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MID-TERM REVIEW AND APPRAISAL OF PROGRESS IN THE IMPLEMENTATION  
OF THE INTERNATIONAL DEVELOPMENT STRATEGY FOR THE SECOND UNITED  
NATIONS DEVELOPMENT DECADE

Report of the Second Committee (Part II)

Rapporteur: Mr. Fazlul KARIM (Bangladesh)

1. The Second Committee continued its consideration of the item at its 1713th meeting, on 11 December 1975. An account of the discussion of the Committee on the item is contained in the relevant summary record (A/C.2/SR.1713).
2. At the 1694th meeting, on 7 November, the representative of Madagascar, on behalf of the Group of 77, have introduced a draft resolution (A/C.2/L.1444), which read as follows:

"The General Assembly,

"Having undertaken in accordance with paragraph 83 of its resolution 2626 (XXV) of 24 October 1970 an examination of the economic and social developments since the launching of the Second United Nations Development Decade,

"Bearing in mind its resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974 on the Declaration and Programme of Action on the Establishment of a New International Economic Order, and 3281 (XXIX) of 12 December 1974 on the Charter of Economic Rights and Duties of States,

"Further bearing in mind its resolution 3362 (S-VII) of 15 September 1975,

"1. Adopts the following text of the mid-term over-all review and appraisal of progress in the implementation of the International Development Strategy for the Second United Nations Development Decade:

"INTRODUCTION

"(1) This mid-term review and appraisal takes place at a time when the international economic situation is rapidly changing and when events have followed each other so rapidly as to shake the foundations of the old economic order. The Bretton Woods system broke down in 1971. From January 1973 the prices of food,

fuel and fertilizer rose so rapidly that, together with ever-increasing prices of capital goods, equipment and services, the balance-of-payments situation of developing countries deteriorated. By 1974, most commodity prices slumped. The situation in developing countries was further exacerbated by the recession, combined with the continued rapid inflation in the developed market economies. While the first half of the Decade witnessed an alarming increase in the gap between developed and developing countries it also witnessed an irreversible and most promising change in the relationship of forces of the world, with the gradual emergence of the developing countries as a powerful factor, as a necessary consequence of the new and growing perception of the reality of interdependence. This newly found strength of the developing countries opens up promising avenues for enlarging and reinforcing co-operation among those countries on the basis of the fraternal solidarity of their peoples in facing the challenge of development, justice and equity. Particularly important is the joint struggle of the developing countries in the defence of their permanent sovereignty over their natural resources and their economic activities, and in the strengthening of their negotiating power for obtaining a just and equitable treatment for their exports of both primary products and manufactured goods. Furthermore, parts of the developing world are still subject to foreign aggression and occupation, apartheid and colonial domination, this being one of the greatest obstacles to the economic emancipation and development of the developing world as a whole as well as the greatest threat to peace and security in the whole world.

"(2) This situation led to the call for the establishment of a New International Economic Order which stressed the need to work on the basis of equity, sovereign equality, interdependence, common interests and co-operation among all States.

"(3) The fact that some of the aggregate targets set up in the International Development Strategy were met or exceeded was due mainly to the developing countries' own efforts, while retrogression of policies of the developed countries was observed in important areas for development. The lack of implementation of the policy measures embodied in the International Development Strategy, compounded with a continuing economic crisis which affects in particular the developing countries because of their greater vulnerability to external economic impulses, produced the most discouraging results, with minimal progress in the advancement of the cause of development.

"(4) Despite agreement at the first biennial review on the necessity to implement the policy measures agreed upon, there has been no significant movement on the part of developed countries towards making the developmental objective the central focus of issues to which the international community should urgently seek effective and consistent solutions.

#### I. EVALUATION

"(5) Little progress has been made on international action in the field of commodity trade. International efforts to achieve remunerative and equitable prices for primary commodities exported by developing countries have had little success. The protection of domestic production and restrictive trade practices in

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developed countries and/or the emergence and increased production of synthetic substitutes have led to a slowing down of growth of demand for agricultural products. However, a scheme for the stabilization of export earnings of selected commodities was agreed upon between the European Economic Community (EEC) and some developing countries.

"(6) Little has been accomplished on the issue of access to markets for primary commodities, particularly agricultural products, from developing countries, in spite of the agreement reached by the Ministers of the Contracting Parties of the General Agreement on Tariffs and Trade (GATT) in Tokyo in 1973.

"(7) Despite the commitment made in the Declaration of Ministers in Tokyo on 14 September 1973 to conclude the Multilateral Trade Negotiations by the end of 1975, these negotiations have practically stagnated, to the specific detriment of developing countries whose economies are particularly sensitive to external conditions. The removal and/or elimination of trade barriers were not satisfactorily achieved during the first half of the 1970s in spite of the implementation of the Generalized Scheme of Preferences (GSP). In certain instances, the principle of standstill was not observed by some major trading countries, causing social and economic problems in developing countries.

"(8) Despite the objectives of facilitating improved access to the markets of developed countries for semi-processed and processed commodities of developing countries, international action to achieve those objectives has not yet been forthcoming, thereby hampering the efforts of the developing countries to diversify their economies. The impact of tariff escalation on processed products is a major obstacle to vertical diversification. In fact, the degree of discrimination against the processing of some products has actually increased.

"(9) Although GSP represents a breakthrough in the traditional concept of international trade and co-operation, its benefit to developing countries has so far been of a modest nature, due, mainly, to its delayed implementation and the limited product coverage of the schemes, as well as the existence of other restrictions. Even the limited benefits accruing to developing countries from GSP are being and may be further eroded both by preferential arrangements among developed countries and by the prospects of reduction in trade barriers among them following the multilateral trade negotiations within GATT.

"(10) Developed countries have often departed from the standstill referred to in the Strategy by applying new restrictions affecting a wide range of developing countries' exports, specifically those products in which the developing countries are becoming competitive in international markets, such as textiles, leather products, certain types of steel and electronic products. Similarly, the new restrictive measures imposed by developed countries against exports of agricultural products of developing countries, both in raw and processed forms, have severely affected the export earnings of those countries.

"(11) In spite of growing awareness in the international community of the adverse effects on trade and development of restrictive business practices, no international action has been taken to eliminate this problem.

"(12) There has been no appreciable or systematic progress by developed countries in the implementation of measures called for to evolve a programme to assist in the adaptation and adjustment of their non-competitive industries.

"(13) There has been a growing realization in developing countries of the need to re-orient their export policies through subsidies, export incentives etc. However, the application of countervailing duties by developed countries has limited the efforts of developing countries in this area.

"(14) The first three years of the Decade witnessed a substantial growth in trade between developing countries and the socialist countries of Eastern Europe. However, there are still certain basic problems which face trade and economic relations between those countries and developing countries. The trade of the socialist countries with developing countries is largely concentrated upon a limited number of established partners. There is clearly room for accelerating the growth of trade between the socialist and developing countries as well as a need to intensify further the efforts to adopt specific measures, as called for by the relevant paragraphs of the International Development Strategy and the relevant resolutions of the United Nations Conference on Trade and Development.

"(15) The current economic situation has given added impetus to the expansion of economic co-operation among developing countries. This need was reflected in the Programme of Action and decisions adopted by the non-aligned countries and other groups of developing countries as well as subregional and regional groups of developing countries, which stressed the need for further collective self-reliance among developing countries. Some progress has been made in interregional and regional groups. On the basis of trade figures up to 1972, the growth of trade among developing countries has accelerated to over 15 per cent per annum since 1970, compared to 6 per cent during the First Development Decade. During the remainder of the Second Development Decade a more vigorous approach is required for joint action by developing countries. The Programme of Action on the Establishment of a New International Economic Order contains some of the steps which should be taken to expand co-operation at the regional, subregional and interregional levels while action is being taken among various groups of developing countries. The fields for such expansion of economic co-operation include industry, raw materials, science, technology, transport, shipping and communication media.

