD/B/C.1/-
Committee on Manufactures .....	TD/B/C.2/-
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Non-governmental organization series of the Board .....	TD/B/NGO/-

The three volumes of the Proceedings of the United Nations Conference on Trade and Development, Sixth Session, are as follows: volume I, Report and Annexes (United Nations publication, Sales No. E.83.II.D.6), containing, inter alia, the Conference's resolutions and decisions; volume II, Summaries of Statements by Heads of Delegation and Summary Records of Plenary Meetings (Sales No. E.83.II.D.7); volume III, Basic Documents (Sales No. E.83.II.D.8).

Symbols referring to resolutions and decisions of the sessions of the Conference consist of an arabic numeral followed by "(II)", "(III)", "(IV)", "(V)", or "(VI)", as the case may be, thus 1 (II), 36 (III), 85 (IV), 101 (V), 136 (VI) etc.

Symbols referring to resolutions and decisions of the Board consist of an arabic numeral, indicating the serial number of the resolution or decision, and a roman numeral in parenthesis, indicating the session at which the action was taken.

## Summary records

The summary records (where such records have been kept) of the debates in the plenary meetings of the Conference and its session committees, and of the Board, are referred to by the appropriate symbol of the body in question (see above) followed by the letters "SR". No summary records were provided for the fifth session of the Conference. A consolidated corrigendum to the "SR" series for each session of the Board held between January 1976 and December 1984 was issued in the volume containing the official records of the session (TD/B/SR.\_\_\_\_ and corrigendum). The same volume also contains a table of contents of the summary records of the session and (up to and including the twenty-fifth session of the Board (September/October 1982)) the agenda of the session as adopted and a check-list of documents pertaining to the agenda of the session. At its twenty-ninth session (September 1984), the Board decided to dispense thereafter with summary records for its plenary meetings.

## Annexes

The texts of documents selected for inclusion in the records of the relevant session of the Board are issued as annexes to the Official Records of the Board, in the form of bound fascicles pertaining to the relevant agenda items.

## Supplements

The Official Records of the Board include numbered supplements as follows:

<u>Supplement No.</u>	<u>Thirtieth session</u>	<u>Document No.</u>
1	Report of the Board, part I: Resolution and decisions )	TD/B/1049
1A	Report of the Board: Proceedings )	
2	Report of the Committee on Shipping on its eleventh session	TD/B/1034
3	Report of the Committee on Transfer of Technology on its fifth session	TD/B/1035
4	Report of the Committee on Invisibles and Financing related to Trade on the first part of its eleventh session	TD/B/1044
5	Report of the Committee on Invisibles and Financing related to Trade on the second part of its eleventh session	TD/B/1045
6	Report of the Working Party on the Medium-term Plan and the Programme Budget on its ninth session	TD/B/1053

<u>Supplement No.</u>	<u>Fourteenth special session</u>	<u>Document No.</u>
1	Report of the Board, part I: Decisions )	TD/B/1062
1A	Report of the Board: Proceedings )	
<u>Thirty-first session</u>		
1	Report of the Board, part I: Resolutions ) and decisions )	TD/B/1077
1A	Report of the Board: Proceedings )	
2	Report of the Committee on Commodities ) on its second special session )	TD/B/1041
3	Report of the Special Committee on ) Preferences on its thirteenth session )	TD/B/1052
4	Report of the Committee on Commodities ) on its third special session )	TD/B/1057

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PREFATORY NOTE

The twenty-first annual report of the Trade and Development Board 1/ is submitted to the General Assembly in conformity with Assembly resolution 1995 (XXIX) of 30 December 1964. The report 2/ covers the period from 28 September 1984 to 27 September 1985 and consists of the reports on the first and second parts of the thirtieth regular session, held from 18 to 29 March and on 2 May 1985, the fourteenth special session, held from 10 to 15 June and on 27 June 1985, and the thirty-first regular session, held from 16 to 27 September 1985.

In the period preceding the thirty-first regular session of the Board, the subsidiary bodies of the Board indicated below met. Particulars of their sessions are given below:

<u>Title</u>	<u>Session</u>	<u>Dates</u>	<u>Report in document</u>
Special Committee on Preferences	Thirteenth session	10-19 April 1985	TD/B/1052
Working Party on the Medium-term Plan and the Programme Budget	Ninth session	15-19 April 1985	TD/B/1053 3/
Intergovernmental Group of Experts on Restrictive Business Practices	Fourth session	22-30 April 1985	TD/B/1054
Meeting of Governmental Experts of Donor Countries and of Multilateral and Bilateral Financial and Technical Assistance Institutions with Representatives of the Least Developed Countries as part of Preparation for the Mid-term Global Review of the Implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries		1-10 May 1985	TD/B/1055 and Corr.1
Committee on Commodities	Third special session	3-7 June and 12 June 1985	TD/B/1057
Third Meeting of Governmental Experts on the Reverse Transfer of Technology		26 August- 4 September 1985	TD/B/1073



Notes

1/ The 20 previous annual reports of the Trade and Development Board are contained in Supplements to the Official Records of the General Assembly, as follows:

<u>Annual report</u>	<u>Period</u>	<u>General Assembly session</u>	<u>Supplement No.</u>	<u>Document No.</u>
1st	1 January 1965-29 October 1965	20	15	A/6023/Rev.1
2nd	31 October 1965-24 September 1966	21	15	A/6315/Rev.1 and Corr.1
3rd	25 September 1966-9 September 1967	22	14	A/6714
4th	10 September 1967-23 September 1968	23	14	A/7214
5th	24 September 1968-23 September 1969	24	16	A/7616 and Corr.2
6th	24 September 1969-13 October 1970	25	15	A/8015/Rev.1 and Corr.1
7th	14 October 1970-21 September 1971	26	15	A/8415/Rev.1
8th	22 September 1971-25 October 1972	27	15	A/8715/Rev.1 and Corr.1
9th	26 October 1972-11 September 1973	28	15	A/9015/Rev.1
10th	12 September 1973-13 September 1974	29	15	A/9615/Rev.1
11th	14 September 1974-2 October 1975	30	15	A/10015/Rev.1
12th	3 October 1975-23 October 1976	31	15	A/31/15, vol. I and Corr.1 and vol. II
13th	24 October 1976-10 September 1977	32	15	A/32/15, vol. I and Corr.1 and vol. II
14th	11 September 1977-17 September 1978	33	15	A/33/15, vol. I and vol. II
15th	18 September 1978-23 November 1979	34	15	A/34/15, vol. I and vol. II

Notes (continued)

<u>Annual report</u>	<u>Period</u>	<u>General Assembly session</u>	<u>Supplement No.</u>	<u>Document No.</u>
16th	24 November 1979-27 September 1980	35	15	A/35/15, vol. I and vol. II
17th	28 September 1980-6 November 1981	36	15	A/36/15 and Corr.1
18th	7 November 1981-28 October 1982	37	15	A/37/15, vol. I and vol. II
19th	29 October 1982-2 November 1983	38	15	A/38/15, vol. I and Corr.1 and vol. II and Corr.1
20th	3 November 1983-27 September 1984	39	15	A/39/15, vol. I and vol. II

2/ For technical reasons, the report is issued in two volumes: volume I, containing the reports of the Board on the first and second parts of its thirtieth session and on its fourteenth special session, and volume II, containing the report of the Board on its thirty-first session.

3/ The report of the Working Party on its ninth session was before the Board at the second part of its thirtieth session, held on 2 May 1985.

## I. INTRODUCTION

1. The present report to the General Assembly has been prepared in accordance with the guidelines adopted by the Trade and Development Board in the annex to its decision 302 (XXIX) of 21 September 1984. 1/ Pursuant to paragraph 1 of those guidelines, the full report will be issued in Supplements No. 1 and 1A to the Official Records of the Trade and Development Board, Thirty-first Session (TD/B/1077 (vol. I) and TD/B/1077 (vol. II), respectively).

2. The thirty-first session of the Trade and Development Board was held from 16 to 27 September 1985 (670th to 678th meetings). The session was opened on 16 September 1985 by the outgoing President of the Board, Mr. J. A. Lacarte Muró (Uruguay).

### A. Agenda

3. The agenda of the session is reproduced in annex I.

### B. Election of officers

4. The Bureau of the Board, elected at the opening (670th) meeting, was as follows:

<u>President:</u>	Mr. M. Huslid	(Norway)
<u>Vice-Presidents:</u>	Mr. M. G. Z. Barakat	(Jordan)
	Mr. A. Betancourt Roa	(Cuba)
	Mr. G. P. Carmen	(United States of America)
	Mr. W. Carrasco-Fernandez	(Chile)
	Mr. F. Furulyas	(Hungary)
	Mr. P.-L. Girard	(Switzerland)
	Mrs. F. Isak Bihi	(Somalia)
	Mr. M. Soumahoro	(Ivory Coast (Côte d'Ivoire))
	Mr. N. Vejajiva	(Thailand)
	Mr. J.-L. Wolzfeld	(Luxembourg)
<u>Rapporteur:</u>	Mr. M. Outkine	(Union of Soviet Socialist Republics)

5. The officers of the two sessional committees were as follows:

#### Sessional Committee I

<u>Chairman:</u>	Mr. M. A. Bajwa	(Pakistan)
<u>Vice-Chairman-cum-Rapporteur:</u>	Mr. S. Waever	(Denmark)

#### Sessional Committee II

<u>Chairman:</u>	Mr. E.-J. Mbagu	(United Republic of Tanzania)
<u>Vice-Chairman-cum-Rapporteur:</u>	Mr. M. Somol	(Czechoslovakia)

C. Membership and attendance 2/

6. The following members of UNCTAD, members of the Board, were represented at the session:

Afghanistan	Ghana	Pakistan
Algeria	Greece	Panama
Argentina	Guatemala	Peru
Australia	Guinea	Philippines
Austria	Haiti	Poland
Bahrain	Honduras	Portugal
Bangladesh	Hungary	Qatar
Barbados	India	Republic of Korea
Belgium	Indonesia	Romania
Bhutan	Iran (Islamic Republic of)	Saudi Arabia
Bolivia	Iraq	Senegal
Brazil	Ireland	Singapore
Bulgaria	Israel	Somalia
Burma	Italy	Spain
Burundi	Ivory Coast (Côte d'Ivoire)	Sri Lanka
Byelorussian Soviet Socialist Republic	Jamaica	Sudan
Cameroon	Japan	Sweden
Canada	Jordan	Switzerland
Chile	Kenya	Syrian Arab Republic
China	Kuwait	Thailand
Colombia	Lebanon	Trinidad and Tobago
Costa Rica	Libyan Arab Jamahiriya	Tunisia
Cuba	Liechtenstein	Turkey
Cyprus	Luxembourg	Ukrainian Soviet Socialist Republic
Czechoslovakia	Madagascar	Union of Soviet Socialist Republics
Democratic People's Republic of Korea	Malaysia	United Arab Emirates
Democratic Yemen	Malta	United Kingdom of Great Britain and Northern Ireland
Denmark	Mexico	United Republic of Tanzania
Dominican Republic	Mongolia	United States of America
Ecuador	Morocco	Uruguay
Egypt	Namibia	Venezuela
El Salvador	Nepal	Viet Nam
Ethiopia	Netherlands	Yemen
Finland	New Zealand	Yugoslavia
France	Nicaragua	Zaire
German Democratic Republic	Nigeria	
Germany, Federal Republic of	Norway	
	Oman	

7. The following other States members of UNCTAD, not members of the Board, were represented at the session: Democratic Kampuchea, Holy See and Rwanda.