"(16) The target for net financial flows in the Strategy were set to provide the critical margin of external financing over and above the financial resources developing countries could obtain through export earnings to meet the minimum growth objectives of the Strategy. The Programme of Action also emphasized the need to reach and even exceed at an accelerated pace the proportion of the flow of total net financial resources from developed market economy countries to developing countries and multilateral institutions. This flow, expressed as a percentage of GNP, fell from a level of 0.84 per cent in the early 1960s to 0.68 per cent during the period 1966 to 1969 and rose to 0.7 per cent during the period 1970-1973.

"(17) However, the performance of countries members of the Development Assistance Committee under the official development assistance (ODA) target has

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been even less satisfactory as a whole. The ratio of ODA to their combined GNP declined from 0.53 per cent during the early 1960s to about 0.39 per cent during 1966-1969 and to 0.32 per cent during the period 1970-1973 and 0.30 in 1974-1975. The poor performance of the developed market economy countries with regard to the 0.7 per cent target is due to a lack of political will to reach that target by the middle of the Decade. In the face of the declining flows of ODA in real terms, developing countries have resorted to borrowing on relatively harder terms.

"(18) This has made the debt-servicing problems for a number of developing countries extremely acute. Debt service payments have grown from an annual average increase of 9.6 per cent during the 1960s to about 16.5 per cent during the period 1970-1972.

"(19) By and large, developed countries have failed to soften and harmonize the terms and conditions of financial assistance to developing countries. A substantial proportion of that assistance continues to be tied. In paragraph 45, however, the Strategy stated that where loans continue to be tied, the harmful effects should be mitigated. There has been little progress in this area.

"(20) Within the framework of their national plans and priorities, many developing countries have taken appropriate measures to attract foreign private investment. At the same time, concern regarding the negative consequences of foreign private investment in developing countries has been reflected, inter alia, in the continuing consideration of this subject by international economic forums, thus motivating a series of resolutions reaffirming the permanent sovereignty of States over their national resources and economic activities.

"(21) A Commission on Transnational Corporations has been established by the United Nations in order, inter alia, to formulate a code of conduct for transnational corporations.

"(22) There has been little progress to date on the question of supplementary financing and especially on the establishment of the link between SDR and additional development finance.

"(23) The most seriously affected countries continue to face a critical situation due to the inadequate and slow flow of resources designed to assist them in meeting their balance-of-payment problems, as agreed in General Assembly resolution 3202 (S-VI) of 1 May 1974.

"(24) The code of conduct for liner conferences has still to be adhered to by the major shipping countries.

"(25) The main objective of the Strategy in the field of insurance and re-insurance is the establishment and growth of national insurance and re-insurance markets in developing countries. During the first half of the Decade, only preparatory steps have been taken which could lead to important results in this area in the remainder of the Decade.

"(26) Despite the series of resolutions adopted after 1970, the essential facts concerning the progress in the least developed countries are disappointing. While financial flows to the least developed countries have clearly improved in the 1970s as compared with the late 1960s, the total flow of financial resources from all sources to these countries still remains well below the average for other developing countries: i.e., \$7.98 per capita as compared with \$10.5 per capita.

"(27) Little has yet been done in concrete terms to implement the special measures in favour of the least developed countries, particularly in the field of commercial policy.

"(28) Likewise, the special measures in favour of the land-locked and island developing countries to enable them to solve their most critical and urgent problems due to their geographical position have yet to be implemented by the international community, especially in regard to compensation for their transportation and additional transit costs, through the establishment of a special fund.

"(29) There has been some progress in the drafting of a code of conduct for the transfer of technology, though substantive action has still to be taken.

"(30) There has been some movement towards the revision of the patent system in order to ensure that it is specially oriented towards the interests of developing countries, but as yet there has been no concrete action.

"(31) Developing countries have, as noted at the time of the first biennial review and appraisal, adopted a wide array of measures aimed at the development of their human resources. There has been progress towards spreading the benefits of economic growth, especially through the expansion of educational and health facilities, low-cost housing and other improvements, though there is clearly room for further advancement. As the preamble of the Strategy states, "however great their developing countries efforts, these will not be sufficient to enable them to achieve the desired development goals as expeditiously as they must unless they are assisted through increased financial resources and more favourable economic and commercial policies on the part of the developed countries". In both areas there has been either no movement or retrograde steps: the economies of developing countries continue to be sensitive to external conditions, and the non-implementation of these policy measures can only lead to a negation of the efforts of the developing countries, and in fact act to the detriment of development.

## "II. FURTHER ACTION

"2. Urges Member States to implement the policy measures unanimously agreed upon at the seventh special session of the General Assembly (resolution 3362 (S-VII)) concerning trade, financing, industrialization, science and technology and food and agriculture. To that end, all Governments are requested to take the required measures and come prepared so as to make it possible for the competent bodies of the United Nations concerned, particularly UNCTAD at its fourth session, UNIDO, the World Food Council, and the World Bank Group, to reach urgent and satisfactory agreements on those matters referred to them for implementation.

"3. Urges Member States to implement the following measures undertaken within the framework of the International Development Strategy:

"(32) There is an urgent need for restructuring the present pattern of world trade, which has been hampering progress towards an equitable international division of labour, to bridge the current institutional gaps and reduce the negative impact of economic fluctuations to a minimum through the full use of the options open to the international community to preserve the purchasing power of developing countries.

"(33) The efforts of the developing countries to diversify their economies with a view to expanding the production and export of semi-manufactured and manufactured goods as well as of semi-processed and processed commodities and broadening the pattern of exports in favour of commodities with relatively dynamic demand conditions, should be supplemented, inter alia, by resources from developed countries and by the provision of specific funds for diversification as a feature of commodity arrangements.

"(34) Intensive research and development efforts designed to improve market conditions and cost efficiency and to diversify the end uses of natural products facing competition from synthetics and substitutes; financial and technical assistance to developing countries producing natural products which suffer competition from synthetics and substitutes, in order to help them to diversify into other areas of production. Where natural products are able to satisfy present and anticipated world market requirements, no encouragement should be given to the creation and utilization of new production, particularly in the developed countries, of directly competing synthetics.

"(35) The trade between the socialist countries of Eastern Europe and developing countries should continue to expand at an accelerated rate and over a large number of developing countries. While measures should be taken to increase the rate of growth of imports from developing countries, particular attention shall be paid to increasing the rate of expansion of the share of manufactures and semi-manufactures. Efforts should be intensified to enter into new trade arrangements and initiate other improvements in order to bring about greater flexibility and multilateralization of payments.

"(36) Financial and technical assistance should be directed exclusively towards promoting the economic and social progress of developing countries and should not

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in any way be used by the developed countries to the detriment of the national sovereignty of recipient countries.

"(37) Taking into account existing agreements and those under consideration, discussions and negotiations should be vigorously pursued with a view to making arrangements for the transfer of resources to compensate for the decline in the terms of trade of the developing countries and for supplementary financing designed to deal with the problems of disruption of development arising from the adverse movement in the export proceeds of the developing countries.

"(38) Developing countries should continue to implement their undertaking in the Strategy for the mobilization of domestic resources.

#### "Co-operation among developing countries

"(39) Developing countries should take specific measures to intensify their current efforts and initiate new ones to negotiate and put into effect commitments to expand their mutual trade and to extend their economic and technical co-operation at the subregional, regional and interregional levels through, inter alia: the establishment of payments arrangements; the mutual liberalization of trade; the utilization of available financial resources for financing developing in the developing countries; the promotion of industrial co-operation; co-operation in the field of science and technology; the promotion of subregional, regional and interregional financial support and co-operation; the increase in the production of agricultural inputs, particularly fertilizer and pesticide; the establishment of national, regional and interregional shipping companies.

"(40) Developing countries should consider all possible means of strengthening the action of producers' associations already established, encouraging the creation of other associations for the principal commodities exported by them, and establishing a mechanism for consultation and co-operation among themselves for the purpose of co-ordinating their activities and for their mutual support.

"(41) Developed countries and international organizations should take measures, or, when appropriate, strengthen existing measures, to promote economic and technical co-operation among developing countries.

#### "Science and technology

"(42) Agreement should be reached by mid-1976 on the establishment of a target equivalent to a specified percentage of GNP of developed countries for aid for the direct support of science and technology in developing countries, as well as on a target as a proportion of their own expenditure on research and development, for assistance in seeking solutions to specific research and development problems of developing countries.

"(43) Developing countries should implement the commitment undertaken by them in the Strategy to expand their capability for applying science and technology to development and to increase their expenditure on research and development, including the achievement of the target for the latter purpose.

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"Invisibles

"(44) National and international measures should be taken to increase substantially the earnings of developing countries from invisible trade, in particular shipping and other modes of transportation, insurance and tourism and the profitability of their trade, and improve their balance of payments on a permanent basis.

"(45) All Governments should ratify or otherwise accede to the Convention on a Code of Conduct for Liner Conferences by mid-1976 in order to ensure its early entry into force and the world-wide application of its provisions.

"Special measures in favour of the least developed countries

"(46) All efforts should be made by the international community to ensure the sustained economic and social progress of these countries through the urgent and comprehensive implementation of the agreed measures in their favour.

"(47) Concerted efforts should be made by developed countries and international organizations through their programmes of technical and financial assistance to meet the needs of the least developed countries in their developmental objectives.

"(48) Developed countries and developing countries in a position to do so should take special measures to assist in the structural transformation of the economies of these countries.

"Special measures in favour of the land-locked and island developing countries

"(49) National and international financial institutions will accord special attention to the special needs of land-locked and island developing countries in extending adequate financial and technical assistance to projects and programmes designed for the development and improvement of the transport and communication infrastructure needed by these countries. The terms and conditions of financial assistance to these countries should be improved so as to include a preponderant grant element.

"(50) All States are invited to become parties to the Conventions on Transit Trade of Land-locked States of 8 July 1965.

"(51) Implementation of measures designed to assist these countries in overcoming the handicaps of their geographically disadvantaged positions should take into account the relevant decisions and resolutions which have been or may be adopted in the General Assembly, in UNCTAD and in other relevant bodies.

"Special measures in favour of the most seriously affected countries

"(52) Industrialized countries and other potential contributors and international organizations such as the World Bank and the International Monetary Fund are called upon to extend to the most seriously affected countries immediate relief and assistance, as provided for in General Assembly resolutions 3201 (S-VI), 3202 (S-VI) and 3362 (S-VII), in order to enable them to rejoin the developmental mainstream, and to reach the targets laid down in the International Development Strategy.

"Human development

"(53) In accordance with their development requirements, the developing countries should implement the measures provided for in the Strategy in the field of human development, namely, adoption of appropriate population programmes within the framework of the World Population Plan of Action, dealing with the problem of unemployment and underemployment, formulating and implementing educational programmes which take into account their respective development needs, establishing a minimum programme of health facilities, adoption of policies for meeting their nutritional requirements, taking measures for providing improved housing and related community facilities in both urban and rural areas, especially for low-income groups. All countries should intensify efforts for the protection, preservation and enhancement of the human environment. Developed countries and international institutions should carry out the responsibilities entrusted to them in the Strategy for assisting the developing countries in the above tasks, in accordance with the national development plans and programmes of the latter.

"(54) With a view to ensuring the maximum participation of women in the total development effort, all States and competent organizations should give priority to the implementation of the recommendations of the World Conference of the International Women's Year in the formulation of their economic and social policies.

"Expansion and diversification of production

"(55) The adoption and implementation by developing countries of measures to increase production and improve productivity in order to provide goods and services necessary for raising levels of living and improving economic viability. Developed countries should take the necessary steps to support those measures.

"(56) Achievement by developing countries of a growth rate of manufacturing output of considerably more than 8 per cent per annum during the second half of the Decade. To this end, the international community should implement the decisions of the Second General Conference on Industrialization.

"(57) Developing countries should achieve the minimum annual rate of growth in agricultural production of 4 per cent during the second half of the Decade. To this end, the international community, in particular the developed countries, should implement the decisions of the World Food Conference.

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"(58) Concrete and speedy measures should be adopted and implemented for combating desertification, salination and damage by locusts or any other similar phenomena affecting the agricultural production in developing countries.

"(59) Free and effective exercise by developing countries of permanent sovereignty over their natural resources and economic activities will play an important role in the achievement of the goals and objectives of the Decade. Developing countries will take steps to develop the full potential of their natural resources. Concerted efforts will be made to defeat attempts to prevent the free and effective exercise of the right of every State to full and permanent sovereignty over its natural resources. Competent agencies of the United Nations system will assist developing countries, at their request, in connexion with the operation of nationalized means of production.

"Elimination of foreign aggression and occupation, racial discrimination, apartheid and colonialism"

"(60) Vigorous and concrete steps and action still remain to be taken collectively and individually by all members of the international community, to end all forms of foreign aggression and occupation, racial discrimination, apartheid and colonialism. It is the duty of all States to support and extend assistance to the countries, territories and peoples concerned, so as to restore their national sovereignty, territorial integrity and their undeniable and fundamental rights.

"III. REMAINING TASKS

"4. Urges the Governments of both developed and developing countries to address themselves, inter alia, to the following remaining tasks for the Decade in the context of the development and formulation of their own national policies and within the framework of appropriate international organizations:

"(a) To accept the principle of preferential treatment in favour of the developing countries as a legitimate instrument for promoting their development and its extension to areas other than trade;

"(b) To establish international norms and procedures to govern departures from stand-still provisions, to invoke the exigency of market disruption and adopt countervailing measures in that context;

"(c) To put the transfer of resources to developing countries on an automatic basis by:

"(i) Creating a link between SDR and additional development financing;

"(ii) Utilizing proceeds from the exploitation of the resources of the sea-bed and the ocean floor and the subsoil thereof, beyond the limits of national jurisdiction;

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"(d) To agree on a concept of official development assistance as net of all reverse flows, including both amortization and interest payments; and

"(e) To agree on the principle that the sea-bed and the ocean floor and the subsoil thereof, beyond the limits of national jurisdiction, as well as the resources of the area, are the common heritage of mankind and should be explored and exploited only under an international régime for the benefit of mankind as a whole, irrespective of the geographical location of States, whether land-locked or coastal, and taking into particular consideration the present and future interests and needs of the developing countries;

"5. Reaffirms its adherence to a strategic framework for international development co-operation as embodied in the International Development Strategy for the Second United Nations Development Decade, based on mutually consistent and reinforced goals and objectives and commitments to the adoption and implementation of measures to realize those goals and objectives;

"6. Invites Member States to take appropriate steps to ensure the implementation of all the provisions of the Strategy;

"7. Decides to revise at its next session the International Development Strategy, which should be made fully responsive to the requirements of the New International Economic Order in the light of the progress made towards the achievement of the goals and objectives of the Decade, and recommend new goals and policies for the remaining part of the Decade;

"8. Further decides that, to this end, preparatory work will take place at the national and regional levels; at the regional level the responsibility will be assumed by the regional commissions, in co-operation with regional development banks and subregional groupings, and with the assistance of other organizations of the United Nations system;

"9. Requests the governing bodies of UNCTAD, UNIDO, UNDP, UNEP and the specialized agencies of the United Nations system to review the progress made in their respective sectors and recommend, as appropriate, new targets for the remainder of the Decade;

"10. Requests further that the Secretary-General prepare and submit appropriate documentation and reports to enable this task to be fulfilled.