8. The Office of the Director-General for Development and International Economic Co-operation, the Economic Commission for Europe, the Economic Commission for Latin America and the Caribbean and the United Nations Development Programme were represented at the session. The International Trade Centre UNCTAD/GATT was also represented.

9. The following specialized agencies were represented at the session:

International Labour Organisation  
Food and Agriculture Organization of the United Nations  
International Monetary Fund  
World Intellectual Property Organization  
United Nations Industrial Development Organization

The International Atomic Energy Agency and the General Agreement on Tariffs and Trade were also represented.

10. The following intergovernmental organizations were represented at the session:

Association of Iron Ore Exporting Countries  
Commonwealth Secretariat  
Council for Mutual Economic Assistance  
European Economic Community  
Intergovernmental Committee for Migration  
League of Arab States  
Organisation for Economic Co-operation and Development  
Organization of African Unity  
Permanent Secretariat of the General Treaty on Central American Economic Integration

11. The following non-governmental organizations were represented at the session:

General Category:

Friends World Committee for Consultation (Quakers)  
International Bar Association  
International Chamber of Commerce  
International Confederation of Free Trade Unions  
International Co-operative Alliance  
International Foundation for Development Alternatives  
Society for International Development  
United Towns Organization  
World Assembly of Small and Medium Enterprises  
World Federation of Trade Unions

Special Category:

International Association of Islamic Banks  
International Federation of Inventors Associations  
International Federation of Pharmaceutical Manufacturers Associations

12. The Palestine Liberation Organization participated pursuant to General Assembly resolution 3237 (XXIX) of 22 November 1974. The African National Congress of South Africa and the Pan Africanist Congress of Azania participated pursuant to General Assembly resolution 3280 (XXIX) of 10 December 1974. The South West Africa People's Organization participated pursuant to General Assembly resolution 31/152 of 20 December 1976.

D. Resolutions and decisions requiring the attention of,  
or action by, the General Assembly

13. The attention of the General Assembly is drawn to the following resolutions and decisions, the texts of which are contained in section II below. 3/

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<u>Resolutions</u>		
319 (XXXI)	Specific action related to the particular needs and problems of land-locked developing countries 4/ .....	6
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318 (XXXI)	Informal working group on the scheduling of the regular sessions of the Trade and Development Board .....	10
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A. RESOLUTIONS

319 (XXXI). Specific action related to the particular needs and problems of land-locked developing countries

The Trade and Development Board,

Recognizing that most land-locked developing countries are among the very poorest of the developing countries and that the constraint of their geographic disadvantages on their overall development continues to be extremely acute, 8/

Recognizing further that resolutions 63 (III) of 19 May 1972, 98 (IV) of 31 May 1976, 123 (V) of 3 June 1979 and 137 (VI) of 2 July 1983 of the United Nations Conference on Trade and Development have been only partially implemented,

Having been convinced that the access to world markets at the least possible cost, taking into account the needs and means of both the land-locked developing countries and their transit neighbours, through an efficient provision of transit-transport infrastructure and services, is an integral part of a meaningful economic development of land-locked developing countries,

Reaffirming that measures towards improving transit-transport infrastructures and services for land-locked developing countries are vital for the promotion of structural economic changes which will contribute to alleviating the extreme economic difficulties facing them,

Noting that the provision of improved transit-transport facilities and services constitutes a case for external financial assistance,

Noting further that subregional and regional co-operation arrangements enhance possibilities for a more viable restructuring effort, contributing thereby to reducing dependence on overseas markets and that such arrangements also need the support of donors,

Realizing that most of the transit countries are themselves developing countries and may require international support to provide efficient transit facilities,

Recalling that there are several international instruments which aim at facilitating transit trade and transport,

Noting that the report of the Ad Hoc Group of Experts to Study Ways and Means of Improving Transit-transport Infrastructures and Services for Land-locked Developing Countries 9/ and the recommendations made therein and the various views and comments of Governments on the report could be a basis for an approach towards resolving the problems which the land-locked developing countries face,

1. Agrees that effective co-operation between land-locked developing countries and their transit neighbours constitutes the fundamental element in dealing with transit problems and that the international community can, when requested by the countries concerned, play a vital role in supporting such co-operation;

2. Calls upon the international community to continue its efforts to implement fully the above-mentioned Conference resolutions;



3. Agrees that assistance to improve transit facilities and services should be viewed as an integral part of the overall economic development strategy of the land-locked developing countries;

4. Also calls upon donors to provide assistance, including in the training of skilled manpower; in the assessment of the potentials for restructuring the economies of land-locked developing countries through the promotion of import substitution industries producing high-bulk, low-value products and developing high-value, low-bulk products for export;

5. Invites the land-locked developing countries and their transit neighbours to intensify co-operative arrangements in all areas related to transit-transport, including where necessary and feasible legal arrangements for the smooth flow of goods in transit;

6. Further calls upon the appropriate multilateral and bilateral international financial and technical assistance institutions to give priority to programmes that encourage co-operative arrangements between land-locked developing countries and their transit neighbours as well as regional and subregional development schemes involving land-locked developing countries;

7. Urges that transit developing countries should be given greater support to assist them in providing efficient transit-transport facilities;

8. Invites member States to ratify and implement the relevant provisions of the international conventions on transit trade;

9. Requests the Secretary-General of UNCTAD, if requested by the Governments concerned, to provide the required technical assistance to land-locked developing countries and their transit neighbours to promote the ratification of international conventions on transit trade;

10. Further requests the Secretary-General of UNCTAD to pursue further the work of the technical advisory services of UNCTAD, as called for in paragraph 9 of Conference resolution 137 (VI);

11. Urges the international community to take positively into consideration the recommendations of the Ad Hoc Group of Experts, as well as the views and comments expressed by Governments thereon, when providing assistance towards the improvement of transit arrangements agreed between the transit and land-locked countries provided that where any study or programme of action is to be undertaken in, or in relation to, any transit country, such study or programme of action will be carried out in consultation with, and with the approval of, the transit country concerned;

12. Urges the international community to take positively into consideration the recommendations of the Ad Hoc Group of Experts, as well as the views and comments expressed by Governments thereon, when providing assistance to land-locked developing countries for their internal programmes;

13. Requests the Secretary-General of UNCTAD to carry out studies recommended by the Ad Hoc Group of Experts, provided that these studies are undertaken in consultation with, and with the approval of, the countries concerned;

14. Further requests the Secretary-General of UNCTAD to seek extrabudgetary resources, including funds from the United Nations Development Programme and other voluntary contributions, in order to enable him to comply with paragraphs 9, 10 and 13 of the present resolution;

15. Requests the Secretary-General of UNCTAD to report to the Trade and Development Board at its thirty-third session on the action taken on the present resolution.

678th meeting  
27 September 1985

325 (XXXI). Towards the technological transformation of developing countries in the pharmaceutical sector

The Trade and Development Board,

Recalling resolution 112 (V) of 3 June 1979 of the United Nations Conference on Trade and Development and Conference resolution 143 (VI) of 2 July 1983, particularly its paragraph 17,

Having noted the report by the UNCTAD secretariat entitled "Appropriate strategies for facilitating pharmaceutical supplies to developing countries", 10/

Taking note of resolution WHA 37.33 adopted by the World Health Assembly at its thirty-seventh session in May 1984,

Recognizing the role of certain United Nations organizations in the field of pharmaceuticals on the basis of their respective competencies,

1. Invites the Director-General of the World Health Organization to continue to keep the Secretary-General of UNCTAD informed on development aspects of the work of the World Health Organization in the area of pharmaceuticals, and requests the Secretary-General of UNCTAD to report thereon to the Committee on Transfer of Technology at its sixth session;

2. Invites the United Nations Financing System for Science and Technology for Development, the United Nations Development Programme and other financing programmes to attach priority to the joint inter-agency project "Formulation of appropriate strategies for facilitating pharmaceutical supplies to developing countries", for which the World Health Organization has been designated lead agency, and to provide adequate resources for its implementation;

3. Invites the Secretary-General of UNCTAD to report to the Committee on Transfer of Technology at its sixth session on the outcome of the Nairobi meeting to be held in pursuance of resolution WHA 37.33 of the World Health Assembly;

4. Notes that the Secretary-General of UNCTAD will continue ongoing activities in this field pursuant to Conference resolutions 112 (V) and 143 (VI), and requests that he report on these activities to the Committee on Transfer of Technology at its sixth session and subsequent sessions to enable decisions on future activities to be taken.

678th meeting  
27 September 1985

326 (XXXI). Transfer and development of technology: issues in individual sectors of critical importance to developing countries

The Trade and Development Board,

Recalling paragraph 15 of resolution 143 (VI) of 2 July 1983 of the United Nations Conference on Trade and Development on issues in individual sectors of critical importance to developing countries,

Recalling further resolution 29 (V) of 20 December 1984 of the Committee on Transfer of Technology, requesting the Trade and Development Board at its thirtieth session to take an appropriate decision on the question of convening, between the sixth and seventh sessions of the Conference, up to three meetings of governmental experts to examine and recommend appropriate policies, including concrete measures on the transfer, application and development of technology in sectors and specific areas, for in-depth examination,

1. Requests the Secretary-General of UNCTAD to convene before the sixth session of the Committee on Transfer of Technology, in close co-operation with the United Nations Industrial Development Organization, the Food and Agriculture Organization of the United Nations and other relevant United Nations bodies, one meeting of an intergovernmental group of experts on the transfer, application and development of technology in the energy sector, paying particular attention to new and renewable sources of energy. The terms of reference of this meeting shall be:

(a) To consider documentation related to this subject submitted to it by the UNCTAD secretariat and views and comments thereon by Governments and relevant United Nations bodies;

(b) To examine in detail practical issues of relevance to developing countries relating to the transfer, application and development of technology in particular in the field of new and renewable sources of energy and taking into account the problems of assimilation and adaptation of these technologies to local conditions on the basis of up-to-date experience;

(c) To draw general conclusions from the discussions and to recommend appropriate policies including concrete measures in this sector to be considered at the sixth session of the Committee on Transfer of Technology;

(d) To report to the Committee on Transfer of Technology at its sixth session;

2. Invites the Secretary-General of UNCTAD to seek extrabudgetary resources to offset the cost of participation by experts from the least developed countries, and to propose means to ensure adequate participation by experts from all developing countries;

3. Requests the Secretary-General of UNCTAD to expedite his work on the transfer, application and development of technology in the food processing sector, using all means at his disposal, including, as appropriate, a possible meeting of experts on the subject convened in their personal capacities in accordance with the usual principles of geographical distribution, and to report on the results of these activities to the Committee on Transfer of Technology at its sixth session for appropriate action;

4. Requests the Committee on Transfer of Technology at its sixth session to take appropriate action on the question of convening the remaining meetings of governmental experts as decided in Conference resolution 143 (VI).