3. On 1 December, the United States of America submitted amendments (A/C.2/L.1483) to draft resolution A/C.2/L.1444, which consisted of the replacement of the three preambular paragraphs, operative paragraph 1 and sections II and III by the following text:

"The General Assembly,

"Having considered a review and appraisal of progress in reaching the goals of economic and social development since the launching of the Second United Nations Development Decade in accordance with paragraph 83 of its resolution 2626 (XXV) of 24 October 1970,

"Reaffirming its adherence to a strategic framework for international development co-operation as embodied in the International Development Strategy for the Second United Nations Development Decade, based on mutually consistent and reinforced goals and objectives and commitments to the adoption and implementation of measures to realize those goals and objectives,

"Bearing in mind its resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974 on the Declaration and Programme of Action on the Establishment of a New International Economic Order and its resolution 3281 (XXIX) of 12 December 1974 on the Charter of Economic Rights and Duties of States,

"Particularly bearing in mind its resolution 3362 (S-VII) of 19 September 1975 on development and international economic co-operation for which implementing actions on proposals with respect to priority development issues are now under consideration by the World Food Council, the World Bank, the International Monetary Fund, the Joint Bank/Fund Development Committee, the General Agreement on Tariffs and Trade,

"1. Adopts the appended text 1/ on an evaluation of the progress made in the implementation of the International Development Strategy at mid-decade and the further actions required for its next biennial review;

"2. Invites all Member States to take further steps to carry out the provisions of the Strategy through appropriate means including, inter alia, proposals made in General Assembly resolution 3362 (S-VII);

"3. Requests the Secretary-General to bring to the attention of the General Assembly, through the Economic and Social Council, such actions taken on priority development issues as may be pertinent to the next biennial evaluation of social and economic development progress in developing countries;

"4. Requests the Economic and Social Council at its sixth-first session to consider further the (adequacy), (suitability), (comprehensive character) of the International Development Strategy as an appropriate framework for accelerated and balanced social and economic development of developing countries, bearing in mind the long-range character of the development process;

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1/ A/C.2/L.1444, Introduction and section I will be appended to the final resolution.

"5. Requests the Secretary-General to undertake the necessary analyses and summary documentation for the consideration of the General Assembly and the Economic and Social Council, and its Committee on Review and Appraisal for the next biennial review in such areas as the role of the public sector (General Assembly resolution A/C.2/L.1464/Rev.1/), long-term trends (General Assembly resolution A/C.2/L.1442/Rev.2/), integration of women in development (General Assembly resolution A/C.2/L.1473/) and such other areas as may be appropriate to a reformulation of appropriate goals for developing countries;

"6. Requests the governing bodies of the United Nations Conference on Trade and Development, the United Nations Industrial Development Organization, the United Nations Development Programme, the United Nations Environment Programme, and the specialized agencies of the United Nations system to review the development progress of the Decade in their respective sectors and to recommend appropriate goals and objectives for a third development decade as part of their contributions to the next biennial review."

4. At the 1713th meeting on 11 December, Mr. M. W. Hosny, Vice-Chairman of the Committee, introduced a draft resolution (A/C.2/L.1496 and Corr.1), on the basis of informal consultations held throughout the session on draft resolution A/C.2/L.1444. In his statement, he also proposed the following revisions:

(a) Add, after paragraph 54, a new paragraph 55 to read as follows:

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

(b) Delete existing paragraph 56;

(c) Renumber existing paragraph 55 accordingly.

5. At the same meeting, the representative of the Union of Soviet Socialist Republics, on behalf of Bulgaria, the Byelorussian Soviet Socialist Republic, Czechoslovakia, the German Democratic Republic, Hungary, Mongolia, Poland, the Ukrainian Soviet Socialist Republic and the Union of Soviet Socialist Republics, introduced oral amendments to the draft resolution (A/C.2/L.1496), which consisted of the addition of two new paragraphs after paragraph (75) to read as follows:

"(76) The accelerated development of developing countries is a decisive element in promoting world peace and security.

"(77) International peace and security and the extension of détente to all parts of the world, based on justice and the principles of territorial integrity, self-determination and freedom from all external pressures in respect of sovereignty and fundamental freedoms and on the other principles embodied in the Charter of the United Nations, are necessary conditions for the social and economic progress of all countries. The resources that may be released as a result of effective

measures of disarmament, which should be promoted by all countries, should be used to promote economic and social development of all countries, in particular developing countries."

The amendments were subsequently issued in document A/C.2/L.1498.

6. At the same meeting, the representative of the Union of Soviet Socialist Republics, on behalf of the sponsors, withdrew the amendments.

7. At the same meeting, the representative of Madagascar, on behalf of the Group of 77, withdrew draft resolution A/C.2/L.1444. The amendments contained in document A/C.2/L.1483 were also withdrawn.

8. The administrative and financial implications of the draft resolution (A/C.2/L.1496) were before the Committee in document A/C.2/L.1497.

9. At the 1713th meeting, the Committee adopted the draft resolution (A/C.2/L.1496), as orally revised, by 94 votes to none, with 7 abstentions (see para. 10 below).

#### RECOMMENDATION OF THE SECOND COMMITTEE

10. The Second Committee recommends to the General Assembly the adoption of the following draft resolution:

Mid-term review and appraisal of progress in the implementation of the  
International Development Strategy for the Second United Nations  
Development Decade

The General Assembly,

Having undertaken, in accordance with paragraph 83 of its resolution 2626 (XXV) of 24 October 1970, a mid-term review and appraisal of progress achieved in the implementation of the International Development Strategy for the Second United Nations Development Decade,

Bearing in mind its resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974, containing the Declaration and the Programme of Action on the Establishment of a New International Economic Order, and 3281 (XXIX) of 12 December 1974 on the Charter of Economic Rights and Duties of States which lay down the foundations of the new international economic order,

Recalling its resolution 3176 (XXVIII) of 17 December 1973 on the first biennial over-all review and appraisal of progress in the implementation of the International Development Strategy for the Second United Nations Development Decade,

Further bearing in mind its resolution 3362 (S-VII) of 16 September 1975 on development and international economic co-operation, which in the context of the foregoing calls for the implementation of its provisions by Governments and which

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would serve as the basis and framework for the work of the competent bodies and organizations of the United Nations system,

1. Reaffirms its adherence to a strategic framework for international development co-operation as embodied in the International Development Strategy for the Second United Nations Development Decade, based on mutually consistent and reinforced goals and objectives and commitments to the adoption and implementation of measures to realize those goals and objectives,

2. Adopts the following text of the mid-term over-all review and appraisal of progress in the implementation of the International Development Strategy for the Second United Nations Development Decade:

#### I. INTRODUCTION

(1) This mid-term review and appraisal takes place at a time when the international economic situation is continuing to change and when events have been following each other so rapidly as to shake the foundations of the existing economic order. In the first half of the Second United Nations Development Decade, there has been a succession of crucial events. The Bretton Woods system broke down in 1971. From January 1973, the prices of food, fuel and fertilizer rose so rapidly that, together with ever-increasing prices of capital goods, equipment and services, the balance-of-payments situation of most developing countries deteriorated. During 1974, most commodity prices slumped. Existing structural imbalances in agricultural production were aggravated by, inter alia, a continuation of unfavourable climatic conditions. The situation in developing countries was further exacerbated by the economic recession in the developed market economies, combined with the acceleration of the pace of inflation. During the first half of the Decade, an alarming increase occurred in the gap between developed and developing countries, and there was also an irreversible and most promising change in the relationship of forces of the world. The developing countries emerged as a more powerful factor, as a necessary consequence of the new and growing perception of the reality of interdependence. This newly found strength of the developing countries opens up promising avenues for enlarging and reinforcing co-operation among those countries on the basis of the fraternal solidarity of their peoples in facing the challenge of development, justice and equity. Particularly important is the joint action of the developing countries to safeguard their permanent sovereignty over their natural resources and economic activities, and in the strengthening of their negotiating power for obtaining a just and equitable treatment for their exports of both primary products and manufactured goods. Furthermore, parts of the developing world are still subject to foreign aggression and occupation, apartheid, colonial and neo-colonial domination, this being one of the greatest obstacles to the economic emancipation and development of the developing world as a whole as well as one of the greatest threats to peace and security in the whole world.

(2) This situation led to the call for the establishment of a new international economic order at the sixth special session of the General Assembly, based on true international economic interdependence, full equity, sovereignty of States,

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sovereign equality, common interest and co-operation among all States, irrespective of their economic and social systems. In this context, several priority areas were identified by ad hoc world conferences which considered problems of environment, population, food, industrialization and the role of women in development, and by the General Assembly at its seventh special session, which was a major follow-up to the sixth special session. However, the results of the implementation of these conferences did not have any impact on the situation prevailing in the first half of the Decade.

(3) Developed countries have not, by and large, implemented the policy measures of the International Development Strategy, and indeed there has been some retrogression. The inadequate implementation of policy measures embodied in the International Development Strategy, compounded with a continuing economic crisis which affects particularly the developing countries because of their greater vulnerability to external economic impulses, produced the most discouraging results with minimal progress in the advancement of the cause of development.

(4) Despite agreement at the first biennial review on the necessity to implement the policy measures agreed upon, there has been inadequate movement on the part of the developed countries towards making the development objective a central focus of issues to which the international community should urgently seek effective and consistent solutions.

## II. ACHIEVEMENT OF GOALS AND OBJECTIVES

(5) Some of the aggregate targets set in the International Development Strategy were met or exceeded, owing mainly to the developing countries' own efforts and to a certain extent to external factors such as the "commodity boom". These aggregate figures, however, do not reflect the variation in achievements by individual developing countries. The main features of achievement are set forth in paragraphs (6) to (13) below.

(6) The average growth rate in developing countries has continued at approximately the target set for the Decade, though the annual growth rate per capita was 3.3 per cent, or a little below the target of 3.5 per cent set by the Strategy.

Table 1. Gross domestic product of developing countries  
 (International Development Strategy target, 1971-1980:  
 6 per cent per annum)

<u>Average annual rate of change (percentage)</u>		<u>Percentage change from preceding year</u>			
<u>1961-70</u>	<u>1971-74</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>
5.5	5.9	5.2	5.6	7.0	5.6

Source: World Economic Survey, 1974.

(7) A major area of shortfall was in the agricultural sector, where less than half the target rate of 4 per cent was realized by the developing countries as a whole.

Table 2. Agricultural production of developing countries

(International Development Strategy target, 1971-1980:  
4 per cent per annum)

<u>Average annual rate of change (percentage)</u>		<u>Percentage change from preceding year</u>			
<u>1961-70</u>	<u>1971-74</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>
2.8	1.5	1.6	-0.8	3.9	1.5

Source: World Economic Survey, 1974.

(8) The over-all target of 8 per cent per annum in manufacturing output was attained in general, and in some cases exceeded.

Table 3. Manufacturing production of developing countries

(International Development Strategy target, 1971-1980:  
8 per cent per annum)

<u>Average annual rate of change (percentage)</u>	<u>Percentage change from preceding year</u>			
<u>1971-74</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>
8.3	6.7	8.9	9.0	8.7

Source: World Economic Survey, 1974.

(9) Developing countries, as a whole, have achieved the domestic savings rate of 20 per cent set for 1980, though for many developing countries the rate was somewhat less.

(10) A main factor conducive to the over-all achievements of the developing countries during this period was trade. In external trade and payments, quantum increases for many developing countries in the early years of the Decade decelerated in 1974, resulting in an average rate of somewhat less than the 7 per cent target of the International Development Strategy.

Table 4. Change in exports and imports of  
 developing countries  
 (International Development Strategy target, 1971-1980:  
 7 per cent per annum)

	<u>Average annual rate of increase</u>	<u>Percentage change from preceding year</u>			
	<u>1971-1974</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>
Quantum of exports	6.5	7.1	8.4	8.3	2.5
Quantum of imports	7.9	7.1	1.9	9.8	13.1

Source: World Economic Survey, 1974

(11) The net flow of financial resources of official development assistance, a major area of development policy, has decreased in real terms and as a percentage of gross national product.

Table 5. Net flow of official domestic assistance from  
 developed market economy countries  
 (International Development Strategy target, 1971-1980:  
 7 per cent per annum)

<u>Period</u>	<u>1971-1973</u>	<u>1974<sup>a/</sup></u>
1969-70	0.34	0.32

Source: World Economic Survey, 1974.

a/ Provisional data.

(12) The burden of debt service payments of developing countries has continued to increase in relation to their export earnings:

Table 6. Service payments on external public debt of 78 developing countries

	Percentage share of public debt service payment to the exports of goods and non-factor services (78 developing countries)
1967	9.9
1970	11.2
1973	10.9

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Source: Centre for Development Planning, Projections and Policies of the United Nations Secretariat.

(13) Population policies have, by and large, been implemented by developing countries within the context of their development plans and priorities, and the target of 2.5 per cent of average annual increase in population in developing countries has almost been reached.

### III. EVALUATION OF THE IMPLEMENTATION OF POLICY MEASURES

(14) Little progress has been made on international action in the field of commodity trade. In spite of international efforts to achieve stable, equitable and remunerative prices for primary commodities exported by developing countries there has been little progress in the field of commodity trade. The protection of domestic production and restrictive trade practices in some developed countries and/or the emergence and increased production of synthetic substitutes have contributed to a slowing down of growth of demand for agricultural products. However, a scheme for the stabilization of export earnings on selected commodities was agreed upon between the European Economic Community and 47 developing countries.

(15) Little has been accomplished on the issue of access to markets for primary commodities, particularly agricultural products of export interest to developing countries, in spite of the agreement reached by the Ministers of the Contracting Parties of the General Agreement on Tariffs and Trade at a meeting held in Tokyo in 1973.

(16) These negotiations, which according to the Tokyo Declaration were to have concluded by the end of 1975, have not yet had substantive results, to the particular detriment of developing countries whose economies are particularly

sensitive to external conditions. The removal and/or elimination of trade barriers were not satisfactorily achieved during the first half of the decade in spite of the implementation of the generalized scheme of preferences. In certain instances, the principle of standstill was not observed by some major trading countries, causing social and economic problems in developing countries.

(17) The impact of tariff escalation on processed products is a major obstacle to vertical diversification. Despite the objectives of facilitating improved access to the markets of developed countries for semi-processed and processed commodities of developing countries, adequate international action to achieve those objectives has not yet been forthcoming, thereby hampering the efforts of the developing countries to diversify their economies. In fact, the adverse effects of the Kennedy Round, which actually increased the degree of discrimination against some processed products, still continue to remain a matter of concern.

(18) Although the generalized scheme of preferences represents a break-through in the traditional concept of international trade and co-operation, its benefits to developing countries have so far been of a modest nature, owing mainly to its delayed implementation, to limitations in application by restrictive conditions regarding product coverage, the level of "ceiling", the degree of preference, the size of the preferential tariff quota, as well as the inadequacy of relevant information, which prevents beneficiaries from taking full advantage of the existing schemes. Even such limited benefits as accrue to developing countries from the Generalized Scheme of Preferences may be eroded both by preferential arrangements among some developed countries and by the prospect of reduction in trade barriers among them following the trade multilateral negotiations within the General Agreement on Tariffs and Trade.

(19) Developed countries have in some cases departed from the standstill referred to in the Strategy by applying new restrictions affecting a wide range of developing countries' exports, specifically those products in which the developing countries are becoming competitive in international markets, such as textiles, leather products, certain types of steel and electronic products. Similarly, the new restrictive measures imposed by some developed countries against exports of agricultural products of developing countries both in raw and processed forms, have severely affected the export earnings of those countries.

(20) In spite of growing awareness in the international community of the adverse effects on trade and development of restrictive business practices, which are being studied actively, inter alia, within the United Nations Conference on Trade and Development, no international action has been taken to eliminate this problem.

(21) There has not been systematic progress by developed countries in the implementation of measures called for to evolve a programme to assist in the adaptation and adjustment of their non-competitive industries.

(22) There has been a growing effort in developing countries to make greater use of trade promotion as an instrument for the expansion of their exports. The application of countervailing duties by some developed countries has limited the efforts of developing countries in promoting their trade through export policies which include such measures as subsidies, export incentives.

(23) During the first three years of the Decade a substantial growth occurred in trade between developing countries and the socialist countries of Eastern Europe. However, there are still certain important problems which face trade and economic relations between those countries and developing countries. The trade of those socialist countries with developing countries is largely concentrated upon a limited number of established partners. There is clearly room for accelerating the growth of trade between those socialist countries and developing countries, as well as a need to intensify further the efforts to adopt specific measures, as called for by the relevant paragraphs of the International Development Strategy, the relevant resolutions of the United Nations Conference on Trade and Development and the Charter of Economic Rights and Duties of States.

(24) The current economic situation has given added impetus to the expansion of economic co-operation among developing countries. This need was reflected in the Programme of Action on the Establishment of a New International Economic Order and decisions adopted by the non-aligned countries and other groups of developing countries as well as subregional and regional groups of developing countries, which stressed the need for further collective self-reliance and growing co-operation among developing countries. Some progress has been made in interregional and regional groups. On the basis of trade figures up to 1972, the growth of trade among developing countries has accelerated to over 15 per cent per annum since 1970, compared to 6 per cent during the First United Nations Development Decade. During the remainder of the Second Development Decade a more vigorous approach is required for joint action by developing countries. The Programme of Action on the Establishment of a New International Economic Order contains some of the steps which should be taken to expand co-operation at the regional, subregional and interregional levels while action is being taken among various groups of developing countries. The fields for such expansion of economic co-operation include industry, raw materials, science, technology, transport, shipping and communication media.

(25) The targets for net financial flows in the Strategy were set to provide the critical margin of external financing over and above the financial resources developing countries could obtain through export earnings to meet the minimum growth objectives of the Strategy. The Programme of Action also emphasized the need to reach and even exceed at an accelerated pace the proportion of the flow of total net financial resources from developed countries to developing countries and multilateral institutions. This flow, expressed as a percentage of the gross national product, fell from a level of 0.76 per cent in the early period 1961-1963 to 0.70 per cent during the period 1968 to 1970 and remained at that level during the period 1971-1973.

(26) The performance of countries members of the Development Assistance Committee under the official development assistance target has been even less satisfactory as a whole. The ratio of official development assistance to their combined gross national product declined from 0.53 per cent during the early 1960s to about 0.39 per cent during 1966-1969 and to 0.32 per cent during the

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period 1970-1973. The poor performance of most of the developed market economy countries with regard to the 0.7 per cent target is due, inter alia, to a lack of political will to reach that target by the middle of the Decade.

(27) In the face of the declining flows of official development assistance in real terms, developing countries have resorted even more to borrowing on relatively harder terms. This has increased debt-servicing problems, which are now extremely acute for a number of developing countries. Debt service payments have grown from an annual average of 9.6 per cent during the 1960s to about 16.5 per cent during the period 1970-1972. According to latest available figures, the ratio of debt service payments to export earnings for a number of developing countries exceeded 10 per cent in 1974 and in some cases passed the 20 per cent level.

(28) The aggregate terms and conditions of financial assistance to developing countries do not reveal that over-all efforts to soften and harmonize these terms and conditions of financial assistance to developing countries, as envisaged in the Strategy, have not been adequate. In addition, an excessive amount of development assistance continues to be tied. In paragraph 45, however, the Strategy states that, where loans continue to be tied, the harmful effects should be mitigated; there has been little progress in this area.

(29) Within the framework of their national plans and priorities, many developing countries have taken appropriate measures to attract foreign investment. At the same time, concern regarding those aspects of foreign private investment having negative consequences in developing countries have been reflected, inter alia, in the continuing consideration of this subject by international economic forums, thus motivating a series of resolutions reaffirming the permanent sovereignty of States over their national resources and economic activities.

(30) A Commission on Transnational Corporations has been established by the United Nations in order, inter alia, to formulate a code of conduct.

(31) Concern was also expressed as to the corrupt practices of certain transnational and other corporations, their intermediaries and others involved which violate the laws and regulations of host countries. The international community solemnly condemned such practices. Both home and host Governments were called upon to take within their respective national jurisdictions all necessary measures which they deem appropriate, including legislative measures, to prevent such corrupt practices and to take consequent measures against the violators. Home Governments were called upon to co-operate with host Governments to prevent such corrupt practices, and to prosecute, within their national jurisdictions, those who engaged in such acts.

(32) Consideration has been given to the establishment of a link between special drawing rights and additional development finance. It was agreed at the seventh special session that the establishment of a link between the special drawing rights and development assistance should form part of the consideration by the International Monetary Fund of the creation of new special drawing rights as and when they are created according to the needs of international liquidity. This small advance is the only progress made to date.

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(33) The most seriously affected countries continue to face a critical situation, despite international efforts carried out under the United Nations emergency operation. The flow of resources designed to assist them in meeting their balance-of-payments problems, as agreed in General Assembly resolution 3202 (S-VI) of 1 May 1974, has been slow and less than adequate.

(34) The code of conduct for liner conferences has not to date been adhered to by the major shipping countries.

(35) The main objective of the Strategy in the field of insurance and reinsurance is the establishment and growth of domestic insurance and reinsurance markets in developing countries. During the first half of the Decade, some preparatory steps have been taken which could lead to important results in this area in the remainder of the Decade.

(36) Despite the series of resolutions adopted after 1970, the essential facts concerning the progress in the least developed countries are disappointing. While financial flows to the least developed countries have clearly improved in the 1970s as compared with the late 1960s, the per capita flow of official development assistance to these countries is still only slightly above that to other developing countries, and the total flow of financial resources from all sources to these countries still remains well below the average to other developing countries.