678th meeting  
27 September 1985

#### B. DECISIONS

318 (XXXI). Informal working group on the scheduling of the regular sessions of the Trade and Development Board

The Trade and Development Board,

Recalling its decision 314 (XXX) of 29 March 1985, by which it established an informal working group, under the chairmanship of the President of the Trade and Development Board, to consider all aspects of the scheduling of the regular sessions of the Board in the light of paragraph 22 of General Assembly resolution 1995 (XIX) of 30 December 1964, as amended, and paragraph 4 of General Assembly resolution 35/10 A of 3 November 1980,

1. Takes note with appreciation of the report of the Chairman of the informal working group on the scheduling of the regular sessions of the Board; 11/
2. Decides that the informal working group should continue its consideration of this subject under the chairmanship of the President of the Board at its thirty-first session;
3. Decides also that the Chairman of the informal working group shall report to the Board at its thirty-second session.

677th meeting  
25 September 1985

320 (XXXI). The international trading system

The Trade and Development Board,

Recognizing the importance of the tasks assigned to it in paragraph 14 of resolution 159 (VI) of 2 July 1983 of the United Nations Conference on Trade and Development,

Noting that recent developments have further accentuated the urgent need for action to improve and strengthen the international trading system and to reverse the dangerous tendencies which are becoming increasingly apparent,

Decides to review and study in depth developments in the international trading system in accordance with paragraph 14 of Conference resolution 159 (VI), and to this end, requests the Secretary-General of UNCTAD to submit appropriate documentation to assist the Board, at its thirty-third session, in this task.

678th meeting  
27 September 1985

321 (XXXI). Trade relations among countries having different economic and social systems and all trade flows resulting therefrom

The Trade and Development Board,

Further to its decisions 276 (XXVII) of 20 October 1983 and 297 (XXIX) of 21 September 1984 and having considered the report by the UNCTAD secretariat entitled "Trends and policies in trade and economic co-operation among countries having different economies and social systems" 12/ together with all comments thereon,

1. Reiterates its request to States members and the secretariat of UNCTAD to implement further resolutions 15 (II) of 25 March 1968, 53 (III) of 19 May 1972 and 95 (IV) of 31 May 1976 of the United Nations Conference on Trade and Development; invites the Secretary-General of UNCTAD to submit a report on the implementation of the above-mentioned resolutions to the Trade and Development Board at its thirty-third session and, on the basis of the report, to prepare proposals for further promotion of trade and economic co-operation among countries having different economic and social systems, with particular consideration given to the interests of developing countries;

2. Requests the Secretary-General of UNCTAD, in accordance, among other things, with the above-mentioned resolutions to promote more favourable conditions for trade and economic co-operation among countries having different economic and social systems with special consideration to be given to the trade and economic interests of developing countries; to this end to prepare, prior to the thirty-third session of the Trade and Development Board, background studies on the following specific subjects and issues: modalities of payments arrangements and prospects for trade and economic co-operation among countries having different economic and social systems, with special consideration given to the interests of the developing countries; and trade and economic co-operation of African developing countries with the socialist countries of Eastern Europe; and confirms its request for case studies on trade and economic co-operation between least developed countries and socialist countries of Eastern Europe;

3. Requests the Secretary-General of UNCTAD to convene an ad hoc group of experts, within existing budgetary resources and after consultation with regional groups on its composition, for a period of one week prior to the seventh session of the Conference to consider prospects for trade and economic co-operation among countries having different economic and social systems, in particular between developing countries and socialist countries of Eastern Europe, including ways, means and measures for expanding the volume and diversifying the structure of this trade and development of economic co-operation. This Group will take due account of the studies proposed in paragraph 2 above and any relevant recommendations of the Trade and Development Board at its thirty-third session;

4. Calls upon member States and the UNCTAD secretariat to take the necessary measures to reinforce the mechanism of multilateral and bilateral consultations, as agreed in Conference resolutions, and to give due consideration to the suggestions contained in the report by the UNCTAD secretariat entitled "Consultative machinery for bilateral and multilateral consultations among countries having different economic and social systems", 13/ with particular regard given to the interests of the developing countries;

5. Notes with appreciation the UNCTAD technical assistance activities in the area of trade of the developing countries with the socialist countries of Eastern Europe and again requests the Secretary-General of UNCTAD to ensure adequate support, including from resources provided for technical assistance within the existing budgetary resources, for the implementation of technical assistance projects and programmes of UNCTAD in the area of promoting trade and economic co-operation of developing countries, particularly the least developed among them, with the socialist countries of Eastern Europe; invites the Secretary-General of UNCTAD and the Administrator of the United Nations Development Programme to hold the necessary consultations with a view to their financing, especially in the 1987-1991 cycle; and also invites voluntary contributions for these purposes.

678th meeting  
27 September 1985

322 (XXXI). Trade relations among countries having different economic and social systems and all trade flows resulting therefrom

The Trade and Development Board

Decides to remit to its thirty-third session the informal text annexed to decision 145 (VI) of 2 July 1983 of the United Nations Conference on Trade and Development for further negotiations.

678th meeting  
27 September 1985

323 (XXXI). Seventh session of the United Nations Conference on Trade and Development: place, date and duration

The Trade and Development Board,

Recalling its decision 237 (XXIII) of 8 October 1981, paragraph 1 of which reads:

"Endorses the decision taken by the Latin American Group to hold the seventh session of the Conference in one of the countries of Latin America, on the understanding that the final decision on the venue in Latin America will be taken at the right time and in the right place. In this connection the Board takes note with interest of the desire of Cuba to host the seventh session of the Conference",

Further recalling its resolution 245 (XXIII) of 5 November 1981, third preambular paragraph, and resolution 253 (XXIV) of 18 May 1982, second preambular paragraph,

Bearing in mind General Assembly resolution 36/142 of 16 December 1981, fifth preambular paragraph, and General Assembly resolution 37/208 of 20 December 1982, third preambular paragraph,

1. Takes note with interest of the offer reiterated by the Government of Cuba to host the seventh session of the Conference;

2. Decides to postpone the decision on this question to the thirty-second session of the Trade and Development Board;

3. Decides to request the President of the thirty-first session of the Trade and Development Board to hold consultations and to report to the Board at its thirty-second session, in order to enable the Board to take a decision recommending to the General Assembly, in accordance with the provisions of paragraph 2 of General Assembly resolution 1995 (XIX) of 30 December 1964, as amended, the place, date and duration of the seventh session of the Conference.

678th meeting  
27 September 1985

324 (XXXI). Review of the calendar of meetings

The Trade and Development Board

Approves the revised calendar of meetings for the remainder of 1985, and for 1986, and the tentative schedule for 1987, annexed to the present decision.

678th meeting  
27 September 1985

ANNEX

Calendar of meetings for the remainder of 1985, and for 1986,  
and the tentative schedule for 1987 14/

A. Calendar of meetings for the remainder of 1985

	<u>Date</u>
Intergovernmental Group on the Least Developed Countries, sixth session <u>15/</u>	30 September- 11 October
Working Party on the Medium-term Plan and the Programme Budget, tenth session	14-18 October
Working Group on International Shipping Legislation, eleventh session	14-22 October
Fourth Preparatory Meeting on Iron Ore	21-25 October
<u>Ad Hoc</u> Intergovernmental Group to Consider Means of Combating All Aspects of Maritime Fraud, including Piracy, second session*	23 October- 1 November
United Nations Conference on Nickel, 1985	28 October- 8 November
United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices <u>16/</u>	4-15 November

	<u>Date</u>
Committee on Tungsten, seventeenth session	11-15 November
Intergovernmental Group of Experts on Definitions and Methodology employed in the UNCTAD Data Base on Trade Measures, first session*	18-22 November
Committee on Economic Co-operation among Developing Countries, fourth session	18-29 November
Committee on Commodities, eleventh session	2-13 December
Working Group on Rules of Origin, tenth session*	9-13 December

Meetings for which the dates are undetermined 17/

	<u>Duration</u>
Permanent Group on Synthetics and Substitutes (if required)	1 week
United Nations Conference to Negotiate an International Arrangement to Replace the International Wheat Agreement, 1971, as extended, fourth part (if required)	Up to 4 weeks
Second Preparatory Meeting on Bauxite	1 week
Seventh (third part) on Eighth Preparatory Meeting on Copper	1 week
Resumed Sixth Preparatory Meeting on Cotton	1 week
(Preparatory) Meeting on Hard Fibres	1 week
Third Preparatory Meeting on Manganese	1 week
Third Preparatory Meeting on Phosphates	1 week
Meeting of Tea-Exporting Countries on Quota Allocation and Minimum Export Standards	3 days
Fourth Preparatory Meeting on Tea 18/	1 week
Meeting of Representatives of Interested Governments on Bulk Cargo Shipments* (Conference resolution 120 (V), para. 5)	1 week
<u>Ad Hoc</u> Intergovernmental High-level Group of Experts on the Evolution of the International Monetary System, second session*	1 week
Group of Governmental Experts on the Concepts of the Present Aid and Flow Targets, fourth session*	1 1/2 weeks
International Tropical Timber Council, resumed first session	1 week 19/

\* \* \*



	<u>Duration</u>
Commodity conferences and other commodity meetings	As required (up to 17 weeks)
Working parties, study groups and expert groups	As required (up to 1 1/2 weeks)

**B. Calendar of meetings for 1986**

	<u>Date</u>
Group of Experts to Develop and Recommend Model Rules for Multimodal Container Tariffs, first session* (Committee on Shipping resolution 55 (XI))	13-17 January
United Nations Conference on Conditions for Registration of Ships, fourth part <u>20/</u>	20 January- 7 February
Intergovernmental Group of Experts on Definitions and Methodology employed in the UNCTAD Data Base on Trade Measures, second session*	3-7 February
Committee on Invisibles and Financing related to Trade, twelfth session, first part (Financing related to Trade)	10-21 February
United Nations Cocoa Conference, 1984, fourth part	10-28 February
Working Party on the Medium-term Plan and the Programme Budget, eleventh session	24-28 February
<u>Ad Hoc</u> Intergovernmental Group of Port Experts* (Committee on Shipping decision 54 (XI))	25 February- 5 March
Trade and Development Board, thirty-second session	10-21 March
Joint Advisory Group on the International Trade Centre UNCTAD/GATT, nineteenth session <u>21/</u>	7-15 April
United Nations Conference on Natural Rubber, 1985, second part	7-25 April <u>22/</u>
Special Committee on Preferences, fourteenth session	21-30 May
Group of Experts to Develop and Recommend Model Rules for Multimodal Container Tariffs, second session* (Committee on Shipping resolution 55 (XI))	26-30 May
Committee on Manufactures, eleventh session	2-13 June
Intergovernmental Group of Experts on the Compensatory Financing of Expert Earnings Shortfalls* (Board decision 317 (S-XIV))	16-27 June

	<u>Date</u>
United Nations Tin Conference, 1986	30 June- 18 July <u>22/</u>
Trade and Development Board, thirty-third session	15-26 September
Working Group on International Shipping Legislation, twelfth session	29 September- 10 October
Intergovernmental Group of Experts on Restrictive Business Practices, fifth session	13-24 October
Committee on Transfer of Technology, sixth session	27 October- 7 November
Committee on Tungsten, eighteenth session	3-7 November
Committee on Shipping, twelfth session	10-21 November

Meetings for which the dates are undetermined

	<u>Duration</u>
Trade and Development Board, fifteenth special session (Board decision 317 (S-XIV)) <u>23/</u>	2 weeks
Working Party on the Medium-term Plan and the Programme Budget, twelfth session	1 week
Committee on Commodities, twelfth session	2 weeks
Permanent Sub-Committee on Commodities, fifth session	1-2 weeks
Permanent Group on Synthetics and Substitutes (if required)	1 week
United Nations Conference on Olive Oil, 1986	3 weeks (June)
<u>Ad Hoc</u> Intergovernmental Group of Senior Officials on Co-operation among Developing Countries in the area of Shipping, Ports and Multimodal Transport* (Committee on Shipping resolution 53 (XI))	1 week
Group of Governmental Experts on the Economic, Commercial and Development Aspects of the Industrial Property System in the Transfer of Technology to Developing Countries, second session*	1 1/2 weeks
Intergovernmental Group of Experts on the Transfer, Application and Development of Technology in the Energy Sector* <u>24/</u>	10 days

	<u>Duration</u>
<u>Ad Hoc</u> Group of Experts to Consider Prospects for Trade and Economic Co-operation among Countries having Different Economic and Social Systems* <u>25/</u>	1 week
* * *	
Commodity conferences and other commodity meetings	As required (up to 28 weeks)
Working parties, study groups and expert groups	As required (up to 4 weeks)

C. Tentative schedule of meetings for 1987

Working Party on the Medium-term Plan and the Programme Budget, thirteenth session	1 week
Trade and Development Board, thirty-fourth session	2 weeks
Trade and Development Board, sixteenth special session <u>26/</u>	1 week
United Nations Conference on Trade and Development	
- Pre-Conference meeting of senior officials	2 days
- Seventh session	4 weeks
Special Committee on Preferences, fifteenth session	1-2 weeks
Working Party on the Medium-term Plan and the Programme Budget, fourteenth session	1 week
Trade and Development Board, thirty-fifth session	2 weeks
Working Group on International Shipping Legislation, thirteenth session	2 weeks
Intergovernmental Group of Experts on Restrictive Business Practices, sixth session	1 1/2 weeks
Committee on Invisibles and Financing related to Trade, twelfth session, second part (Insurance)	1 week
Sessions of 2 or 3 main Committees	Throughout the year 1-2 weeks each
Permanent Sub-Committee on Commodities (if required)	1-2 weeks
Committee on Tungsten (if required)	1 week

	<u>Duration</u>
Permanent Group on Synthetics and Substitutes (if required)	1 week
Joint Advisory Group on the International Trade Centre UNCTAD/GATT, twentieth session <u>27/</u>	9 days
* * *	
Commodity conferences and other commodity meetings	As required (up to 40 weeks)
Working parties, study groups and expert groups	As required (up to 16 weeks)

### C. OTHER DECISIONS

#### Membership of the Working Party on the Medium-term Plan and the Programme Budget for 1986

At its 678th meeting, on 27 September 1985, the Board decided that in 1986 the membership of the Working Party on the Medium-term Plan and the Programme Budget would consist of the following 19 States:

Bahrain	Netherlands
Bangladesh	Nicaragua
Bulgaria	Norway
Canada	Peru
China	Philippines
Egypt	Senegal
Ethiopia	Switzerland
German Democratic Republic	Union of Soviet Socialist Republics
Italy	United States of America
Mexico	

#### Other action taken by the Board

1. At its 677th meeting, on 25 September 1985, the Board:

(a) Took note of the report of the Joint Advisory Group on the International Trade Centre UNCTAD/GATT on its eighteenth session 28/ and of the comments made thereon;

(b) Took note of the report of the United Nations Commission on International Trade Law on the work of its eighteenth session 29/ and of the comments made thereon.

2. At its 678th meeting, on 27 September 1985, the Board adopted the report of the Bureau on credentials. 30/

3. Also at its 678th meeting, on 27 September 1985, the Board took note of the following:

(a) The reports of the Committee on Commodities on its second and third special sessions; 31/

(b) The report of the Preparatory Meeting on Nickel, endorsing the agreed conclusions contained therein; 32/

(c) The reports of the Committee on Invisibles and Financing related to Trade on the first and second parts of its eleventh session; 33/

(d) The report of the Special Committee on Preferences on its thirteenth session; 34/

(e) The report of the Intergovernmental Group of Experts on Restrictive Business Practices on its fourth session; 35/

(f) The report of the Meeting of Governmental Experts of Donor Countries and of Multilateral and Bilateral Financial and Technical Assistance Institutions with Representatives of the Least Developed Countries as part of Preparation for the Mid-term Global Review of the Implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries, transmitting it to the Intergovernmental Group on the Least Developed Countries at its sixth session for consideration in connection with item 3 of the Group's provisional agenda; 36/

(g) The conclusions and recommendations adopted by the Third Meeting of Governmental Experts on the Reverse Transfer of Technology. 37/

4. The Board, at its 678th meeting, on 27 September 1985, adopted the provisional agenda for its thirty-second regular session; 38/ authorized the President, in consultation with the Secretary-General of UNCTAD to make any further adjustments that might be necessary in the light of the decisions adopted and other developments; and requested the Secretary-General of UNCTAD to consult delegations regarding the organization of the work of the session and to circulate his suggestions thereon.

III. STATEMENTS MADE AT THE 678TH MEETING ON 27 SEPTEMBER 1985  
IN CONNECTION WITH RESOLUTIONS AND DECISIONS ADOPTED BY  
THE BOARD\*

A. Resolution 319 (XXXI) - Specific action related to the particular needs and problems of land-locked developing countries

1. The spokesman for Group B (Switzerland) said that his Group welcomed the consensus on resolution 319 (XXXI) and hoped that it would encourage co-operation in matters of transit-transport between land-locked developing countries and their transit neighbours. Observing that Group B did not recognize land-locked developing countries as a separate category, he said that his Group did realize that some of those countries suffered from various difficulties because of that situation.

2. The spokesman for the Group of 77 (Nigeria) expressed the hope that the same understanding that had been manifest in reaching the consensus in the difficult negotiations on the text on land-locked countries would be manifest when it came to implementing it.

B. Resolution 325 (XXXI) - Towards the technological transformation of developing countries in the pharmaceutical sector

The spokesman for Group B (Switzerland) said that his Group especially welcomed the fact that, after so many years, it had been possible to adopt a text on the technological transformation of developing countries in the pharmaceutical sector. He noted that the views of Group B regarding UNCTAD's competencies in the field of pharmaceuticals had not changed.

C. Resolution 326 (XXXI) - Transfer and development of technology: issues in individual sectors of critical importance to developing countries 39/

1. The representative of the German Democratic Republic having asked for clarification of the second part of paragraph 2 of the resolution, a representative of the secretariat stated that it was the understanding that the Secretary-General of UNCTAD would seek ways to ensure participation by experts from all developing countries in the meeting using extrabudgetary resources, if available.

2. The spokesman for Group B (Switzerland) said that by agreeing to join the consensus on the resolution, which some members of Group B still felt was deficient, Group B hoped to demonstrate its faith in what it saw as the positive shift in the performance of UNCTAD. In that regard, he welcomed the statement made by the secretariat.

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\* The President's summary and conclusions at the end of the thirty-first session of the Board are contained in annex II.

3. It must be clear, however, that the members of Group B still considered that the meeting called for pursuant to paragraph 1 of the resolution continued to constitute a test case on whether such activities could be of practical benefit to member States. Group B expected that that meeting would be attended by professionals with expertise in the fields under discussion. He noted further that future Group B decisions on proposals of that nature would be heavily influenced by how the meeting was prepared and conducted. In that regard Group B would pay careful attention to the views of the Committee on Transfer of Technology, which it expected would carefully review the results of the expert group meeting.

4. As to paragraph 3, Group B recognized that the Secretary-General might wish to seek the advice of experts outside the secretariat to help finalize the studies under way. It had never concealed its doubts about the need for a meeting of experts for that purpose and trusted that, in judging the appropriateness of calling one, he would consider the most cost-effective and efficient way of acquiring any expert advice which he considered necessary.

5. Group B's careful attention to those issues and its efforts to assure that that activity was carefully planned, efficient, effective and designed to deal with realistic issues, was evidence of its commitment to an UNCTAD that truly served the cause of economic development.

6. The representative of the United States of America said that his delegation had had problems with the resolution on energy which were of such magnitude that it had given serious consideration to calling for a vote and voting against it. That it had not done so was evidence that the United States Government was willing to challenge UNCTAD to prove that its serious misgivings about the organization's ability to undertake productive work in that area were ill-founded. The record of efforts in the area of transfer of technology was abysmal - expert meetings whose participants were anything but expert and documentation that was ill-conceived, poorly prepared and lacking in any realistic focus; in sum a waste of time and precious resources. That was why the provision on food processing was found so objectionable by the United States delegation.