(37) Little has been done in concrete terms to implement the special measures in favour of the least developed countries, particularly in the field of commercial policy.

(38) Likewise, the special measures in favour of the land-locked and island developing countries to assist them in solving their most critical and urgent problems due to their geographical position have yet to be implemented by the international community, especially in regard to compensation for their transportation and additional transit costs, including through the establishment of a special fund.

(39) There has been progress in the drafting of a code of conduct for the transfer of technology, though substantive action has still to be taken.

(40) There has been some movement towards the revision of the patent system but as yet there has been no concrete action.

(41) A number of positive changes have taken place in the world social situation since the advent of the Second United Nations Development Decade. In the context of the increased awareness of the gravity and complexity of human development problems facing the world community, developing countries have made some gains in identifying problems and adopting policies to meet them and also improving the actual situation, though there is clearly room for further advancement.

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Such matters as a more equitable distribution of income and wealth, employment, agrarian reform, including reform of land tenure systems whenever appropriate, land improvement, population policies, education and training policies, rural and integrated rural-urban development and the mobilization of internal resources, all of which would contribute appreciably towards a solution to the development problem, remain a source of great national and international concern.

(42) Significant advancement has been attained in the field of education, both in the provision of opportunities and in policies. In the area of health, basic health services are still to be extended to cover the entire population, though there has been notable success in some other areas. There is still room for improvement in the provision of housing and related community facilities in both urban and rural areas, and in particular, in the area of town planning. In respect of the welfare of youth and children, malnutrition, disease, infant mortality, lack of schooling facilities and employment opportunities for youth are still major areas of concern. The integration of women in the development process has still to be complete. Some progress has been noted in securing active support and participation of all segments of the population in socio-economic development programmes.

(43) In spite of intensified national and international efforts to arrest the deterioration of the human environment, environmental problems in the fields of land, water and energy use and climatic change have made themselves increasingly felt.

(44) A unified approach to the analysis and planning of development at the national level covering all sectors of the national economy, public and private, is being increasingly regarded as a means for the attainment of a balanced economic, social and human development in the light of the circumstances prevailing in the countries concerned.

(45) Although developing countries give priority to development programmes for the benefit of the masses, much remains to be done to achieve an integrated rural development.

(46) The primary responsibility for the development of developing countries rests upon themselves. However, as is stated in the preamble of the Strategy, the efforts of the developing countries will not be sufficient to enable them to achieve the desired development goals as expeditiously as they must unless they are assisted through increased financial resources and more favourable economic and commercial policies on the part of the developed countries. In both areas there has been slow progress in the implementation of these policy measures.

3. Urges Member States to implement the policy measures unanimously agreed upon at the seventh special session of the General Assembly (resolution 3362 (S-VII)) concerning international trade, transfer of resources for development, international monetary reform, science and technology, industrialization, food and agriculture and co-operation among developing countries. To that end, all Governments are requested to take the required measures and come to the international meetings sufficiently prepared so as to make it possible for the competent bodies of the United Nations concerned, particularly the United Nations Conference on Trade and Development at its fourth session, the United Nations Industrial Development Organization, the World Food Council, and the World Bank Group, to reach urgent and satisfactory agreements on those matters referred to them for implementation;

4. Urges Member States to implement the following measures undertaken within the framework of the International Development Strategy:

#### IV. FURTHER ACTION

(47) A more balanced and equitable system of international economic relations should be promoted, inter alia, by efforts to adjust the present pattern of world trade in favour of the developing countries so as to increase their participation in it and to reduce to a minimum the negative impact of economic fluctuations. A number of options are open to the international community to preserve the purchasing power of developing countries. These need to be further studied on a priority basis. The Secretary-General of the United Nations Conference on Trade and Development should continue to study direct and indirect indexation schemes and other options with a view to making concrete proposals to the Conference at its fourth session.

(48) The efforts of the developing countries to diversify their economies with a view to expanding the production and export of semi-manufactured and manufactured goods, as well as of semi-processed and processed commodities, and broadening the pattern of exports in favour of commodities with relatively dynamic demand conditions, should be supplemented, inter alia, by resources from developed countries and by the provision of specific funds for diversification as a feature of commodity arrangements whenever possible.

(49) Intensive research and development efforts designed to improve market conditions and cost efficiency and to diversify the end uses of natural products facing competition from synthetics and substitutes; financial and technical assistance to developing countries producing natural products which suffer competition from synthetics and substitutes, in order to help them to diversify into other areas of production. Where natural products are able to satisfy present and anticipated world market requirements, no special encouragement should be given to the creation and utilization of new production, particularly in the developed countries, of directly competing synthetics.

(50) The trade between the socialist countries of Eastern Europe and developing countries should continue to expand at an accelerated rate and cover a large number of developing countries. While measures should be taken to increase the rate of growth of imports from developing countries, particular attention shall be paid to increasing the rate of expansion of the share of manufactures and semi-manufactures. Efforts should be intensified to enter into new trade arrangements

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and initiate other improvements in order to bring about greater flexibility and multilateralization of payments.

(51) Financial and technical assistance should be directed exclusively towards promoting the economic and social progress of developing countries and should not in any way be used to the detriment of the national sovereignty of recipient countries.

(52) Taking into account existing agreements and those under consideration, discussions and negotiations should be vigorously pursued with a view to making arrangements for the transfer of resources to stabilize and improve the export earnings of developing countries. In the context of the search for appropriate means for dealing with the problems of disruption of development arising from the adverse movements in the export proceeds of developing countries, efforts should be continued in order to work out a scheme of supplementary financing.

(53) All Governments should co-operate within the framework of the Commission on Transnational Corporations with a view to formulating, adopting and implementing an international code of conduct referred to in the report of the Commission on Transnational Corporations on its first session. 2/

(54) Developing countries should continue to implement their undertaking in the Strategy for the mobilization of domestic resources.

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

#### Co-operation among developing countries

(56) Developing countries should take specific measures to intensify their current efforts and initiate new ones to negotiate and put into effect commitments to expand their mutual trade and to extend their economic and technical co-operation at the subregional, regional and interregional levels through, inter alia: the establishment of payments arrangements; the mutual liberalization of trade; the utilization of available financial resources for financing development in the developing countries; the promotion of industrial co-operation, co-operation in the field of science and technology; the promotion of subregional, regional and interregional financial support and co-operation; the increase in the production of agricultural inputs, particularly fertilizer and pesticide; the establishment of national, regional and interregional shipping companies.

(57) Developed countries and international organizations should take measures, or, when appropriate, strengthen existing measures, to support economic and technical co-operation among developing countries.

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2/ Official Records of the Economic and Social Council, Fifty-ninth Session, Supplement No. 12 (E/5655 and Add.1).

Invisibles

(58) National and international measures should be taken to increase substantially the earnings of developing countries from invisible trade, in particular shipping and other modes of transportation, insurance and tourism and the profitability of their trade, and improve their balance of payments on a permanent basis.

(59) All countries, especially developed countries, which have not yet ratified or acceded to the Convention on a Code of Conduct for Liner Conferences, 3/ are invited to take appropriate and urgent action to do so.

Special measures in favour of the least developed countries

(60) All efforts should be made by the international community to ensure the sustained economic and social progress of these countries through the urgent and comprehensive implementation of the agreed measures in their favour.

(61) Concerted efforts should be made by developed countries and international organizations through their programmes of technical and financial assistance to meet the needs of the least developed countries in their development objectives. The terms and conditions of financial assistance to these countries should be improved so as to include a preponderant grant element.

(62) Developed countries and developing countries in a position to do so should take special measures to assist in the structural transformation of the economies of these countries.