7. His delegation viewed the resolution as a final test case. His Government intended to be merciless in its scrutiny of the preparation and execution of both the activities that would result from it and its future decisions on technology questions would be based partly on the results of that endeavour. In that connection, the United States delegation still failed to see how a one-week meeting of experts on a topic as broad as energy, notwithstanding the focus on new and renewable sources of energy, could be of any practical benefit to anyone. Which new or renewable source of energy would the experts discuss? Solar? Biomass? Tidal flows? A week or more could be devoted to each. Were the experts to discuss existing technology? New forms of technology? Current research and development? Markets? Pricing policies? Availability? The impression given by the resolution was that they would focus on them all and the only way that could be done would be to have a meeting of non-experts who did not know the subject - real experts would not waste their time. The same comments could be directed to the sector on food processing. The documentation in that area had proved extremely unsatisfactory.

8. Although his delegation had acquiesced in continued work on that occasion, it would certainly not do so in future unless there was a drastic change. The United States would resist acquiescing in activities that benefited no one in particular and whose product was paper that remained unread except by bureaucrats who used it

only as a basis to justify further useless exercises. The message from the United States was a simple one. The resolution represented the last chance. Most people worked best under pressure and his Government was prepared to apply that pressure and expected to see each and every document prepared for the meeting and intended to have them reviewed carefully by experts. Such documentation would, of course, include the agenda and the list of participants. He hoped that there was no lingering doubt as to its seriousness on the issue. He hoped the secretariat would view his remarks as providing it with a challenge.

9. The spokesman for the Group of 77 (Nigeria) said that the Group of 77 looked forward to useful and practical results from the meetings of experts on energy and from similar meetings in other sectors of critical importance to developing countries to be convened in the near future. It could not be expected that the results of one meeting could be the basis upon which action on other sectors would be considered. Each sector had its unique problems, solutions and priorities, which merited individual focus and attention.

D. Decision 323 (XXXI) - Seventh session of the United Nations Conference on Trade and Development: place, date and duration

1. At the 678th meeting, on 27 September 1985, the President introduced a draft decision 40/ postponing a decision under this item, which he submitted after informal consultations.

2. The representative of the Philippines observed that the only issue regarding the seventh session of the Conference which was not solved was the venue. It might be well for the Board to note, as stated in the annotations to the provisional agenda, 41/ that the provision had been made in the calendar for a meeting of four weeks' duration to be preceded by a two-day meeting of senior officials. He suggested that the President inform regional co-ordinators of the outcome of the consultations on the issue which he was to undertake pursuant to the draft decision.

3. The President gave an assurance that he would keep regional co-ordinators informed as the representative of the Philippines had suggested. Observing that the venue and duration were interlinked, he said that it would be as well to leave unchanged the text of the draft decision, which was the outcome of delicate negotiations, while noting the remarks of the representative of the Philippines.

E. Report of the Bureau on credentials

1. The representative of China stated that his delegation maintained its stand concerning the credentials of the delegation of Afghanistan as expressed at the thirty-eighth session of the General Assembly.

2. The representative of Pakistan reserved his delegation's position with respect to the credentials of the delegation representing Afghanistan for the reasons already stated in the General Assembly.

3. The representative of Afghanistan said that the fallacious and malevolent comments of the United States delegation in paragraph 4 of the report on credentials 42/ were of the kind which it was accustomed to make against all who



had refused to accept the diktat of the United States Government. As to the comments of the delegations of China and Pakistan, the position of the Government of the Democratic Republic of Afghanistan remained as expressed at the thirty-ninth session of the General Assembly.

4. The representative of the Union of Soviet Socialist Republics reaffirmed his delegation's position of support of Afghanistan as reflected in the report on credentials.

5. The representative of the United States of America reiterated his delegation's position on the credentials of the delegation of Afghanistan as stated in the report on credentials.

Notes

1/ See Official Records of the General Assembly, Thirty-ninth Session, Supplement No. 15 (A/39/15, vol. II, sect. II).

2/ For the list of participants, see TD/B/INF.145. The membership of the Board at its thirty-first session totalled 129. The membership will be reproduced in Official Records of the Trade and Development Board, Thirty-first Session, Supplement No. 1A (TD/B/1077 (vol. II), annex V).

3/ All texts in part I were adopted by the Board without a vote.

4/ For the statements made in connection with the adoption of resolution 319 (XXXI) by Switzerland (on behalf of Group B) and Nigeria (on behalf of the Group of 77), see sect. III, A.

5/ For the statement made in connection with the adoption of resolution 325 (XXXI) by Switzerland (on behalf of Group B), see sect. III, B.

6/ For the statements made in connection with the adoption of resolution 326 (XXXI) by Switzerland (on behalf of Group B); the United States of America; and Nigeria (on behalf of the Group of 77), see sect. III, C.

7/ For the statement made in connection with the adoption of decision 323 (XXXI) by the representative of the Philippines and by the President of the Board, see sect. III, D.

8/ See TD/B/1068, part one, prepared pursuant to General Assembly resolution 39/209 of 18 December 1984.

9/ Official Records of the Trade and Development Board, Twenty-ninth Session, Annexes, agenda item 7, document TD/B/1002.

10/ Ibid., Twenty-eighth Session, Annexes, agenda item 2, document TD/13/982.

11/ TD/B/1075.

12/ Official Records of the Trade and Development Board, Thirty-first Session, Annexes, agenda item 6, document TD/B/1063.

13/ TD/B/1061.

14/ Unless otherwise indicated, all meetings will be held in Geneva. Meetings marked with an asterisk are deductible from the provision for "Working parties, study groups and expert groups".

15/ Meeting at high level to undertake the mid-term global review of progress towards the implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries.

16/ In accordance with General Assembly resolution 35/63 of 5 December 1980.

17/ Meetings under this heading not held in 1985 will be carried over into 1986.

Notes (continued)

18/ Subject to the satisfactory conclusion of the Meeting of Tea-Exporting Countries on Quota Allocation and Minimum Export Standards.

19/ Dates for this session will be established in the light of the consultations being undertaken by the President of the Council. At the present stage, at the request of the President, facilities have been provisionally blocked for the period 25-29 November 1985. Listed for information. Reimbursable meeting. These dates will be put to the regular consultations of the Secretary-General of UNCTAD.

20/ Subject to confirmation by the General Assembly at its fortieth session.

21/ Listed for information.

22/ Dates subject to confirmation at the regular consultations of the Secretary-General of UNCTAD in October 1985.

23/ To decide on requisite follow-up action in respect of the Intergovernmental Group of Experts on the Compensatory Financing of Export Earnings Shortfalls (scheduled 16-27 June), including the possible convening of a negotiating conference on an additional complementary facility.

24/ In accordance with Trade and Development Board resolution 326 (XXXI). To be held before the sixth session of the Committee on Transfer of Technology.

25/ In accordance with Trade and Development Board decision 321 (XXXI). To be held before the seventh session of the Conference.

26/ To consider preparations for the seventh session of the Conference.

27/ Listed for information.

28/ ITC/AG(XVIII)/98 and Add.1 (distributed to members of the Trade and Development Board under cover of TD/B/1070).

29/ Official Records of the General Assembly, Fortieth Session, Supplement No. 17 (A/40/17) (distributed to members of the Trade and Development Board under cover of TD/B/1072).

30/ TD/B/1076. See sect. III, E, for statements made by China, Pakistan, Afghanistan, the Union of Soviet Socialist Republics and the United States of America in connection with the adoption of the report.

31/ Official Records of the Trade and Development Board, Thirty-first Session, Supplement No. 2 (TD/B/1041) and *ibid.*, Supplement No. 4 (TD/B/1057), respectively.

32/ *Ibid.*, Thirty-first Session, Annexes, agenda item 7, document TD/B/1051.

33/ *Ibid.*, Thirtieth Session, Supplement No. 4 (TD/B/1044), and *ibid.*, Supplement No. 5 (TD/B/1045), respectively.

34/ *Ibid.*, Thirty-first Session, Supplement No. 3 (TD/B/1052).

Notes (continued)

35/ Ibid., Thirty-first Session, Annexes, agenda item 7, document TD/B/1054.

36/ Ibid., document TD/B/1055.

37/ Ibid., document TD/B/1073, annex I. Pursuant to the request in paragraph 5 of General Assembly resolution 39/211 of 18 December 1984, the present report contains a section on the outcome of that Meeting (see annex III below).

38/ TD/B/L.780.

39/ A statement by the UNCTAD secretariat regarding the administrative and financial implications of resolution 326 (XXXI) is given in annex IV.

40/ TD/B/L.783.

41/ TD/B/1060.

42/ TD/B/1076.

ANNEX I

Agenda for the thirty-first session of the Trade and Development Board as adopted at its 671st meeting, on 16 September 1985

1. Procedural matters:
  - (a) Election of officers;
  - (b) Adoption of the agenda and organization of the work of the session;
  - (c) Adoption of the report on credentials;
  - (d) Provisional agenda for the thirty-second regular session of the Board and organization of the work of the session.
2. Specific matters arising from the resolutions, recommendations and other decisions adopted by the Conference at its sixth session requiring attention or action by the Board at its thirty-first session.
3. Interdependence of problems of trade, development finance and the international monetary system.
4. Debt and development problems of developing countries.
5. Seventh session of the United Nations Conference on Trade and Development: place, date and duration of the seventh session of the Conference.
6. Trade relations among countries having different economic and social systems and all trade flows resulting therefrom.
7. Matters requiring action by the Board arising from or related to reports and activities of its subsidiary and other bodies:
  - (a) Commodities;
  - (b) Invisibles and financing related to trade;
  - (c) Manufactures and semi-manufactures;
  - (d) Least developed countries;
  - (e) Technology.
8. Other matters in the field of trade and development:
  - (a) Export promotion: report of the Joint Advisory Group on the International Trade Centre UNCTAD/GATT on its eighteenth session;
  - (b) Progressive development of the law of international trade: eighteenth annual report of the United Nations Commission on International Trade Law;
  - (c) Transit-transport infrastructures and services for land-locked developing countries.

9. Programme evaluation in UNCTAD.
10. Institutional, organizational, administrative and related matters:
  - (a) Treatment of new States members of UNCTAD for the purpose of elections;
  - (b) Announcement of any changes in the membership of the Board and election to membership of main Committees;
  - (c) Membership of the Working Party on the Medium-term Plan and the Programme Budget for 1986;
  - (d) Designation of intergovernmental bodies for the purposes of rule 78 of the rules of procedure of the Board;
  - (e) Designation and classification of non-governmental organizations for the purposes of rule 79 of the rules of procedure of the Board;
  - (f) Timely issuance of UNCTAD documentation in all official languages (Board resolution 282 (XXVIII));
  - (g) Amendment of the rules of procedure of the Trade and Development Board;
  - (h) Scheduling of sessions of the Board;
  - (i) Review of the calendar of meetings;
  - (j) Financial implications of the actions of the Board.
11. Other business.
12. Adoption of the report of the Board.

## ANNEX II

### President's summary and conclusions

#### Trade and development, debt and international economic co-operation

At the end of the thirty-first session of the Trade and Development Board, it is my impression that grosso modo I could sum up the debate held, particularly on agenda item 3 (interdependence of problems of trade, development finance and the international monetary system) and 4 (debt and development problems of developing countries) through the following conclusions:

1. The Trade and Development Board conducted a useful and constructive examination of the world economic situation and its future prospects, including the debt question. It addressed in particular the interrelationships between national macro-economic policies, international financial and trade policies and development. There was agreement that the complex nature and wide extent of interdependence among economies and among problems in different spheres have major implications for policies at both the national and international levels.
2. In the debate, attention was drawn to certain positive recent trends in world development, such as a renewed, albeit uneven, economic growth, reduced inflation in developed countries, lower interest rates, and a resumption of growth in world trade contributing to a certain easing of the debt situation. General concern was expressed, however, on many preoccupying factors in the present situation, as well as on prospects relating to the future.
3. Thus, although recovery in the developed market-economy countries has brought benefits to developing countries, these have been counteracted by continued high interest rates, a steep drop in net transfers, which have become sharply negative for a number of developing countries, stagnating flows of official development assistance, low commodity prices, and protectionism. The developing countries have therefore had difficulties in increasing or even restoring per capita income, and the rhythm of growth and development. This situation has been harmful not only to the developing countries themselves, but also the world economy as a whole.
4. Although strengthened international co-operation in the financial sphere has been instrumental in avoiding disruption of creditor-debtor relationships, the sacrifices being made by developing countries under heavy debt burdens are extremely onerous. In many debtor developing countries, debt service is absorbing a significant part of export earnings and gross national product. Their social and economic development has suffered a serious setback, with reduced rates of investment weakening the capacity for growth and debt service in the future. The present considerable transfer of net resources from a number of developing countries to industrialized countries endangers their political and social stability and is not tenable over a longer period.
5. The critical economic situation of sub-Saharan Africa and the plight and distress of the least developed countries give reason for special concern, both as regards the present situation and with regard to the prospects for the future.
6. Considerable uncertainty is attached to the continuation of the recovery process. The medium-term outlook for growth in major industrialized market-economy

countries, as well as for commodity prices, capital flows, official development assistance (ODA), interest rates and exchange rates give rise to considerable concern.

In this situation there seemed to be a considerable convergence of views among members of the Board, with regard to the following:

7. The precarious, and in many respects very difficult, economic situation calls for increased international co-operation in addition to domestic action. Given the interrelationship both between countries and regions on the one hand, and between the main problem sectors on the other, only broad co-ordinated action can be expected to be really effective for improving the international economy.

8. A major objective must be to secure a broad, continued and strengthened growth process without reviving inflation. It is recognized that no strategy on debt can be viable in the long run except within a context of growth and development.

9. To bring about a continued and strengthened process of growth in the world economy, certain co-ordinated shifts in monetary and fiscal policies seem to be called for by major industrialized countries.

10. Acceleration of the development of the developing countries is an important and shared international objective and concrete policy actions - in addition to domestic action in the respective countries - must be taken in order to secure their growth and development. All parties must consistently contribute to this goal in accordance with their respective capacities and responsibilities.

11. Developing countries should continue and intensify their efforts to ensure that their domestic policies and economic management respond to development priorities and growth opportunities.

12. Developed countries should strengthen their efforts to foster a favourable environment for economic development, inter alia, through sustained advance towards ODA targets, through increased official and private capital flows, through reduction of interest rates and improved exchange rate alignment, as well as through further opening of their market towards exports from developing countries and through contributions towards a strengthening of commodity markets. In spite of certain progress achieved, greater efforts should be made fully to implement the Substantial New Programme of Action for the Least Developed Countries.

13. The international trading system needs to be strengthened and improved, including greater transparency in trade measures. Further co-ordinated efforts should be made towards increased liberalization and expansion of world trade based on mutual commitment and mutual advantage, taking into account the principle of differential and more favourable treatment for developing countries and the special situation of the least developed countries. Developing countries' debt-carrying capacity would be enhanced by rapid implementation of commitments regarding standstill and roll-back. Enhanced efforts should also be made to tap the full potential for trade among developing countries. Furthermore, efforts should be made towards increasing trade between developing countries and the socialist countries of Eastern Europe.

14. Action in the trade field should be complemented and would be facilitated by parallel and complementary action in the financial and monetary field. The



international financial agencies should have resources adequate to meet the heavy demands on them, and their lending policies should be consistent with the need for accelerating growth and adjustment.

15. The framework for debt rescheduling requires further attention with a view to ensuring that debt servicing is tailored to repayment capacity and development needs, and that adjustment programmes are underpinned by the availability of adequate net inflow of funds. Further consideration should be given to proposals made concerning the servicing of ODA and commercial debt, entailing, inter alia, a substantial lengthening of maturities and reduction of interest rates.

16. The negative consequences of arms expenditure on economic development are generally recognized and it is hoped that the forthcoming International Conference on the Relationship between Disarmament and Development will further heighten the awareness of this interlinkage.

17. UNCTAD should increasingly be used as a forum for constructive dialogue and collective action in order to promote mutual consistency among policies in the international monetary, financial and trading spheres, designed to attain more even, steady and rapid international development.

ANNEX III

Material transmitted by the Trade and Development Board  
to the General Assembly

Outcome of the Third Meeting of Governmental Experts  
on the Reverse Transfer of Technology a/

1. The Third Meeting of Governmental Experts on the Reverse Transfer of Technology was convened at Geneva from 26 August to 4 September 1985 pursuant to General Assembly resolution 39/211 of 18 December 1984, which, in paragraph 3, requested "the Secretary-General of the United Nations Conference on Trade and Development to convene the requisite meetings of governmental experts on the reverse transfer of technology, as provided for in General Assembly resolution 38/154" and, in paragraph 5, requested "the Trade and Development Board to include, in its report to the General Assembly at its fortieth session, a section on the outcome of the Third Meeting of Governmental Experts on the Reverse Transfer of Technology".
2. The conclusions and recommendations adopted by the Third Meeting on 4 September 1985 b/ are reproduced in appendix I below. The statements made at the close of the Third Meeting c/ are reproduced in appendix II below. The account of the deliberations on this subject at the thirty-first session of the Board is contained in appendix III below.

Notes

- a/ See sect. II above, Other action, para. 3 (g).
- b/ Made available to the Board in document TD/B/L.778.
- c/ Made available to the Board in TD/B/L.778/Add.1.

## APPENDIX I

### Conclusions and recommendations adopted by the Third Meeting of Governmental Experts on the Reverse Transfer of Technology

In accordance with General Assembly resolution 39/211 of 18 December 1984, the Third Meeting of Governmental Experts on the Reverse Transfer of Technology was held at Geneva from 26 August to 4 September 1985. It examined the following notes by the UNCTAD secretariat: "Review of possible policy approaches and measures concerning the reverse transfer of technology"; a/ "Preliminary outline of a set of guidelines on the reverse transfer of technology"; b/ and "Possible elements for a questionnaire on quantitative and qualitative information on the reverse transfer of technology". c/

#### The Third Meeting of Governmental Experts on the Reverse Transfer of Technology,

Recalling General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974, 3281 (XXIX) of 12 December 1974, 3362 (S-VII) of 16 September 1975, 35/56 of 5 December 1980 and all the relevant resolutions on the reverse transfer of technology,

Taking note of the work accomplished by the First and Second Meetings of Governmental Experts on the Reverse Transfer of Technology, d/

#### 1. Concludes that:

- (a) The problem of the outflow of skilled manpower from developed to receiving developed countries has implications of global concern. This outflow constitutes a one-sided transfer of productive resources embodying technology in human skills from the former to the latter, thus limiting the developing countries' capacity for development. Outflows of skilled manpower have increased and have taken new forms;
- (b) The present adverse international economic situation has widened the gap between developing and developed countries, thereby reinforcing the factors that determine the reverse transfer of technology;
- (c) Since the availability of skilled human resources is a critical component of the economic, social and technological transformation of developing countries, the continuing outflow of skilled personnel from developing to receiving developed countries contributes to the undermining of the efforts made by developing countries in accelerating their development processes;
- (d) In order to mitigate the adverse effects of the reverse transfer of technology, policies and concrete measures have been adopted by many developing countries at the national and regional levels and through bilateral and multilateral programmes;
- (e) However, national and ad hoc measures are not sufficient to deal with the phenomenon effectively. International measures and concerted action by all parties concerned are needed to complement action at the national level with a view to ensuring that the migration of skilled manpower from developing to receiving

developed countries constitutes an exchange in which the interests of countries negatively affected by the reverse transfer of technology are adequately protected;

(f) The work accomplished so far by the Meetings of Governmental Experts has established a foundation for moving from ad hoc measures to an integrated approach on a universal basis;

(g) The work accomplished by the Meetings of Governmental Experts has shown the close link between improvement of policy formulation and implementation at all levels and collection and dissemination of quantitative and qualitative information on the one hand, and the establishment of a set of guidelines within the framework of an integrated programme of action on the reverse transfer of technology on the other hand;

(h) The drafts of the set of guidelines and the questionnaire contained in the documentation submitted by the UNCTAD secretariat constitute a very useful basis for the subsequent phase of the work to be finalized, taking into consideration the comments made at the present Meeting and the views expressed at a later stage by all parties concerned;

(i) The solution to the problem of the reverse transfer of technology requires a universal approach in which the interests of all parties concerned are adequately protected and taken into account. In this connection, the experts very much regretted the absence of a majority of the group of receiving developed countries from the three Meetings of Governmental Experts. The experts reiterate their firm belief that solutions to the problems of the reverse transfer of technology have to be reached through universal participation, particularly of all the parties involved. The experts believe that they have laid down the foundation upon which the subsequent phase of the work can be undertaken with the universal participation of all parties concerned;

(j) There is a convergence between the approach by the relevant organizations, organs and bodies of the United Nations system in their specific areas of competence as reflected in the agreed conclusions of the report of the Inter-Agency Group on Reverse Transfer of Technology to the General Assembly at its thirty-ninth session e/ and the approach adopted by the Meetings of Governmental Experts on the Reverse Transfer of Technology;

2. Recommends that:

(a) In view of the usefulness of the documentation submitted by the UNCTAD secretariat to the present Meeting, the Secretary-General of UNCTAD should circulate widely the above-mentioned documents together with the report of the Meeting f/ to all States members of UNCTAD and relevant organs, organizations and bodies of the United Nations system as well as to other relevant intergovernmental and non-governmental organizations for examination and comments as appropriate;

(b) The Secretary-General of UNCTAD should convene a Meeting of Governmental Experts on the Reverse Transfer of Technology, if possible in 1986 but not later than the first quarter of 1987, to consider and formulate an integrated programme of action on the reverse transfer of technology and recommend the modalities for its implementation, taking into account the work already done by the Meetings of Governmental Experts on the Reverse Transfer of Technology and the views of all parties concerned;

(c) The Secretary-General of UNCTAD should continue to study the problem of the reverse transfer of technology and prepare the appropriate documentation on an integrated programme of action on the reverse transfer of technology to be submitted to the Meeting of Governmental Experts referred to in paragraph 2 (b) above, taking into account, inter alia, the work accomplished by the three Meetings of Governmental Experts and the comments referred to in paragraph 2 (a) above;

(d) Receiving developed countries should participate fully in the Meeting of Governmental Experts referred to in paragraph 2 (b) above;

(e) All the relevant organizations, organs and bodies of the United Nations system should continue to co-operate with UNCTAD in the future work on the reverse transfer of technology.