Special measures in favour of the land-locked and island  
developing countries

(63) National and international financial institutions should accord special attention to the special needs of land-locked and geographically disadvantaged island developing countries in extending adequate financial and technical assistance to projects and programmes designed for the development and improvement of the transport and communication infrastructure needed by these countries. The terms and conditions of financial assistance to these countries should be improved so as to include a preponderant grant element.

(64) All States are invited to become parties to the Convention on Transit Trade of Land-locked States of 8 July 1965. 4/

(65) Implementation of measures designed to assist these countries in overcoming the handicaps of their geographically disadvantaged positions should take into account the relevant decisions and resolutions of the General Assembly, the United Nations Conference on Trade and Development and other relevant bodies.

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3/ See United Nations Conference of Plenipotentiaries on a Code of Conduct for Liner Conferences, vol. II, Final Act, United Nations publication, Sales No.: E.75.II.D.12.

4/ United Nations, Treaty Series, vol. 597, No. 8641, p. 3.

Special measures in favour of the most seriously affected countries

(66) Industrialized countries and other potential contributors and international organizations, such as the World Bank and the International Monetary Fund, are called upon to extend to the most seriously affected countries immediate relief and assistance, as provided for in General Assembly resolutions 3201 (S-VI), 3202 (S-VI) and 3362 (S-VII), in order to enable them to rejoin the developmental mainstream, and to reach the targets laid down in the International Development Strategy.

Human development

(67) In accordance with their development requirements, the developing countries should devote increasing attention to the implementation of the policy measures in the field of human development contained in the Strategy and other relevant United Nations decisions for the benefit of their populations as a whole as well as for every individual. In accordance with their development plans and objectives, the developing countries should give priority to the poorest strata of the population in such policy areas as integrated rural development, agrarian and land reform, basic health services, nutritional standards, education and training, population, housing and related community facilities in both urban and rural areas and employment. Recognizing the importance of the human environment as a basis for economic and social development, all countries should intensify efforts for the protection, preservation and enhancement of the environment. Developed countries and international institutions should, upon request, assist the developing countries in the above tasks.

(68) With a view to ensuring the maximum participation of women in the total development effort, all States and competent organizations should give priority to the implementation of recommendations of the World Conference of the International Women's Year in the formulation of their economic and social policies.

Expansion and diversification of production

(69) Developing countries should adopt and implement measures to increase production and improve productivity in order to provide goods and services necessary for raising levels of living and improving economic viability. Developed countries and competent international institutions should take the necessary steps to support those measures.

(70) Developing countries should aim at achieving a growth rate of manufacturing output of considerably more than 8 per cent per annum during the second half of the Decade. To this end, the international community should implement the decisions of the Second General Conference of the United Nations Industrial Development Organization 5/ in the field of industrialization.

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5/ See ID/CONF.3/31.

(71) Developing countries should aim to achieve the minimum annual rate of growth in agricultural production of 4 per cent during the second half of the Decade. To this end, both developing and developed countries should implement the decisions of the World Food Conference, in particular, developed countries should assist developing countries in their efforts to achieve this target.

(72) Concrete and speedy measures should be adopted and implemented for combating desertification, salination and damage by locusts or any other adverse natural phenomena affecting agricultural production in developing countries.

(73) **Free and effective exercise by all countries of permanent sovereignty** over their natural resources and economic activities will play an important role in the achievement of the goals and objectives of the Decade. Developing countries will take steps to develop the full potential of their natural resources. Concerted efforts will be made in the defence of the free and effective exercise of the right of every State to full and permanent sovereignty over its natural resources. Competent agencies of the United Nations system will assist developing countries, at their request, in connexion with the operation of nationalized means of production.

#### Mobilization of public opinion

(74) The growing recognition at government level of the reality of interdependence and of the urgent need to close the widening gap between developed and developing countries calls for renewed efforts to mobilize public opinion, particularly in developed countries, in support of the objectives and policies of the International Development Strategy to the point where it sustains Governments in the early implementation of commitments made. In particular, in view of the present economic recession in both developed and developing countries, the task is even more essential now than it was in 1970.

#### Elimination of foreign aggression and occupation, racial discrimination, apartheid and colonialism

(75) In accordance with the relevant provisions of resolution 2626 (XXV) and resolution 3176 (XXVIII), vigorous and concrete steps and action still remain to be taken collectively and individually by all members of the international community to end all forms of foreign aggression and occupation, racial discrimination, apartheid and colonialism. It is the duty of all States to support and extend assistance to the countries, territories and peoples concerned, so as to restore their national sovereignty, territorial integrity and their undeniable and fundamental rights.

REMAINING TASKS

5. Urges developed and developing countries to continue seeking new areas of agreement and widening the existing ones, within the framework of the appropriate international organizations, through addressing themselves, inter alia, to the following issues:

(a) Extension of preferential treatment in favour of developing countries in trade;

(b) Differential and more favourable treatment in favour of developing countries in areas other than trade, in appropriate cases;

(c) International norms and procedures to govern departures from the provisions of the principle of standstill;

(d) Transfer of resources to developing countries on a predictable, continuous and assured basis, through, inter alia:

(i) The establishment of a link between additional development financing and special drawing rights as and when they are created according to the needs of international liquidity;

(ii) The possible utilization of the proceeds from the exploitation of the resources of the sea-bed and the ocean floor and the subsoil thereof, beyond the limits of national jurisdiction;

(e) Increased financing of development in developing countries in accordance with their national plans and priorities through new approaches such as increased access on favourable terms to the capital market of developed countries;

(f) Full and effective participation of developing countries in the international economic system and their contribution to its functioning;

6. Invites Member States to take appropriate steps to ensure the implementation of all the provisions of the Strategy;

7. Decides to include in the provisional agenda of its thirty-first session an item on the revision of the International Development Strategy for the Second United Nations Development Decade, so that it fully takes into account the principles and policy decisions adopted within the United Nations since the adoption of the Strategy and, in particular, resolutions 3201 (S-VI) and 3202 (S-VI) on the Declaration on the Establishment of a New International Economic Order and the Programme of Action for its establishment, 3281 (XXIX) on the Charter of Economic Rights and Duties of States, and 3362 (S-VII) on development and international economic co-operation;

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8. Invites the regional commissions, in the light of the present resolution, to carry forward work already undertaken in preparation for this mid-term review and appraisal, in co-operation with the other competent organizations of the United Nations system;

9. Requests the governing bodies of the United Nations Conference on Trade and Development, the United Nations Industrial Development Organization, the United Nations Development Programme, the United Nations Environment Programme and the specialized agencies, in the light of this mid-term review and appraisal, to recommend, in their respective sectors new goals and objectives, as appropriate, for the remainder of the Decade, taking into account the conclusions and recommendations of the international conferences which have taken place since the adoption of resolution 2626 (XXV);

10. Invites the Committee on Development Planning to submit to the Economic and Social Council at its sixty-first session a report containing projections for the remainder of the Decade and, as appropriate, proposals for revision of the goals and objectives of the International Development Strategy, as well as recommendations for new goals and objectives, in the light of the conclusions and recommendations of the international conferences which have taken place since the adoption of resolution 2626 (XXV);

11. Requests the Secretary-General to prepare and submit to the Economic and Social Council at its sixty-first session appropriate documentation on the basis, inter alia, of the preparatory work to be done in accordance with paragraphs 8, 9 and 10 above;

12. Invites the Economic and Social Council to include in the provisional agenda for its sixty-first session an item dealing with the revision of the International Development Strategy for the Second United Nations Development Decade.

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