#### Notes

a/ TD/B/AC.35/11.

b/ TD/B/AC.35/12 and Corr.1.

c/ TD/B/AC.35/13.

d/ For the reports of the Meetings, see Official Records of the Trade and Development Board, Twenty-seventh Session, Annexes, agenda item 6, document TD/B/969, and *ibid.*, Twenty-ninth Session, Annexes, agenda item 7, document TD/B/1018.

e/ A/39/397, annex.

f/ Official Records of the Trade and Development Board, Thirty-first Session, Annexes, agenda item 7, document TD/B/1073.

## APPENDIX II

### Statements made at the close of the Third Meeting of Governmental Experts on the Reverse Transfer of Technology, on 4 September 1985

1. The Chairman summed up his impressions of the work of the Meeting and of the progress made. He explained that on the advice of the Bureau and regional co-ordinators, and on the basis of his own assessment of the situation, he had decided to hold informal consultations in order to arrive at a realistic evaluation of the current status of the work and to chart its future course. He had sought the views of as many delegations as possible on the issues related to the agenda items for the Meeting, and had in particular consulted the representatives of those countries that had not taken part in the work of the three Meetings, and whose absence had been noted with great regret by the participants. As those countries were directly involved in the world mobility of skilled manpower as the major recipients or concerned with it for reasons of morality, collective responsibility and world interdependence, their absence had unfortunately meant that full benefit could not be obtained from the Meetings.
2. He had gathered from the informal consultations that the chief concerns of those countries centred on two major issues. First, the mandate for the Meetings of Governmental Experts set out in General Assembly resolutions 37/207 and 38/154 was not the subject of unanimous agreement by all the parties concerned, chiefly because of the mention of compensation, which, in the view of those countries constituted a prejudgement of the outcome of the experts' studies. Secondly, they considered that some important aspects of the highly complex phenomenon of reverse transfer of technology had not been adequately explored until now, including the world-wide scope and magnitude of the phenomenon, the directions of the skilled manpower flows, their size and impact, and the gains and losses to all parties involved.
3. He had also gathered the clear impression from the consultations that the absent countries held the following views: (a) They looked forward to participating in future Meetings of Governmental Experts on the Reverse Transfer of Technology; (b) The concerns of all countries involved in the reverse transfer of technology should be taken into account when preparing for future meetings in view of the universal nature of the phenomenon; (c) Although those concerns might vary somewhat from one country to another, their common elements required the terms of reference for future meetings to be left open for the consideration of all possible approaches to and treatment of the problem by measures for action at the national, regional and international levels. It would be desirable for the terms of reference not to include an indication of any specific proposal to be acted upon by the experts. Such openness would, it was hoped, be reflected in the General Assembly resolution to guide future activities; (d) The results of the three Meetings should be built upon during the subsequent phase of the experts' work, together with the contributions of other United Nations bodies concerned. Further contributions should be requested from those bodies; (e) Intensive efforts should be made in Geneva to prepare the ground for a consensus resolution at the forthcoming session of the General Assembly; (f) Sessions of the Trade and Development Board in the near future should afford an opportunity to reach agreement on the next phase of the experts' work and on the related procedural and substantive matters.

4. Assessing the situation as he now saw it, he said that the experts attending the current Meeting were clearly aware of the essential elements of their absent partners' concerns. His report to them on the details of those concerns had served to heighten their resolve to solve the problems of the reverse transfer of technology through universal participation by all the parties involved. Intensive efforts had been made during the current Meeting to take those concerns into account and to pave the way for such participation in the future. The conclusions and recommendations of the Meeting were the fruit of sincere and commendable work aimed at achieving consensus on that important matter. Considerable progress had clearly been made, and the ground was ready for establishing the required consensus and moving thereafter to the next phase of the work. He hoped that all those present would understand the message conveyed by the document and that the receiving developed countries would respond to its invitation to participate fully in the next meeting.

5. Mr. Yves Berthelot, Deputy Secretary-General of UNCTAD, expressed his pleasure at inaugurating his functions in UNCTAD by participating in the closing proceedings of the current Meeting, which had had such positive results.

6. It was clear, he considered, from the three Meetings held on the subject that the problem of the reverse transfer of technology had to be seen in global terms and placed in the context of the efforts made by the developing countries to accelerate their economic and technological development. Human resources, and particularly skilled manpower, were now, more than ever, one of the main assets for all countries, and especially the developing countries, in their economic and technological transformation. Naturally, therefore, the training, mobilization and use of human resources for development were a major concern not merely of individual Governments but of the international community as a whole.

7. The problem was a complex one. It required a multidisciplinary approach if general objectives were to be translated into specific measures in such a way as to ensure that the outflow of qualified manpower from the developing to the developed countries constituted an exchange in which the interests of all countries involved in the reverse transfer of technology were taken into account. The first phase of this endeavour had been completed through the work of the Meetings of Experts, which had thrown light on the ties existing between the different components of an integrated approach to the problem. He believed that significant progress had been made in enlarging the understanding of the technical aspects of those components, and noted in that connection the favourable opinions expressed on the documentation submitted by the UNCTAD secretariat.

8. He regretted that the Meetings of Experts had not benefited so far from the experience and knowledge of experts from all the countries directly concerned by the reverse transfer of technology. It was clear from the current Meeting that the achievement of positive results entailed universal and active participation by all the parties concerned. He hoped, therefore, that a dialogue would now be reopened among all such countries, in which the views of the international community as a whole would be put forward. In that respect, the consultations held by the Chairman with the countries that had not attended the Meeting had not only given the experts a clearer understanding of those countries' wishes and points of view but had also paved the way for a constructive dialogue. He underlined the importance of the participation of certain experts who had involved themselves in the work of the Meeting on behalf of their delegations, and of the support given to

the UNCTAD secretariat by other bodies in the United Nations system, particularly the International Labour Office and the United Nations Statistical Department, in the preparations for the Meeting.

9. He believed that the conclusions and recommendations of the Meeting offered a sound basis for the next phase of the work in the context of an integrated programme of action on the reverse transfer of technology. Their consideration at the forthcoming sessions of the Board and the General Assembly would be the first step in that direction.

10. The spokesman for the Group of 77 considered that the experts had made a useful contribution at the current Meeting to the search for a durable solution to the problem of the reverse transfer of technology, and that an important phase of the work was being wound up. The experts had not been insensitive to the widely shared desire for a universal approach to the problem and the need for a collective effort to apply the solutions found at each of the appropriate levels for dealing with the problem. That awareness was reflected in the conclusions and recommendations of the Meeting, which represented a conscientious effort on the part of the experts to strike a balance between their desire to move speedily to concrete action and their recognition of the need for collective responsibility for such action.

11. He expressed the appreciation of the Group of 77 to the Chairman for the consultations he had undertaken, which had enhanced the Group's understanding of the difficulties experienced by most of the countries members of a major group with the process embarked upon, and felt sure that the consultations would again prove their usefulness when the time came at the forthcoming session of the General Assembly to reach an understanding on the next phase of the work. He believed that the basic elements for such an understanding had been laid by the current Meeting and by the thought-provoking documentation submitted by the secretariat. In the meantime, he hoped that all Governments would take the opportunity to reflect on the form and content of the future integrated programme of action on the reverse transfer of technology.

12. The spokesman for Group D said that, as the countries of his Group were in favour of the restructuring of international economic relations on an equitable and mutually advantageous basis, they were against any form of exploitation among national economies, such as the brain drain. The flow of skilled labour from developing countries represented an unrequited transfer of resources to highly developed capitalist countries which was unacceptable to the socialist countries. Group D had therefore co-operated constructively in the three Meetings of Experts in an endeavour to make headway in solving the problem of the brain drain and mitigating its adverse effects on the developing countries. Although progress had been hindered to some extent by the boycott on the part of the countries that profited from the brain drain, a positive assessment could be made of the work accomplished at the Meetings, and especially at the current Meeting, which had provided a framework for the work to be done in the future.

13. The countries of Group D agreed with the conclusions and recommendations of the Meeting and had the following observations to make with a view to maintaining the effectiveness of the work. First, the work of the governmental experts should be continued intensively and without undue delay; secondly, the results achieved so far should be given full consideration in future work; thirdly, such work should be determined by the basic objectives of preventing the brain drain and obviating its



adverse effects, which should govern the formulation and selection of the actions, methods, instruments, etc., to be applied under the integrated programme of action envisaged. The future work of the secretariat itself should be guided by the same objectives; fourthly, policy measures were required to reduce the negative effects of the brain drain for the developing countries and to enable them to participate equitably in the profits accruing from the brain drain to the capitalist countries. Group D was afraid that the work of the governmental experts might drift away from those lines, and regretted such a possibility since it would greatly reduce the effectiveness of their work.

14. He said that Group D would continue to support UNCTAD's work on the reverse transfer of technology, which should be carried out in co-ordination with the other United Nations bodies concerned, and financed from within the existing budgetary allocations.

15. The expert from China noted that there had been a frank exchange of views at the Meeting and that constructive ideas had been put forward with regard to manpower training and methods of reducing the outflow of skilled manpower, which were problems of vital concern to many developing countries. The discussions at the Meeting, as well as the documentation submitted by the secretariat, had been very useful and thought-provoking.

16. His delegation was happy to note that, as a result of the efforts made by all the participants, conclusions and recommendations had been adopted which charted the future course of the work on the reverse transfer of technology. They testified to the spirit of co-operation and understanding that had prevailed among the experts, and to the special efforts of the Chairman and of the spokesman for the Group of 77 in particular.

17. The reverse transfer of technology was an issue of deep concern to most of the developing countries as it seriously impaired their development capabilities and caused grave economic, social and related problems. It was important, therefore, for the future work envisaged to be carried out expeditiously. That entailed strengthening the co-ordination among the different United Nations bodies concerned so as to avoid duplication. The work of the Inter-Agency Group on Reverse Transfer of Technology should also be intensified. In addition the programme of action should be co-ordinated and appropriate priorities established. It was preferable, he emphasized, in setting priorities, for the simpler problems to be tackled first, as quickly as possible, and without financial implications.

18. The expert from Turkey expressed warm appreciation for the Chairman's efforts, which had made it possible for the Meeting to reach a constructive outcome. He thanked the experts for their co-operation in arriving at fruitful conclusions, and the secretariat for its invaluable contribution to the success of the Meeting.

## APPENDIX III

### Deliberations at the thirty-first session of the Trade and Development Board

1. The Chairman of the Third Meeting of Governmental Experts on the Reverse Transfer of Technology introduced the agreed conclusions and recommendations of the Meeting. a/ He reported that, acting on advice from the Bureau of the Meeting and the regional group co-ordinators, he had undertaken informal consultations in order to seek the views of as many delegations as possible from among the States members of UNCTAD on the various issues related to the agenda items of the Meeting. He had concentrated on consultations with representatives of the majority of the members of Group B, whose absence from the Meetings of Governmental Experts had been noted with great regret by the participating experts. As a result of his informal consultations with 11 delegations of Group B, he had gathered that the chief concerns of the Group B countries centred on the following two major issues:

(a) The mandate of the Meetings of Governmental Experts as set forth in the relevant General Assembly resolution was not the subject of unanimous agreement by all the parties concerned. The main reason for that lack of agreement, in the opinion of Group B, was the mention of the idea of compensation, which prejudged the outcome of the studies undertaken by the experts;

(b) Some important aspects of the highly complex phenomenon of reverse transfer of technology had not yet been adequately explored, such as the world-wide size and scope of the phenomenon; the directions of flows of skilled manpower; the magnitude of those flows and their impact; and the net gains and losses to all parties involved.

2. It was also his understanding that the non-participating Group B countries held the following views:

(a) They looked forward to participating in future Meetings of Governmental Experts dealing with the very important phenomenon of reverse transfer of technology;

(b) Since the phenomenon was universal, all countries - being involved or concerned in one capacity or the other - should participate in the future meetings. For that purpose, the concerns of all parties should be taken into account in preparing the ground for the future meetings;

(c) Although the concerns varied somewhat from one country to another, the common denominator for all of them required that the terms of reference for the future governmental expert meetings be left open for the consideration of all possible approaches to, and treatments of, the problem by measures at the national, regional and international levels. The terms of reference should not contain any indication of any specific proposal to be acted upon by the experts. Furthermore, the Group B countries hoped that such openness would be reflected in the relevant General Assembly resolution which would give guidance for the future activities;

(d) The results of the work of the governmental experts at the three Meetings should be used and built upon during the subsequent phase of work of the experts, as should contributions from other relevant United Nations organizations;

(e) Intensive efforts were needed in order to prepare the ground for a consensus resolution to be reached at the General Assembly;

(f) The current session of the Trade and Development Board should provide an important working opportunity to reach agreement on the activities of the next phase of the work of the governmental experts and on the procedural and substantive matters related thereto.

3. Regarding his own assessment of the Third Meeting, he felt that intensive efforts had been made during the Meeting to take into account the concerns of the Group B countries in order to pave the way for participation in the future meetings by all those who had hitherto found participation difficult. The agreed conclusions and recommendations a/ were the fruit of highly commendable and very sincere work by all experts who had participated in the Third Meeting and were aimed at achieving consensus on that important matter. Considerable progress had been made and the ground was ready for achieving the required consensus and for moving thereafter to another phase of the substantive work in which all those who were involved would participate actively. The agreed conclusions and recommendations bore a message which deserved to be well received by all parties and an open invitation to developed countries that were the recipients of reverse transfer of technology - and indeed to all who were concerned - to participate fully in the forthcoming activities.

4. He said that he saw no insurmountable difficulties of substance and that the time had come to move to agreement on procedural matters. The deliberations at the current session of the Board would help in the attainment of the consensus and in ensuring universal and active participation by all parties in the subsequent phase of activities on reverse transfer of technology. He was entirely at the disposal of regional groups to assist on any aspect of the deliberations and consultations related to that matter.

5. The spokesman for Group D (German Democratic Republic) said that the Third Meeting of Governmental Experts had contributed to broadening the basis for further negotiations on putting a halt to the brain drain and on mitigating its negative effects on developing countries. The Group D countries agreed to the conclusions and recommendations, a/ which reflected the work done so far. That work should continue on the basis of those conclusions and recommendations, with the participation of Group B countries, which was overdue. Future negotiations and formulations should build on the valuable results reached so far. The policies, practical measures, methods and instruments, which were to form part of the integrated programme of action on reverse transfer of technology, must be in harmony with the main objectives of avoiding the brain drain from the developing countries to transnational corporations and developed market-economy countries and of mitigating its adverse effects.

6. The spokesman for the Group of 77 (United Republic of Tanzania) said that reverse transfer of technology was part of a wider spectrum of factors hampering the economic and technological transformation of developing countries. It had been reaffirmed in many international forums that the problem of the outflow of skilled manpower from developing to receiving developed countries had implications that were of global concern. The Group of 77 therefore noted with great concern the absence of receiving developed countries from the three Meetings of Governmental Experts on the Reverse Transfer of Technology, the primary objective of which was to seek solutions to mitigate the adverse effects of reverse transfer of technology

in developing countries. Practical and durable solutions to the problem of reverse transfer of technology called for a global approach that was based on the participation of all concerned and reflected the views of the parties involved.

7. The Group of 77 had emphasized that the phenomenon of the reverse transfer of technology was too complex to be amenable to one single solution for mitigating its adverse effects on developing countries. That was why the next phase of the work should constitute an opportunity to consider and formulate an integrated programme of action on the reverse transfer of technology comprising, inter alia, policy proposals and concrete measures, establishment of a set of guidelines and information on reverse transfer of technology, taking into account the work already accomplished and the views and suggestions of all parties.

8. He said that the informal consultations undertaken by the Chairman of the Third Meeting of Governmental Experts with members of the non-participating group of receiving developed countries had been motivated by the genuine desire of the participating countries to explore ways and means of restoring a universal dialogue in the search for solutions to the problem of reverse transfer of technology. The Group of 77 would engage in a collective effort to find common ground to enable the work on reverse transfer of technology to proceed on a universal basis.

9. The spokesman for Group B (Canada) stated that his Group fully recognized the complexity of the phenomenon of migration of skilled manpower and its consequences, particularly for developing countries. The phenomenon, however, could not simply be assimilated to the transfer of resources from the country of emigration to the receiving country, since it entailed costs and advantages for both categories of countries. The phenomenon did not relate only to North-South relations but also contained a South-South dimension which should be examined in the context of technical co-operation among developing countries. It should also be borne in mind that the consequences of that phenomenon had not yet been shown to be measurable in practice.

10. Because of the mandate of the Meetings of Governmental Experts, the work on that subject had, from the outset, been given an orientation which was not acceptable to the majority of the countries members of Group B. Group B was concerned about some of the conclusions and recommendations and reiterated its view that the report of the Third Meeting, including its conclusions and recommendations, committed only those countries which had participated in the Meeting. His Group agreed, however, that a universal approach was called for, in which the interests of all parties concerned were adequately protected and taken into account. In that respect, his Group appreciated the will expressed at the Third Meeting of Governmental Experts to take into account the views of all regional groups, and especially the efforts made by the Chairman of that Meeting. In fact, a number of countries from Group B had participated in the informal consultations with the Chairman of the Meeting, searching for mutually acceptable solutions to the problems separating the different regional groups, with a view to obtaining fuller participation in the future work in that field.

11. In his view, the mandate from relevant United Nations resolutions had been fulfilled and Group B hoped that a new orientation would be adopted by the General Assembly at its fortieth session which would take into account the concerns of all parties involved and make possible the full participation of all States members of UNCTAD in future work on that important subject.

12. Group B welcomed the initiative of the Chairman of the Third Meeting to undertake further informal consultations and he expressed the willingness of Group B to participate constructively in such consultations. In his view a new meeting of governmental experts could be convened to review the current situation with respect to the international migration of highly qualified manpower with a view to proposing to UNCTAD and, as appropriate, to other international organizations further work which they might carry out to mitigate the consequences of the migration, particularly as it affected developing countries, taking into account as appropriate the work done by governmental experts groups and other relevant material.

13. He requested that his statement and the debate on that item should be included in the section of the report of the Board to the General Assembly dealing with that question.

#### Action by Sessional Committee I

14. At its 7th meeting, on 24 September 1985, the Sessional Committee took note of the conclusions and recommendations adopted by the Third Meeting of Governmental Experts on the Reverse Transfer of Technology and decided to recommend that the Board, as requested in paragraph 5 of General Assembly resolution 39/211 of 18 December 1984, include in its report to the General Assembly at its fortieth session a section on the outcome of the Third Meeting of Governmental Experts.

#### Action by the Board

15. At its 678th meeting, on 27 September 1985, the Board took note of the conclusions and recommendations adopted by the Third Meeting of Governmental Experts on the Reverse Transfer of Technology and endorsed the recommendation of Sessional Committee I in this regard.

#### Notes

a/ Official Records of the Trade and Development Board, Thirty-first Session, Annexes, agenda item 7, document TD/B/1073, annex I.

ANNEX IV

Administrative and financial implications of action taken  
by the Board

Statement by the UNCTAD secretariat a/

Transfer and development of technology: issues in individual  
sectors of critical importance to developing countries

(resolution 326 (XXXI))

1. In Board resolution 326 (XXXI), the Secretary-General of UNCTAD is requested to convene an intergovernmental group of experts on the transfer, application and development of technology in the energy sector.
2. Assuming that the meeting would be held at Geneva in 1986 for a period of 10 days, would be provided with one six-language team and one caucus team of interpreters, three conference rooms and a total of 50 pages of documentation, the direct conference-servicing costs are estimated to amount to \$116,000, on a full cost basis. This meeting would be set against the overall provision in the UNCTAD calendar of meetings for working parties, study groups and expert groups.

Notes

a/ Substance of TD/B/L.787/Add.1.

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